

# NSE Clearing Limited



**Twenty-Ninth** Annual Report  
2023-24

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Non - Independent, Executive



Mr. Vikram Kothari  
(Managing Director & CEO)

S

### Public Interest Director, Non - Executive



Mr. Abhaya Hota  
(Chairperson)

R N A



Dr. Golaka Nath

C N R

### Non - Independent Director, Non - Executive



Mr. Yatrik Vin



Mr. Gopalkrishna Hegde

N A C S



Mr. Jayant Haritsa

S A R N



Mrs. Priti Savla

A C R S

### Board Committees

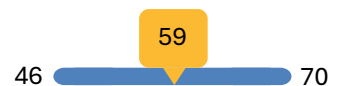
● - Chairperson    ● - Member

- A - Audit Committee
- C - Corporate Social Responsibility Committee
- N - Nomination & Remuneration Committee
- R - Risk Management Committee
- S - Stakeholder Relations Committee

Total No. of  
Board Members



Average Age (years)



Board Independence (%)



## BRIEF PROFILE OF THE DIRECTORS

Mr. Abhaya Hota  
Chairperson, PID

Mr. Abhaya Hota is well known in banking and financial services for his contribution in Payment and Settlement System as Head of Payment Systems Department in Reserve Bank of India (2005-2008) and thereafter as the Managing Director & CEO of National Payments Corporation of India (2009-2017). He combines the experience of a regulator & operator in payments systems space and has dedicated major part of his career towards technology, clearing and settlement systems. He currently holds position as Independent director on Boards of various companies including listed Companies like Federal Bank Limited & Protean e-gov Technologies Limited.

Dr. Golaka Nath  
PID

Dr. Golaka Nath comes with an extensive work expertise in financial product markets covering Debt, Equity, Forex & Derivatives, Data Analytics, Financial Benchmarks developments, Information Technology, application of Technology in business, specific Software skill, proven at both a strategic and operational level. He is presently working as Professor & Dean, School of Economics at XIM University.

Mr. G S Hegde  
PID

Mr. G S Hegde has a wide experience in handling litigation, providing legal advice, negotiating contracts and vetting documents. He is LL.M from Columbia University, New York. He has served as an in-house lawyer at the Reserve Bank of India for over 30 years and retired as Principal Legal Adviser. During his period there, he was closely associated with the legal services related to the Payment and Settlement Systems and Government Securities. He currently works as a consultant at Shardul Amarchand Mangaldas and Co., law firm.

Mr. Jayant Haritsa  
PID

Mr. Jayant Haritsa is an alumnus of IIT Madras, he holds a PhD in Computer Science from University of Wisconsin – Madison. He has worked for over 30 years at the Indian Institute of Science, Bangalore and currently is a professor in Department of Computational & Data Sciences and Department of Computer Science & Automation. He is involved in the research and teaching in database system. He specializes in the field of technology research.

Mrs. Priti Savla  
PID

Mrs. Priti Savla has an exposure over 20 years in areas of audit, strategic planning, business advisory, process set up, risk mitigation & finance. She was a panel member in SEBI - Committee for review of Takeover Regulations. She is also a Central Council Member of the Institute of Chartered Accountants of India. She is currently a partner at KP&B Associates, Chartered Accountants. She also holds the position as Independent Director on the Boards of various Companies like IRB Infrastructure Developers Limited, Sun Pharma Laboratories Limited & Apcotex Industries Limited.

Mr. Yatrik Vin  
NID

Mr. Yatrik Vin was the Group CFO & Head Corporate Affairs at the National Stock Exchange of India Limited. He has been associated with NSE for more than 23 years. He carries over three decades of experience in Corporate Strategy, Finance, Treasury, Capital Markets and Financial Regulations, Mergers & Acquisitions, Investments & Divestment, Investor Relations, Regulatory & Compliance Management, Corporate Taxation, Auditing & Assurance function and Corporate Performance Management. He is a fellow member of the Institute of Chartered Accountants of India and is an alumnus of Kellogg School of Business, USA.

Mr. Vikram Kothari  
MD & CEO

Mr. Vikram Kothari is a Chartered Accountant & Cost Accountant. He has been appointed as the Managing Director of the NSE Clearing Limited since 2017. He comes with a wide range of knowledge and experience in the field of Capital Markets. In his career, he has headed major critical operations like Trade Operations, Clearing & Settlement & Risk Management. He has served various organisations in formulating strategies, driving sales, client management, client delivery and compliance. During his career Mr. Kothari was associated with Companies like The Hong Kong And Shanghai Banking Corporation Limited (HSBC Ltd), ICICI Bank Limited and JP MORGAN Chase Bank.

## **MANAGEMENT TEAM**

Ms. Rana Usman	:	Clearing & Settlement
Mr. Huzefa Mahuvawala	:	Risk Management
Mr. Uppili Krishnan Srinivasan	:	Information Technology
Ms. Hima Bindu Vakkalanka	:	Special Projects
Mr. Aniket Bhanu	:	Strategic Projects
Mr. Amit Pujara	:	Regulatory & Compliance
Mr. Pradeep K. Mukilmaridur	:	Legal
Mr. Nilesh Tinaikar	:	Business Solution Group
Mr. Thomas Cherian	:	Technology
Ms. Irsha Kale	:	Human Resource

## **CHIEF FINANCIAL OFFICER**

Mr. Amit Amlani

## **COMPANY SECRETARY**

Mr. Ravin Tank

## **STATUTORY AUDITORS**

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

## **SECRETARIAL AUDITORS**

M/s Makarand M Joshi & Co.  
Practicing Company Secretaries  
Ecstasy, 803/804, 8<sup>th</sup>, Citi Of Joy, JSD, Ashok Nagar,  
Mulund West, Mumbai - 400 080

## **REGISTERED OFFICE**

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

## **REGISTRAR & TRANSFER AGENTS**

Link Intime India Private Limited  
C-101, 247 Park, L.B.S Marg,  
Vikhroli (West), Mumbai - 400 083

## BOARD'S REPORT

To,  
**The Members,**

Your Directors' have pleasure in presenting this Twenty Ninth Annual Report of NSE Clearing Limited (referred herein as the 'NCL' or 'NSE Clearing' or 'the Company') along with the Audited Financial Statements for the financial year (F.Y.) ended March 31, 2024.

### 1 STATE OF COMPANY'S AFFAIRS- OPERATIONS

#### 1.1 Settlement – Capital Market segment

NSE Clearing successfully retained its track record of completing all settlements in a timely manner.

During the period F.Y. 2023-24, 246 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 ₹ 22,374.13 crores in F.Y. 2023-24 compared to ₹14,128.14 crores in F.Y. 2022-23. The average funds pay-in per settlement was ₹ 5,297.39 crores in F.Y. 2023-24 compared to ₹ 3,750.56 crores in F.Y. 2022-23. The average number of shares processed per settlement was about 9,530 lakhs in F.Y. 2023-24 as compared to 6,320 lakhs in F.Y. 2022-23. Short deliveries per settlement averaged around 0.12% in F.Y. 2023-24 as compared to 0.13% in F.Y. 2022-23.

Table 1:

<b>Snapshot of NCL Business in ₹ Crores per Settlement (Capital Market)</b>		
<b>Settlements</b>	<b>F.Y. 2023-24</b>	<b>F.Y. 2022-23</b>
Average value of securities	22,374.13	14,128.14
Average funds pay-in	5,297.39	3,750.56
Average number of shares (in lakhs)	9,530	6,320
Short deliveries	0.12%	0.13%
Deliverable shares (number)	20.80%	19.44%
Deliverable shares (Value)	25.31%	24.00%
<b>Business Highlights</b>		
Highest trading volume	1,91,602.48	1,36,674.69
Highest deliverable value	69,476.54	42,671.26

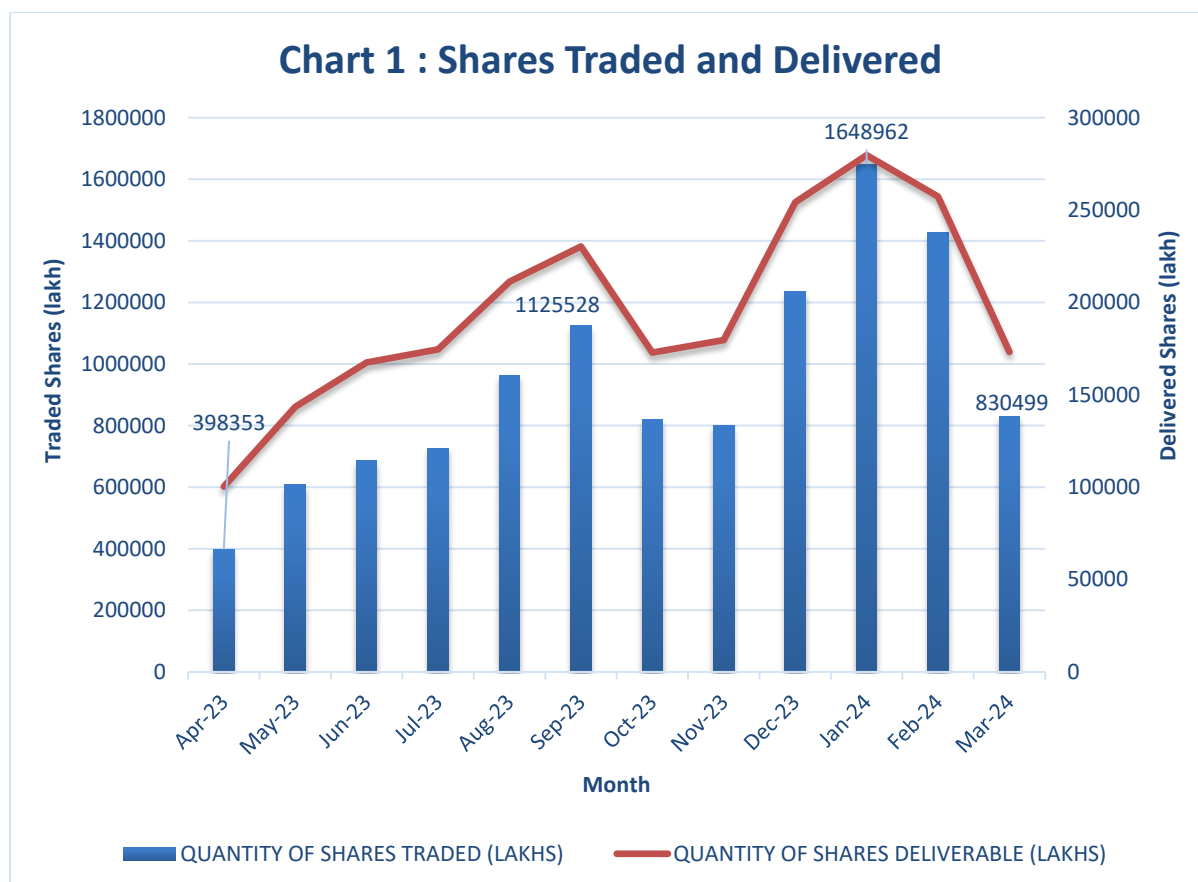
The highest trading volume of ₹1,91,602.48 crores and the highest deliverable value of ₹ 69,476.54 crores were observed on December 01, 2023. The percentage of number of shares deliverable to number of shares traded increased to 20.80% in F.Y. 2023-24 from 19.44% in F.Y. 2022-23. Percentage of value of shares deliverable to value of shares traded increased to 25.31% in F.Y. 2023-24 from 24% in F.Y. 2022-23.

The Core Settlement Guarantee Fund of Capital Market Segment stood at ₹780.40 crores for the month of March 2024. The details of settlements carried out by NSE Clearing are presented in the table below.

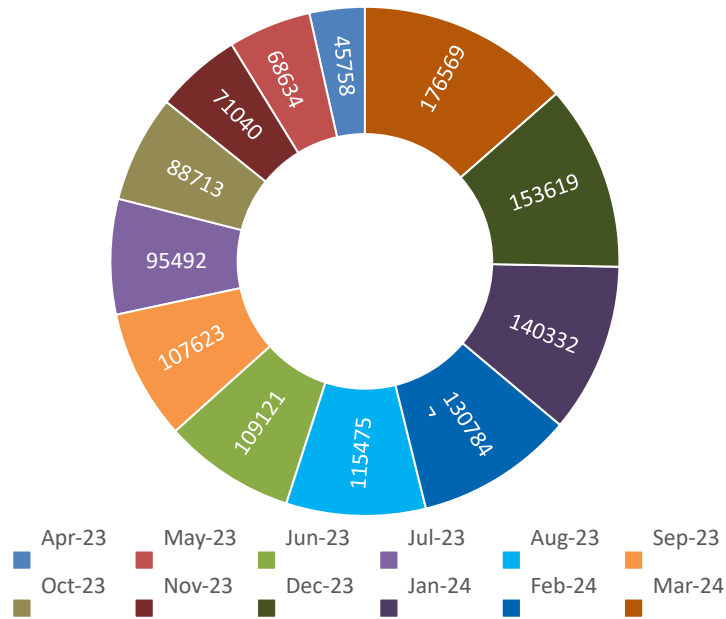
Table 2:

Settlement Statistics for F.Y. 2023-2024 – Capital Market Segment									
Month	Quantity of Shares Traded (in lakhs)	Quantity of Shares Deliverable (in lakhs)	% of Shares Deliverable to Total Shares Traded	Value of Shares Traded (₹ in Crores)	Value of Shares Deliverable (₹ in Crores)	% of Delivery to Value of Shares Traded	% of Short Delivery to Delivery	Funds-Pay In (₹ in Crores)	No. of settlements
Apr-23	3,98,353	1,00,338	25.19	9,34,243.93	2,35,870.73	25.25	0.20	45,757.97	17
May-23	6,07,288	1,43,454	23.62	13,41,590.66	3,34,389.23	24.92	0.14	68,633.51	22
Jun-23	6,85,708	1,67,493	24.43	14,92,489.83	4,21,886.03	28.27	0.12	1,09,120.53	21
Jul-23	7,27,048	1,74,620	24.02	16,49,007.65	4,22,069.01	25.60	0.13	95,491.62	21
Aug-23	9,63,913	2,11,252	21.92	17,53,080.68	4,58,802.47	26.17	0.08	1,15,475.17	22
Sep-23	11,25,528	2,30,261	20.46	17,90,045.72	4,68,711.33	26.18	0.14	1,07,622.88	19
Oct-23	8,20,192	1,72,876	21.08	15,63,485.39	4,03,106.95	25.78	0.10	88,713.33	21
Nov-23	8,00,229	1,79,634	22.45	14,80,889.49	3,72,603.25	25.16	0.23	71,039.51	21
Dec-23	12,34,198	2,54,242	20.60	23,73,878.47	6,02,710.75	25.39	0.09	1,53,618.69	20
Jan-24	16,48,962	2,79,719	16.96	26,81,501.89	6,29,126.96	23.46	0.15	1,40,332.07	22
Feb-24	14,26,803	2,57,297	18.03	26,45,388.76	6,10,557.87	23.08	0.07	1,30,784.23	21
Mar-24	8,30,499	1,73,159	20.85	20,42,811.91	5,44,200.88	26.64	0.08	1,76,568.56	19

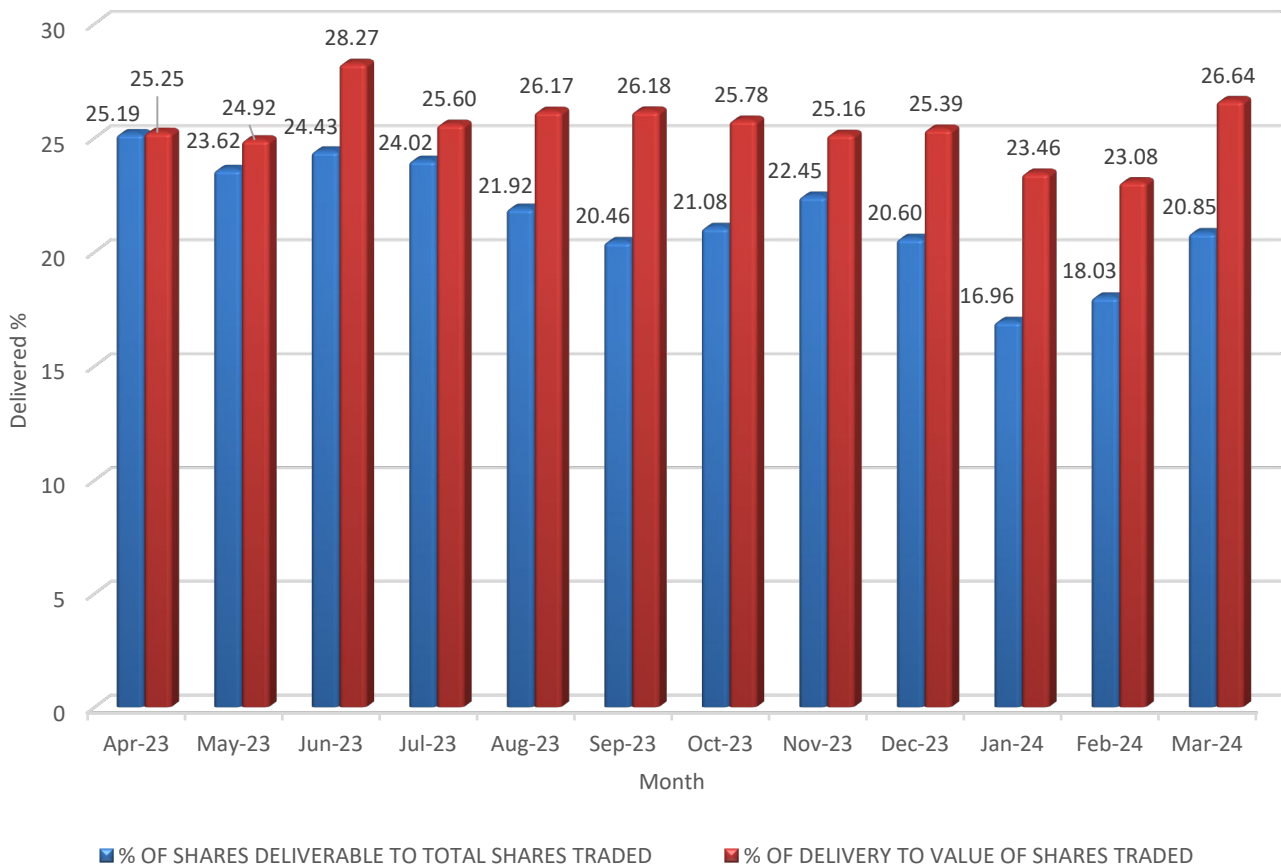
Note – During the year under review, there was no physical settlement. The values provided are across all exchanges.



**Chart 2 : Funds Pay in Rs. Crores - Highest Month to Lowest Month**



**Chart 3 : Shares Delivered - Value and Number**





## 1.2 Securities Lending and Borrowing segment.

NSE Clearing is an Approved Intermediary (AI) for Securities Lending and Borrowing Segment (SLBS) with SEBI. In F.Y. 2023-24, the volumes in SLBS increased by 29.71% from ₹ 29,314.43 crores in F.Y. 2022-23 to ₹ 38,023.30 crores. As compared to the previous year, securities traded in SLBS decreased from 552 to 502 in F.Y. 2023-24. As on March 31, 2024, there are 381 participants, 5 custodian-cum-participants and 8 custodians registered in SLBS.

## 1.3 Settlement - F&O Segment

The period F.Y. 2023-24 witnessed positive growth in the total amount settled. The total value of settlement increased to ₹ 3,79,821.94 crores in F.Y. 2023-24 from ₹ 3,46,153.80 crores in F.Y. 2022-23. The highest monthly settlement was ₹ 49,972.30 crores in the month of January 2024. February 2024 witnessed the highest monthly trading volumes of ₹ 1,01,38,59,242.14 crores, while the highest daily trading volume during this period was ₹ 7,51,20,515.53 crores witnessed on February 14, 2024, with total of 1,03,77,93,905 contracts being traded.

Table 3: (₹ in Crores)

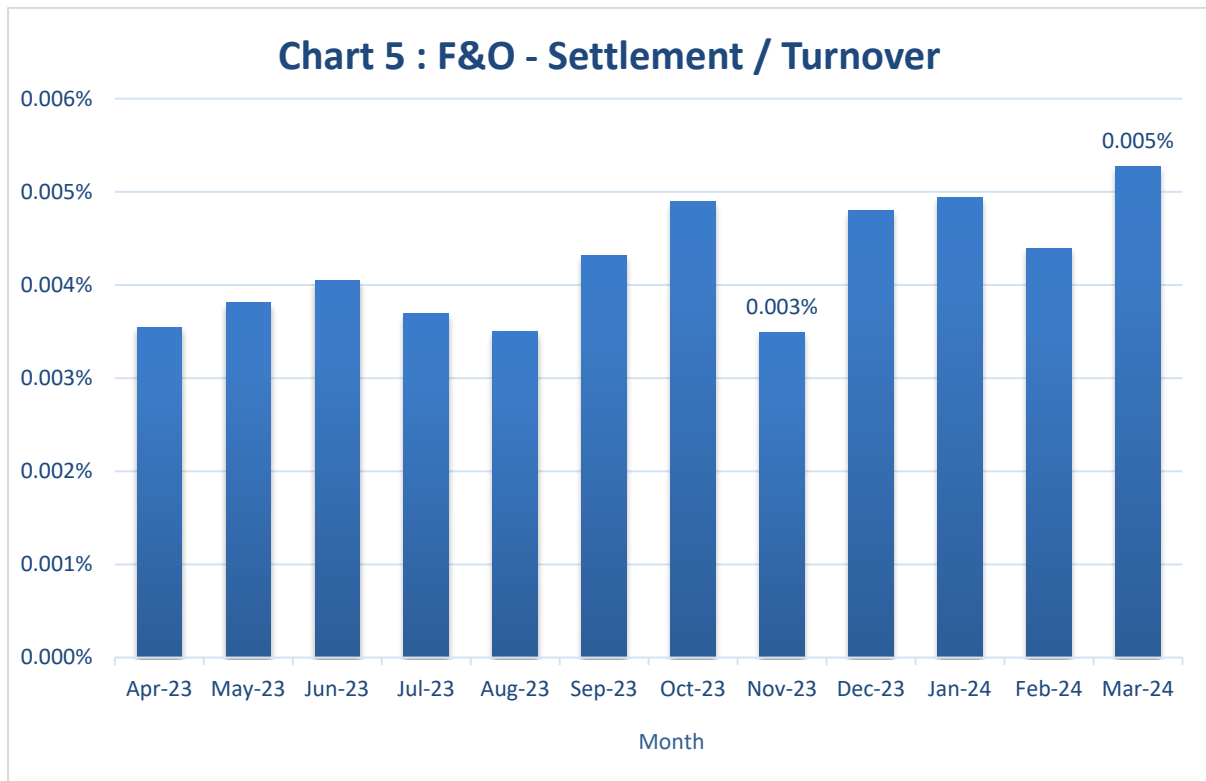
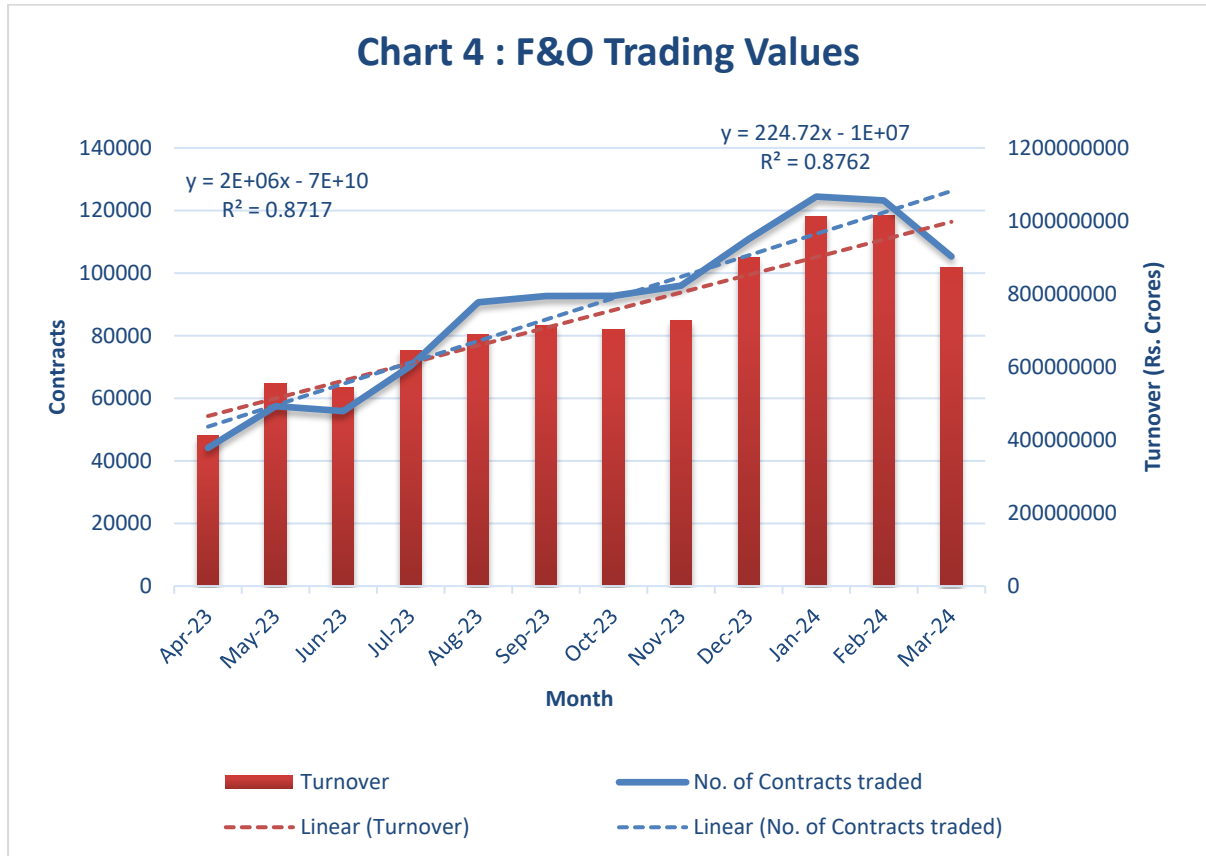
Snapshot of NCL Business in F&O segment		
F&O Settlement	F.Y. 2023-24	F.Y. 2022-23
Total value of settlement	3,79,821.94	3,46,153.80
<b>Highlights of Business</b>		
Monthly Highest Settlement	49,972.30	42,566.13
Monthly highest trading	1,01,38,59,242.14	49,49,41,265.52
Daily Highest Trading	7,51,20,515.53	4,73,73,216.58
Highest Contracts Traded (Number)	1,03,77,93,905	51,09,05,029

The details of turnover and month-wise settlement values during the F.Y. 2023-24, are tabulated below:

Table 4:

Business of NCL in F&O Segment							
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-23	44,162	41,11,32,236.41	7,485.05	160.05	5,707.49	1,210.38	14,562.97
May-23	57,505	55,39,98,837.86	12,584.18	103.34	7,460.33	947.61	21,095.47
Jun-23	55,895	54,34,79,310.19	13,428.19	340.89	7,051.21	1,162.56	21,982.85
Jul-23	70,366	64,45,52,058.38	12,862.57	207.08	9,010.81	1,739.33	23,819.79
Aug-23	90,683	69,00,46,845.92	13,817.07	203.58	8,720.59	1,389.23	24,130.46
Sep-23	92,644	71,45,57,788.08	19,975.98	337.57	8,761.17	1,796.30	30,871.02
Oct-23	92,706	70,24,95,038.58	22,587.31	804.00	8,687.73	2,280.68	34,359.72
Nov-23	95,994	72,77,00,368.85	15,332.80	209.16	7,593.68	2,247.48	25,383.11
Dec-23	1,10,874	89,92,09,171.70	27,065.12	339.92	12,049.72	3,691.34	43,146.09
Jan-24	1,24,441	1,01,14,56,877.97	34,010.27	448.47	12,664.85	2,848.71	49,972.30
Feb-24	1,23,210	1,01,38,59,242.14	29,647.63	154.58	12,573.53	2,122.71	44,498.45
Mar-24	1,05,291	87,29,08,241.79	30,904.33	632.1	11,874.81	2,588.46	45,999.71

Note: Values provided are across all exchanges.



The Core Settlement Guarantee Fund for F&O Segment stood at ₹ 4,334.09 crores for the month of March 2024.

## 1.4 Settlement - Currency Derivatives Segment

### 1.4.1 Currency Futures & Options

The F.Y. 2023-24 witnessed a decrease in the total settlement values from ₹ 18,235.99 crores in F.Y. 2022-23 to ₹ 9,669.47 crores. The highest monthly settlement value was ₹ 1,203.90 crores in the month of July 2023. The highest trading value in Currency Futures on NSE Clearing during this period was ₹ 1,14,536.92 crores witnessed on March 22, 2024, with total of 1,34,85,667 contracts being traded and in Currency Options it was ₹ 2,99,922.52 crores, witnessed on March 22, 2024, with total of 3,59,21,577 contracts being traded.

Table 5: (₹ in Crores)

Snapshot of NCL Business in Currency Derivatives segment		
Currency Derivatives Settlement	F.Y. 2023-24	F.Y. 2022-23
Total value of settlement	9,669.47	18,235.99
<b>Highlights of Business</b>		
Monthly Highest Settlement	1,203.90	2,290.84
Daily highest trading Value – Currency Futures	1,14,536.92	1,23,145.96
Daily Highest Trading Value – Currency Options	2,99,922.52	2,62,907.37
Highest Contracts Traded Currency Futures (Number)	1,34,85,667	1,48,43,264
Highest Contracts Traded Currency Options on (Number)	3,59,21,577	3,26,32,085

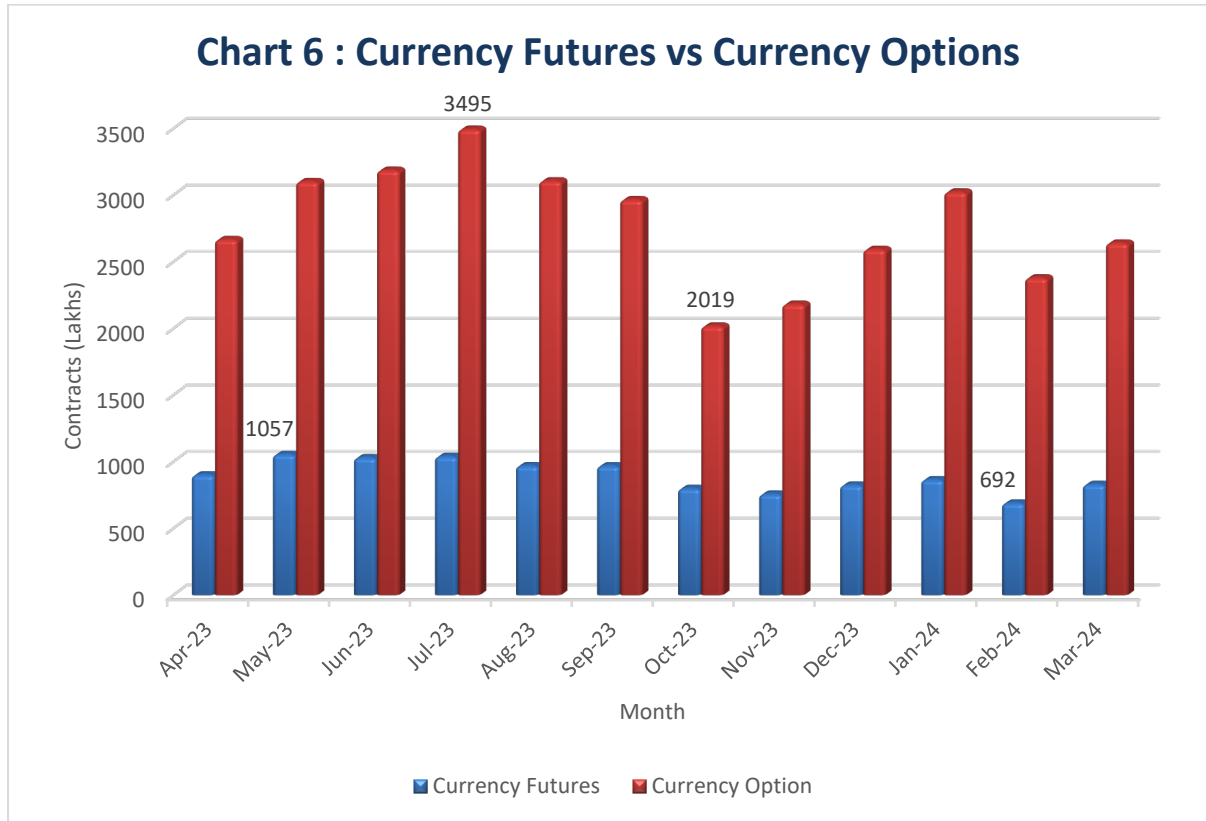
The details of turnover and month-wise settlement values during the F.Y. April 01, 2023, to March 31, 2024, are tabulated below:

Table 6:

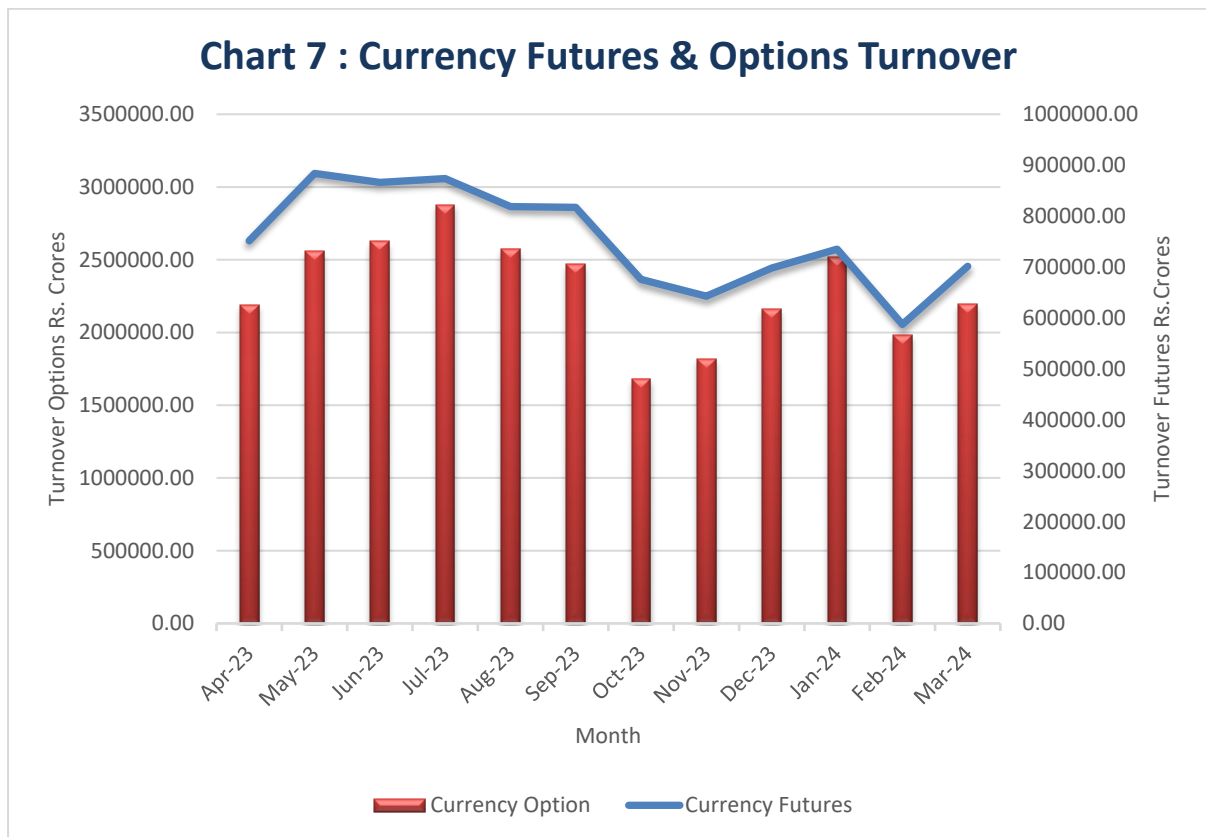
NCL Business in Currency Derivatives Segment									
Month	Currency Futures				Currency Options				Total Settlement (₹ in crores)
	No. of Contracts Traded (in lakhs)	Turnover (₹ in crores)	MTM Settlement (₹ in crores)	Final Settlement (₹ in crores)	No. of Contracts Traded (in lakhs)	Turnover (₹ in crores)	Premium Settlement (₹ in crores)	Exercise Settlement (₹ in crores)	
Apr-23	903	7,51,520.01	426.95	10.85	2668	21,92,084.80	177.22	61.62	676.64
May-23	1057	8,83,808.08	493.00	12.38	3103	25,59,444.09	185.16	72.96	763.49
Jun-23	1032	8,66,075.38	696.13	21.29	3188	26,26,754.90	185.79	83.06	986.27
Jul-23	1041	8,73,709.04	907.84	16.93	3495	28,78,192.60	202.45	76.67	1203.90
Aug-23	972	8,18,826.03	634.15	7.59	3108	25,77,253.12	222.03	88.04	951.80
Sep-23	971	8,17,069.66	555.92	18.52	2967	24,68,381.48	186.47	71.65	832.57
Oct-23	801	6,75,701.98	415.77	6.99	2019	16,83,956.01	152.42	46.80	621.99
Nov-23	759	6,42,811.04	583.68	11.93	2183	18,22,038.41	134.48	55.16	785.26
Dec-23	826	6,98,087.55	659.58	26.19	2594	21,63,314.40	138.50	40.85	865.12
Jan-24	867	7,34,968.51	457.78	10.41	3025	25,18,961.00	152.50	44.81	665.50
Feb-24	692	5,87,246.67	288.75	4.34	2381	19,80,072.88	134.41	45.10	472.60
Mar-24	831	7,01,513.77	526.20	62.57	2642	21,97,344.59	197.00	58.58	844.34

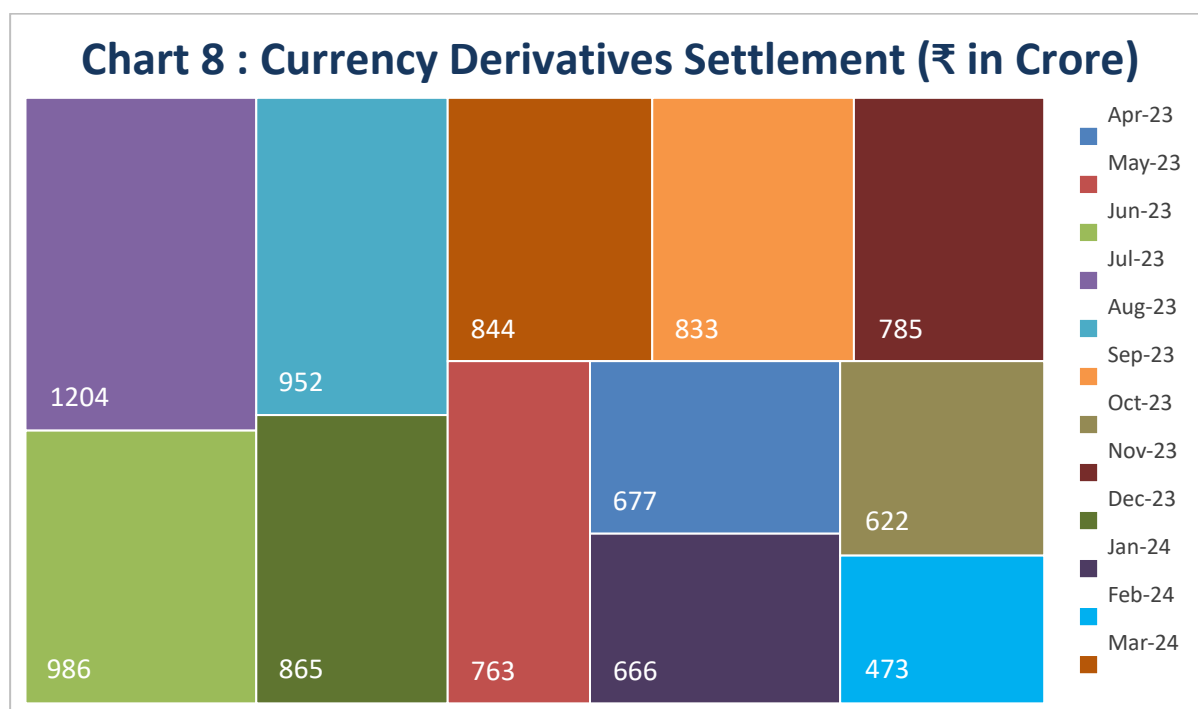
Note: Values provided are across all exchanges

**Chart 6 : Currency Futures vs Currency Options**



**Chart 7 : Currency Futures & Options Turnover**





Interlinkage between Business segments of NCL is depicted in Table 7 through a Correlation Chart.

Table 7:

Interlinkage between NCL Business Segments				
	CM Trades Value	FO Settlement value	CD Settlement Value	CM Funds
CM Trades Value	1			
FO Settlement value	92%	1		
CD Settlement Value	-27%	-38%	1	
CM Funds Settlement	81%	84%	4%	1

#### 1.4.2 Interest Rate Derivatives

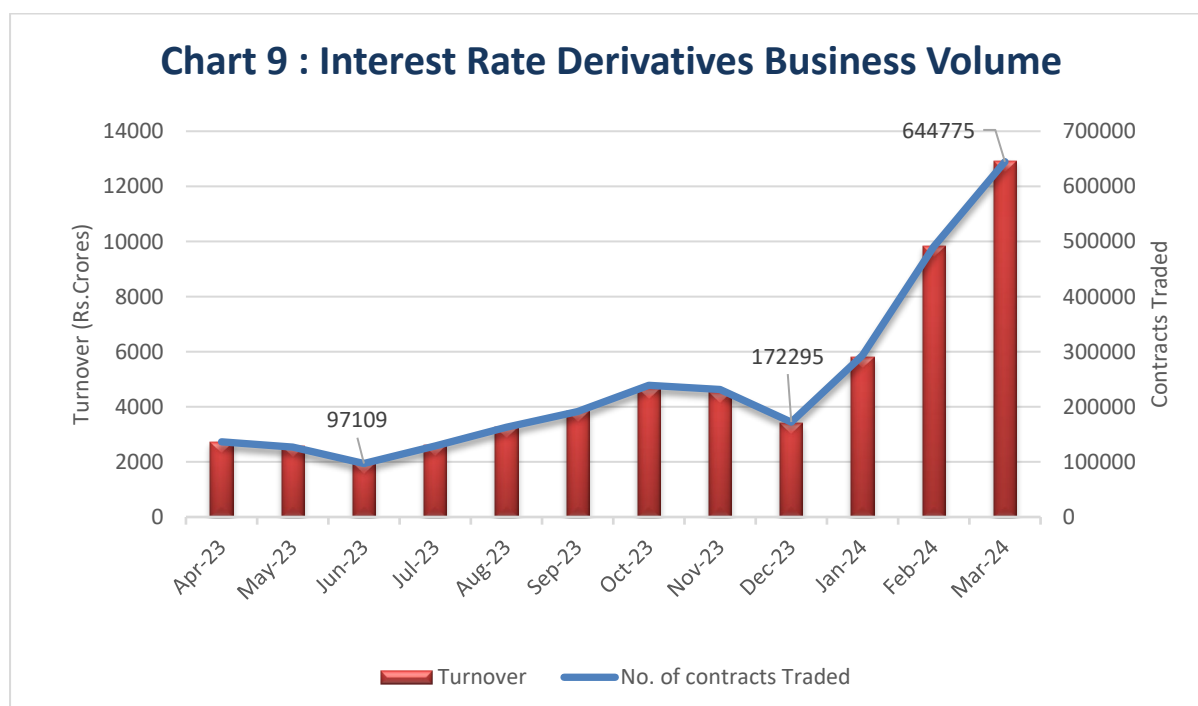
The year F.Y. 2023-24 witnessed a decrease in the total settlement values from ₹816.54 crores in F.Y. 2022-23 to ₹ 393.75 crores. The highest monthly settlement value was ₹51.35 crores in the month of August 2023. The highest trading volume in Interest Rate derivatives during this period was ₹ 1,348.52 crores witnessed on November 30, 2023, with total of 68,006 contracts being traded.

The details of turnover and month-wise settlement values during the F.Y. April 01, 2023, to March 31, 2024, are tabulated below:

Table 8:

NCL Business in Interest Rate Derivatives				
Month	Interest Rate Futures & Options		MTM Settlement (₹ in crores)	Final Settlement (₹ in crores)
	No. of Contracts Traded	Turnover (₹ in crores)		
Apr-23	1,36,423	2,742.14	30.34	0.44
May-23	1,26,952	2,589.57	39.70	0.19
Jun-23	97,109	1,973.25	28.15	0.08
Jul-23	1,28,828	3,088.25	41.99	0.08
Aug-23	1,62,878	3,273.54	50.22	1.13
Sep-23	1,91,254	3,850.74	46.06	0.36
Oct-23	2,39,009	4,695.54	45.43	1.35
Nov-23	2,31,556	4,531.87	22.64	0.76
Dec-23	1,72,295	3,414.96	20.49	0.16
Jan-24	2,93,403	5,812.69	16.45	0.15
Feb-24	4,90,373	9,843.95	23.18	0.18
Mar-24	6,44,775	12,930.99	24.03	0.17

Note: Values provided are across all exchanges



The Core Settlement Guarantee Fund for Currency Derivatives Segment stood at ₹ 349.25 crores for the month of March 2024.

## 1.5 Risk Management

### 1.5.1 Capital Market & Securities Lending & Borrowing segments

NSE Clearing has placed utmost focus on 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 are statistically arrived at covering 99% value at risk.

## 1.5.2 Futures & Options, Currency and Commodity Derivatives segments

NSE Clearing 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. NSE Clearing 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 recognizing the unique exposures associated with options portfolios like extremely deep out-of-the-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.

## 1.6 Corporate Debt Instruments Settlement

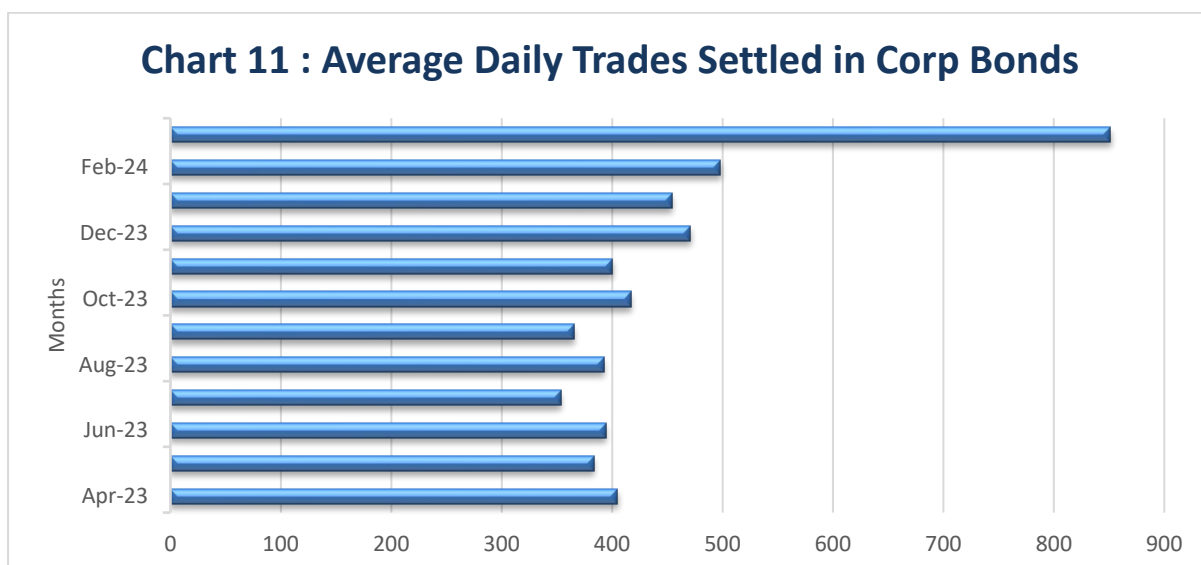
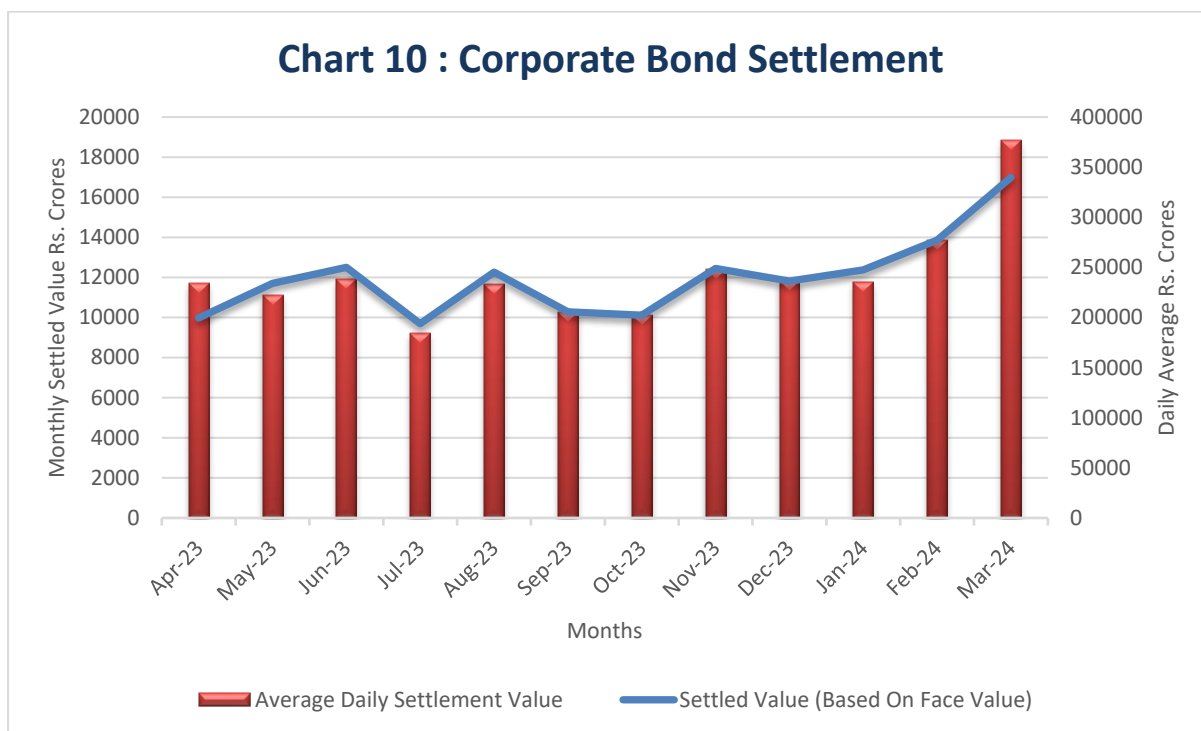
### 1.6.1 Over the Counter Trades

The average daily settlement value at NSE Clearing for OTC trades in Corporate Bonds, Commercial Papers (CP) and Certificate of Deposits (CD) during the F.Y. 2023-24 stands at ₹ 4,888.14 crores, ₹ 2,831 crores and ₹ 3,918 crores, respectively. The highest settlement value, during this period, of ₹ 29,337.54 crores (across all corporate debt instruments) was recorded on March 14, 2024.

The month-wise settlement statistics for corporate debt instruments are as under:

Table 9:

Corporate Debt Settlement (CP/CD included)				
Month	Settlement Days	Total No. of Trades Settled	Settled Value (₹ in crores)	Average Daily Settlement Value (₹ in crores)
Apr-23	17	6,881	1,99,521.16	11,736.54
May-23	21	8,056	2,34,052.55	11,145.36
Jun-23	21	8,288	2,50,017.80	11,905.61
Jul-23	21	7,421	1,93,850.90	9,231.00
Aug-23	21	8,249	2,45,234.63	11,677.84
Sep-23	20	7,304	2,05,641.45	10,282.07
Oct-23	20	8,344	2,02,289.29	10,114.46
Nov-23	20	8,003	2,48,898.86	12,444.94
Dec-23	20	9,421	2,36,303.73	11,815.19
Jan-24	21	9,531	2,47,452.35	11,783.45
Feb-24	20	9,963	2,77,231.43	13,861.57
Mar-24	18	15,323	3,39,799.20	18,877.73



During the F.Y. 2023-24, NSE Clearing settled 770 repo trades on corporate bonds valuing ₹ 69,422.5 crores as compared to 1,211 repo trades valuing ₹ 1,15,929.96 crores settled in the previous year.

#### 1.6.2 Exchange Traded

No trades were reported on the Exchange Traded Platform.

#### 1.7 Mutual Fund Service System (MFSS)

As on March 31, 2024, 46 mutual fund houses with 19,574 schemes were enabled under the revised MFSS scheme.



### 1.7.1 Subscription

The average daily value of funds settled for subscription of mutual fund units for the F.Y. 2023-24, was ₹ 39.65 crores. The highest settlement value of ₹ 159.26 crores was observed on February 15, 2024.

### 1.7.2 Redemption

The average daily value of funds settled for redemption of mutual fund units for the F.Y. 2023-24, was ₹ 89.07 crores. The highest settlement value of ₹ 188.33 crores was observed on January 29, 2024.

## 1.8 New Initiatives and Developments

### I. Implementation of Trading Supported by Blocked Amount in secondary markets using the mandate facility provided by Unified Payments Interface (UPI)

Client collateral protection at the Clearing Corporations (CCs) is based on client-wise allocation of collateral done by the clearing members. An optional mechanism that provides even greater safety for client assets using the single block multiple debit mandates was provided by Unified Payments Interface (UPI). SEBI enabled this mechanism vide circular reference number SEBI / HO / MRD / MRD-PoD-2 / P / CIR / 2023 / 99 dated June 23, 2023. Under this framework, funds shall remain in the account of the client but are blocked in favour of the CC and debited only to the extent of the obligations of the client.

Further, settlement for funds and securities will be done by the CC without the need for handling of client funds and securities by the member. The said facility was made operational from January 01, 2024.

### II. Introduction of beta version of T+0 rolling settlement cycle on optional basis (in addition to existing T+1 settlement cycle)

SEBI vide its circular SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/20 dated March 21, 2024, introduced the Beta version of T+0 rolling settlement cycle on optional basis in addition to the existing T+1 settlement cycle in Equity Cash Markets. A shortened settlement cycle is expected to bring cost and time efficiency, transparency in charges to investors and strengthen risk management at CCs and the overall securities market ecosystem.

The T+0 market was made operational from March 28, 2024.

The Stock Exchanges provided a separate order book for clients desirous of settling their trades on T+0, with trading hours till 1:30 P.M. T+0 settlement is available to non-institutional investors. The trades done in the T+0 market is settled on the same day by the CCs.

### III. Implementation of upstreaming of client funds collateral to the CC

The requirements of upstreaming of client collateral to the CC were implemented in accordance with SEBI circular reference no. SEBI / HO / MIRSD / MIRSD-PoD-1 / P / CIR / 2023 / 84 dated June 08, 2023, and amendments thereafter.

With a view to safeguard the collateral placed by clients with CC, it is required that members upstream all such collateral, i.e. transfer the funds as cash collateral to the CC or invest the same in permitted assets and lien / pledge such assets in favour of the CC. Upstreaming of client funds enhances the protection of the interest of investors in securities market.

NCL successfully implemented operational procedures to support upstreaming of collateral in an efficient manner.

#### **IV. Introduction of Unified Distilled File Formats (UDiFF) in accordance with international standards and standardized across MIs.**

The reports / files are provided by CC to market participants in respect of trades, obligations, member positions margins, etc. in comma separated (csv) format. However, these report formats were MI specific and accordingly not standardised across CCs and Stock Exchanges. Based on member requests and as per recommendations of SEBI's MDAC the MIs harmonised the report format and introduced common ISO tagging for the files which were being disseminated since July 2022 (phase 1 of standardisation).

In view of the requirement, it was decided to harmonize and standardize the files as rationalization of both files and fields was necessary. In view of the same, reports are now being provided by the new UDiFF (Unified Distilled File Formats) for around 80 files applicable across segments viz. Capital Market (CM), Futures and Options (FO), Currency Derivatives (CD) and Commodity derivatives (CO). These files are generated and downloaded in addition to the csv reports and the csv reports shall be gradually phased out based on market readiness with the UDiFF file formats.

#### **V. Implementation and live testing for offering Software-as-a-Service (SaaS) resiliency to other clearing corporations.**

In view of strengthening the Business Continuity framework of MIs particularly from the perspective of handling major software malfunction, SEBI vide circular dated December 20, 2023, mandated CCs to provide additional business continuity in case of issues with Risk Management Systems (RMS) of CCs.

In order to further manage disruptions impacting availability of RMS, another contingency measure has been put in place under SaaS model. The framework is operational for existing interoperable segments of CCs (Cash Market, Equity Derivatives Segment, Currency Derivatives). Under this model, each Clearing corporation has designed a system to run its RMS related operations, to risk manage trades for its clearing members, using the RMS related software components of another CC.

The Operational model is put in place and NCL has successfully tested the model that it has implemented to support risk management of other CC in live on March 02, 2024.

## 1.9 Other achievements

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

NSE Clearing has been accorded this rating for the 16<sup>th</sup> consecutive year.

## 1.10 Opportunities and increased coverage

### 1.10.1 Clearing Members

New Self Clearing Members have been added and removed to the Capital Market, F&O & Currency Derivatives segments. Self-Clearing membership was granted to 34 new members in the F&O segment and 17 new members in the Capital Market segment. In the Currency Derivatives segment, 30 Self Clearing Members have been enabled. Trading cum clearing membership was granted to 4 new members in F&O segment, 2 in currency derivatives segment and 4 in Capital Market Segment.

120 Self Clearing Members were removed from the Capital Market, 15 in F&O segment and 3 in Currency Derivatives segment. Also, 8 Trading cum Clearing Membership were removed from F&O and 1 in Currency Derivatives segment.

### 1.10.2 Custodian Clearing Members & Professional Clearing Members (PCM)

There was the addition of one Professional Clearing Member and no new addition or removal of Custodian Clearing Members.

### 1.10.3 Participants & custodians in SLBM

381 participants, 5 custodian-cum-participants and 8 custodians are registered in SLBM as on March 31, 2024.

### 1.10.4 Multiple Depositories / Banks

NSE Clearing is electronically connected with both the depositories viz. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for securities settlement and 15 clearing banks namely Axis Bank Ltd., Bank of India, Canara Bank, Citibank N.A., HDFC Bank Ltd., Hongkong & Shanghai Banking Corporation Ltd., ICICI Bank, IDBI Bank Ltd., IndusInd Bank Ltd., Kotak Mahindra Bank Ltd., Standard Chartered Bank, State Bank of India, Union Bank of India, JP Morgan Chase Bank and Yes Bank for funds settlement.

## 2 INFORMATION TECHNOLOGY

NSE Clearing successfully delivered many path breaking initiatives across Clearing, Settlement, Risk Management and Collateral functions during F.Y. 2023-24.

- Technology was leveraged effectively to deliver these initiatives by technology architecture revamp, business process re-engineering, technology modernization and process optimizations.
- To achieve fastest Turn Around Time and error free executions during daily operations, all the processes were automated.
- Automation included data validation as well as process / data sanctity checks along with exception handling to ensure seamless clearing and settlement activities within the shortened settlement cycle.

Key programs during F.Y. 2023-24 across functions are as summarized below:

### 2.1 Clearing & Settlement

#### ▪ **T+0 Settlement rollout (in addition to the existing T+1 Settlement)**

- SEBI in its endeavor to keep pace with the changing times and carry out its mandate of development of securities markets and investor protection, shortened the settlement cycle successfully in 2023 from T+2 to T+1 (i.e. next day settlement).
- A Working Group of Stock Exchanges, Depositories and Clearing Corporations was formed to further examine the feasibility of introduction of even shorter settlement cycle.
- The Working Group recommended introduction of T+0 settlement cycle (i.e. same day settlement) on optional basis in a phased manner.
- In the first phase, an optional T+0 settlement cycle (for trades till 1:30 P.M.) was envisaged, with settlement of funds and securities to be completed on the same day by 4:30 P.M.
- In the second phase, an optional instant trade-by-trade settlement (funds and securities) would be carried out for trading till 3.30 P.M.
- After the implementation of the second phase (optional instant settlement), the mechanism of optional T+0 settlement implemented under the first phase would be discontinued.
- Optional T+0 settlement was in addition to the existing T+1 Settlement cycle.
- Necessary design changes were carried out in the clearing & settlement platforms to have a required flexibility to settle trades for both T+0 and T+1 settlement cycles on a daily basis.
- T+0 settlement was rolled out successfully on March 28, 2024.

#### ▪ **Direct Clearing & Settlement Through Unified Payments Interface (UPI)**

- In its continuing endeavor to provide protection to the investors from the default of trading members / clearing members, it was decided to introduce a supplementary process for trading in the secondary market based on the blocked funds in investor's bank account, instead of transferring them upfront to the trading member.
- This provides enhanced protection of cash collateral.

- The said facility was provided by integrating Reserve Bank of India (RBI) approved UPI mandate service of single-block-and-multiple-debits with the secondary market trading and settlement process.
- Under the proposed framework, funds remain in the account of client but get blocked in favor of the CC till the expiry date of the block mandate or till block is released by the Clearing corporation, or debit of the block towards obligations arising out of the trading activity of the client, whichever is earlier.
- Further, settlement for funds and securities is done by the CC without the need for handling of client funds and securities by the member.
- This facility was rolled out to market participants successfully in January 2024.

#### ▪ **Options on Futures**

- In its continuous endeavor to boost product offering in the commodities market, NSE launched options trading on existing future contracts in the commodities segment.
- These contracts were designed to provide the market participants with a more efficient way to manage their commodity risk.
- NSE Clearing rolled out the corresponding Options on Futures platforms in the commodities segment in October 2023, to facilitate risk management, clearing and settlement functions.

#### ▪ **Standardized reports across MIs in Unified distilled file formats (UDiFF)**

- As per the recommendations of SEBI's Market Data Advisory Committee (MDAC), the formats of data files generated and transferred to the market participants for exchanging and clearing information, by all MIs in all segments, were standardized and harmonized so as to facilitate ease of doing business in the Indian securities market.
- The new standardized file formats were named "Unified Distilled File Formats (UDiFF)".
- Accordingly, around 80 daily reports across clearing, settlement and risk management verticals and across asset classes were standardized.
- NSE Clearing offered the daily reports in both standardized as well as earlier non standardized formats to market participants to ensure business continuity for all the stakeholders till member back offices fully migrate their internal technology platforms to leverage new standardized formats instead of the earlier old formats.

#### ▪ **Business Process Optimization for Cash Market & Futures & Options daily processing**

- NSE Clearing witnessed an exponential daily trade volume growth during last year, in both Cash Market as well as Futures and Options segments.
- Despite increase in daily trade and position volumes, to ensure adequate time availability to member back offices for daily end of day operations, there was a need to optimize the clearing & settlement end of day processes to handle this increase in trade & position volumes.
- Futures & Options and Cash Market daily processing framework was revamped by leveraging parallel processing architecture, database level optimizations and process tuning to achieve the same.

## 2.2 Risk Management & Collateral

- **iSRM – InterCC Software Resiliency Model (also known as SaaS) implementation in Risk and Collateral Management**
  - NCL and Indian Clearing Corporation Limited (ICCL) in consultation with SEBI have worked on a two-way portability project which is operated as “iSRM” model.
  - The purpose of this two-way portability module is to provide business continuity to members of the CCs in case of a software problem faced in Risk Management systems of the CCs.
  - The proposed two-way SaaS Portability will only come into effect when the affected Clearing Corporation decides to switch to iSRM Portability due to a major software problem in its Risk Management System.
  - The model is in addition to the existing Production and Disaster recovery systems of the Clearing Corporations thereby ensuring enhanced robustness for markets.
  - The proposed new system will enable the CCs to have continued Risk Management for their members with minimal process switchover time that may be required to switch to iSRM portability instance.
  - This project was successfully rolled out during F.Y. 2023-24.

## 3 HUMAN RESOURCES

During the F.Y. 2023-24, the following developments have taken place in Human Resources / Employee Relations:

### 3.1 Learning & Organisation Development:

Learning and Organization Development (L&OD) continued the path of value creation by focusing on competency-based capability and skill building programs.

The key initiatives taken by L&OD team were as follows:

#### 3.1.1 Learning & Development:

In today's rapidly evolving technological landscape, the need for continuous learning and development among employees is more critical than ever. Employee's knowledge, skill & capability needs to be developed to facilitate a culture of continuous learning to support Business growth.

In this perspective, Training Need Identification (TNI) exercise was conducted, which underlined on identifying business specific needs and developing tailored capability building strategies to address them effectively.

All new hires are assigned an Induction Learning Journey through LMS during their first week of joining to orient them about the organization. Additionally, virtual instructor led induction programs were conducted on quarterly basis for new hires. NCL hired batches of NextGen Management Trainees from leading campuses to actively contribute to its growing business. NextGen batches went through a week-long bespoke orientation program to get introduced to job role, work areas & NCL culture.

Learning Development and Talent Management continued the path of value creation by focusing on competency-based capability and skill building programs.

The key initiatives taken by L&OD team were as follows:

- I. Employee Education Assistance Policy: A hyper personalized, self-paced learning option for employees to enhance their competencies and skill sets. This policy contributes to the overall expertise of the workforce which also includes company sponsored NISM certifications focusing on financial management and securities markets.
- II. The Mentor Mentee Program: SAARTHI, was launched for new hires to engage them during the initial months of their joining and create better understanding of organizational values, culture, systems & processes.
- III. Work Integrated Learning Program: a global initiative to give employees the opportunity to enhance their academic qualifications while gaining valuable professional experience within the organization.
- IV. As part Employee Value Proposition, one day Vision, Mission & Values (VMV) workshop was launched for employees to align them with the organization's strategy.

**Leadership Development:** Interventions focused on building leadership and people management skills of chosen leaders towards achieving organizational growth. Exclusive 4-months leadership learning journey was curated for women leaders giving them the opportunity to examine the real-world problems and enhance their leadership skills. NSE and its group entities participated in the development journey by nominating 25 women leaders and 4 of them were recognized as Winners in top 10% club. L&D Team also collaborated with international universities to nominate CXO level employees for long term program.

### **3.2 Employee Engagement Initiatives:**

The IDEA Lab Program was implemented as part of People Processes for NSE and its subsidiaries. The objective of the program is to foster innovation and creative ingenuity by providing employees an online platform wherein they can submit their ideas and transform them into meaningful change.

**Curated Communities:** We created online curated communities which provide a platform for employees to connect and collaborate on the various work-related technical aspects.

Considering the life stage of employees and to facilitate integration between personal and professional life, 2 new leave types have been added viz. Marriage Leave and Sabbatical Leave. Through this our aim is to enhance the work environment by supporting employees' wellbeing.

As a part of the Employee Wellness Program, the Yoga and Gymnasium facility has been extended for its employees. There are a host of initiatives that are driven to ensure employee engagement. The policies of the Company encourage many activities for the employees and their family members such as family get-togethers, celebration of cultural festival and national events, celebrating success team workplace parties and learning lunches, sports tournaments, workshops, etc.

### 3.3 Employee Relations:

Employee relations have been harmonious throughout the period under consideration.

### 3.4 Resources committed towards strengthening regulatory functions and towards ensuring compliance with regulatory requirements applicable to Clearing Corporation

As per Schedule II, Part - C of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, departments handling the risk management, member registration, compliance, inspection, enforcement, default, investor protection and investor services functions shall be considered as Regulatory departments in a Clearing Corporation.

The Company has dedicated resources to manage the regulatory departments. There are 114 resources (Previous Year: 68) in these functions in various designations. Total cost, including employee related cost, Technology related cost and Space & Infrastructure Cost is Rs. 50.40 crores (Previous Year: Rs. 37.57 crores). Further, there are various committees (which are sub-committees of the Board) to oversee the regulatory functions; these committees comprise members of the Board and external experts, as required.

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

The disclosures required to be given under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are given in the following Table No. 10. We are giving the below details based on the POSH annual report filed by us for the Calendar year 2023.

Table No. 10

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

NCL has complied with the provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



## 4 FINANCIALS

### 4.1 FINANCIAL RESULTS

Your Company's financial performance for the F.Y. ended March 31, 2024, is summarised below:

Table No. 11 (₹ in Crores)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Income	2,172.23	1,014.66	2,188.91	1,015.53
Expenditure	385.31	283.29	410.38	299.92
Profit before tax and exceptional item	1,786.92	731.37	1,778.53	715.61
Add/(Less): Exceptional Item	-22.88	-	-22.88	-
Profit before tax	1,764.04	731.37	1,755.65	715.61
Provision for tax (including deferred tax)	449.74	186.11	449.74	186.10
Profit after tax	1,314.30	545.26	1,305.91	529.51
Add: Items that will be reclassified to profit or loss	-	-	0.72	3.53
Less: Items that will not be reclassified to profit or loss	-1.01	-0.24	-1.10	-0.23
Add/(less): Income-tax to relating items that will not be reclassified to profit or loss	0.25	0.06	0.25	0.06
Total comprehensive income	1,313.54	545.08	1,305.78	532.87
Surplus brought forward from previous year	984.73	820.12	917.76	768.89
Total	2,298.27	1,365.20	2,223.54	1,301.76
Less: Dividend distributed (including DDT) during F.Y. 2022-23 & F.Y. 2021-22	-22.50	-180.00	-22.50	-180.00
Less: Contribution to core SGF (net of tax impact)	-1,078.33	-200.47	-1,103.36	-200.47
Less: Share issue Expenses	-	-	-	-
<b>Amount available for appropriation</b>	<b>1,197.44</b>	<b>984.73</b>	<b>1,097.68</b>	<b>921.29</b>

For more details, please refer to 'Management Discussion & Analysis' which forms part of the Board's Report.

### 4.2 Result of operations and the State of Company's Affairs

During the F.Y. 2023-24, on a standalone basis, the total income of the Company increased to ₹ 2,172.23 crores from ₹ 1,014.66 crores in the previous year and the profit after tax stood at ₹ 1,314.30 crores as against ₹ 545.26 crores in the previous year.

During the F.Y. 2023-24, on a consolidated basis, the total income of the Company increased to ₹ 2,188.91 crores from ₹ 1,015.53 crores in the previous year and the profit after tax stood at ₹ 1,305.91 crores as against ₹ 529.51 crores in the previous year.

During the F.Y. 2023-24, there was no change in the nature of business.

### 4.3 DIVIDEND

The dividend policy as adopted by NCL *inter-alia* states that the declaration and payment of dividend will be recommended by the Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable laws, particularly the Companies Act, 2013, ("Act") the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, ("SCR SECC Regulations"). The dividend payable depends on several internal as well as external factors, including *inter-alia* capital requirements, earnings, contractual restrictions, applicable legal restrictions, the overall financial and liquidity position of the Company, uncertainty in the economic conditions and changes in the applicable tax laws.

The Board of Directors at their meeting held on April 30, 2024, has recommended a final dividend at Rs. 0.20/- per equity share (on the face value of Rs. 10/- each) for the F.Y. ended March 31, 2024, subject to the approval of the shareholders at the ensuing Annual General Meeting, maintaining the payout ratio of around 2.20% (including dividend distribution tax).

The dividend, if approved, would result in a cash outflow of Rs. 28.90 crore and shall be paid to those shareholders whose names appear in the Register of Members as on August 16, 2024, being the date fixed for eligibility for the purpose of the final dividend.

Pursuant to the provisions of the Income-Tax Act, 1961, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. Accordingly, the payment of the aforementioned dividend, if approved, would be subject to deduction of tax at source.

The dividend recommended is in accordance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy of the Company has been disclosed on the website of the Company:

[https://www.nscclindia.com/sites/default/files/disclosure-doc/2023-04/NCL\\_Dividend\\_Policy.pdf](https://www.nscclindia.com/sites/default/files/disclosure-doc/2023-04/NCL_Dividend_Policy.pdf)

### 4.4 UNPAID / UNCLAIMED DIVIDEND

As on March 31, 2024, no amount is lying as unpaid / unclaimed dividend.

### 4.5 TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserves. The entire amount of profits post appropriation is retained in the profit and loss account.

#### 4.6 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT

During the F.Y. ended March 31, 2024, the Company has not given any loan or provided guarantee to any person. The investments made by Company are in accordance with the provisions of the Act and the particulars of Investments made are set out in the Notes to Financial Statements which forms part of this Annual Report.

#### 4.7 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the F.Y. ended March 31, 2024, all contracts / arrangements / transactions entered into with related parties were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Act and SEBI Listing Regulations except in case of sitting fees paid by subsidiary company to its directors for attending board and committee meetings and where Company is not a party, and instead prior, audit committee of the Company has post facto ratified & approved the said transactions.

There are no materially significant Related Party Transactions entered into with the Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of NCL at large. All Related Party Transactions are placed before the Audit Committee for its approval on a quarterly basis. All related party transactions and subsequent material modifications shall require prior approval of the audit committee, Board and the shareholders of the Company. Prior omnibus approval is obtained for RPT on a quarterly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length.

Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Materiality and Dealing with Related Party transactions as approved by the Board, which is uploaded on the Company's website.

<https://www.nscclindia.com/sites/default/files/disclosure-doc/2024-05/Policy%20On%20Materiality%20and%20Dealing%20with%20Related%20Party%20Transactions.pdf>

Pursuant to Section 134(3)(h) of the Act, the particulars of contracts or arrangements with related parties are given in Form AOC-2 and are attached herewith as **Annexure -1** to this Report.

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

There is a high degree of automation in most of the key areas of operations and processes. Also, all the processes are well documented with comprehensive and well defined Standard Operating Procedures (SOPs) which, *inter-alia*, includes the financial controls in the form of maker & checker, strict adherence to financial delegation given by the Board at various levels, systemic controls, information security controls as well as role based access controls, etc. Further, these controls are periodically reviewed for change management in situations like the introduction of new processes / change in processes, change in the systems, change in

personnel handling the activities, etc. Such controls are independently reviewed by the internal auditors / operational reviewers of your Company. Internal Auditors, operational reviewer and independent practicing company secretary also review the compliances by your Company of applicable laws on a quarterly basis.

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

The Statutory Auditors have conducted a review of internal financial controls including entity level controls, IT general controls, risk control matrix and process walk through on a sample basis as per the guidelines issued by the ICAI. The Internal Financial Controls of the Company with respect to Financial Statements are adequate and are operating effectively.

#### **4.9 SHARE CAPITAL**

During the year under review, the share capital of the Company underwent changes as under:

##### **1. Authorised Share Capital**

The Governing Board at its meeting and the members at the Extra Ordinary General Meeting held on September 29, 2023, and October 03, 2023, respectively, approved the increase in authorised share capital of the Company from ₹ 45 crores divided into 4.5 crores equity shares of ₹ 10/- each to ₹ 5,000 crores divided into 500 crores equity shares of ₹ 10/- each and consequent amendment to the Memorandum of Association (MOA) of the Company, subject to the approval of SEBI.

The Company after complying with the procedural requirements as provided in SCR SECC Regulations and other applicable provisions laid down by SEBI, amended the MOA, the said amendment came into effect from February 29, 2024.

##### **2. Issued, Subscribed and Paid-up Equity Share Capital**

The Governing Board on March 27, 2024, allotted 140 crores equity shares of ₹ 10/- each.

As on March 31, 2024, the issued, subscribed and paid-up share capital of the Company stood at ₹ 14,45,00,00,000/- consisting of 1,44,50,00,000 equity shares of face value of ₹ 10/- each fully paid up.

Further, during the year, the Company has not issued any convertible securities.

#### **4.10 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

NSE IFSC Clearing Corporation Limited (NICCL), a step-down subsidiary of NSE, wherein 100% share capital is held by NCL, commenced operations as a Clearing Corporation in GIFT International Financial Services Centre (GIFT IFSC), Gandhinagar, Gujarat, India, with effect from June 05, 2017, after receiving approval from SEBI.

The IFSC Authority granted recognition to NICCL on May 24, 2021, which was subsequently renewed. The renewal is valid till May 28, 2024, and an application has been made to IFSC Authority for further renewal. The paid-up share capital of NICCL as on March 31, 2024, stood at ₹ 250 Crores comprising of 25 Crore equity shares of ₹ 10/- each.

NICCL clears and settles trades executed on NSE IFSC Limited (NSEIFSC). NICCL has the following types of clearing membership - Professional Clearing Member, Trading Cum Clearing Member, and Trading Cum Self Clearing Member. NICCL has put in place a robust and comprehensive Risk Management System. NICCL has adopted global best practices and adopted the CPMI IOSCO Principles for Financial Market Infrastructures (PFMIs).

Clearing Banks and Depositories are the key link between clearing members and NICCL for funds and securities settlement. The members are required to maintain and operate a clearing and pool account with any one of the designated clearing banks and depository participants respectively.

There are currently 7 Banks (IBU) empaneled with NICCL for issuance of collateral and 6 Banks (IBU) for settlement of funds. For the purpose of settlement of securities, NICCL has established connectivity with India International Depository IFSC Limited (IIDI), a Depository in IFSC. During the F.Y. 2023-24, NICCL has incurred a loss of ₹ 8.40 crores as compared to loss of ₹ 15.75 crores for F.Y. 2022-23.

Initiatives and major events during the F.Y. ended March 31, 2024:

1. Full-scale operations of NSEIX-SGX GIFT Connect commenced on July 03, 2023, with US \$8.05 billion open interest in GIFT Nifty futures and over US \$1.04 billion open interest in GIFT Nifty Options. This was first of its kind high-performance financial corridor between Singapore and India, driving deeper liquidity for GIFT Nifty. GIFT Nifty recorded a turnover of US \$1.21 billion on that day, demonstrating high confidence from global institutional investors.
2. NICCL implemented a revised risk management framework based on global standards and practices.
3. CARE Rating has assigned the highest credit rating of 'CARE AAA' to NICCL. This rating is considered to have the highest degree of safety and carries lowest credit risk.
4. Negotiated Large Trades functionality was extended to all the members, w.e.f. August 16, 2023.
5. NICCL conducted an unannounced Live session from Disaster Recovery site on January 12, 2024. All the members and external interfaces successfully participated in the session.
6. NICCL has successfully carried out Live Clearing & Settlement, Risk Management activities from its Disaster Recovery Site from May 15, 2023, till May 19, 2023, and from October 09, 2023, till October 13, 2023.
7. To optimize and strengthen the Risk Management and Clearing platform, NICCL has started performing, internal order / trade / risk management activities every trading / clearing day before the start of market, as part of pre-market sanity checks, w.e.f. June 19, 2023.

8. Technology revamp for Clearing & Settlement system - C&S system has been migrated to Java from Pro C. Advantage of this migration is to improve efficiency of the system and build a next-generation solution and resilient system. Another advantage is to reduce dependency on niche skilled C developers.
9. Risk Frontend technology change along with single frontend and role-based log in - EDS Technology for EDS process was changed to java, Spring boot & Angular. It helped in newer technology stack such as Java Spring-Boot, Spring Integration, REDIS, Angular, supported introduction of caching of Master Data into REDIS and enhanced User experience with a user-friendly interface.

### Operational Updates:

As of March 31, 2024:

1. NICCL clears and settles derivative contracts on 4 Indices, 7 currency pairs, 2 commodities, 182 single stocks, 1 DR Receipt and 50 NSEIFSC Receipts.
2. NICCL accepts Cash, Fixed Deposit Receipt, Bank Guarantee and US Treasury Securities as collateral.
3. The total value of the settlement completed by NICCL for F.Y. 2023-24 was US \$40.40 Mn. The highest monthly settlement in F.Y. 2023-24 was US \$6.50 Mn in the month of February 2024.

Further, as on March 31, 2024, NICCL had 18 (eighteen) clearing members consisting of 9 (nine) Trading cum Clearing Members, 7 (seven) Trading cum Self Clearing Members and 2 (two) Professional Clearing Members. The Members are required to maintain and operate a clearing and a pool account with any one of the designated clearing banks and depository / depository participant. The corpus of NICCL Settlement Guarantee Fund (SGF) was US \$4.57 Mn.

The Company does not have any joint venture or associate company(ies).

#### 4.11 DEPOSITS

The Company has not invited, accepted or renewed any deposits in terms of Section 73 of the Act. Accordingly, the requirement to furnish details relating to deposits covered under Chapter V of the Act is not applicable.

#### 4.12 RISK MANAGEMENT

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

In this direction, the Company has a Risk Management Committee, a sub-committee of the Board, which meets periodically to review the efficacy and adequacy of the Company's risk management exercise and the controls and mitigation plans put in place to reduce the overall impact of the various inherent risks.

For each of the identified risk areas, the Company maintains detailed Risk Registers mainly containing details such as risk description, risk indicators, categorization of the risk, current controls, mitigation plans, etc.

In terms of SCR SECC Regulations, the Company is required to constitute a Risk Management Committee *inter-alia* to formulate a detailed risk management policy. Accordingly, the Risk Management Committee has formulated a risk management policy and monitors its implementation.

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

There were no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial period to which the Financial Statements relate and the date of this Report.

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

During the F.Y. under review, there were no significant or material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of your Company and its future operation.

However, the following orders have been passed by Regulators or Courts or Tribunal:

##### **Technical Glitch**

In the matter of technical glitch that took place on February 24, 2021, SEBI has issued Show Cause Notice (SCN) to NCL and to some of its employees dated August 11, 2021, wherein a Settlement Order dated June 20, 2023, was passed and NCL made a payment of ₹ 22,88,00,000 in the form of settlement.

##### **Inter CCP Collateral**

Further, in the matter of Inter-CCP Collateral, SEBI has issued Show Cause Notice to NCL dated November 21, 2023. NCL filed a settlement application on January 08, 2024, and has also filed a detailed reply dated February 12, 2024, with SEBI.

#### 4.15 STATUTORY AUDITOR

M/s. Khandelwal Jain & Co., Chartered Accountants [Firm Regn. No. 105049W] were re-appointed as the Statutory Auditors of the Company for a further period of 5 (five) years from the conclusion of the 27<sup>th</sup> Annual General Meeting, i.e., July 05, 2022, till the conclusion of the 32<sup>nd</sup> Annual General Meeting to be held in year 2027.

The Auditor's Report for the F.Y. ended March 31, 2024, issued by the Statutory Auditors forms an Integral part of this Annual Report and the said report does not contain any qualification, reservation or adverse remark or disclaimer.

#### 4.16 SECRETARIAL AUDITOR

Pursuant to the provisions of the Act and the rules laid down thereunder, the Board on the recommendations of the Audit Committee, had appointed M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, to conduct the Secretarial Audit for a period of 3 years, starting from F.Y. 2021-22 till F.Y. 2023-24.

The Secretarial Auditor appointed under Section 204 of the Act in their Report does not contain any qualifications, reservation or adverse remark or disclaimers, except as stated below:

*"In case of sitting fees paid by subsidiary company to its directors for attending board and committee meetings and where Company is not a party, and instead prior, audit committee of the Company has post facto ratified & approved the said transactions."*

#### Management Response:

*The said transactions were ratified by Audit Committee of the Company.*

The report of the Secretarial Auditors is annexed herewith as **Annexure-2** to this report.

The Board on the recommendations of the Audit Committee, has appointed M/s. Mehta & Mehta, Practicing Company Secretaries, to conduct the Secretarial audit for a period of 3 years starting from F.Y. 2024-25.

#### 4.17 REPORTING OF FRAUDS BY AUDITORS

During the financial year under review, neither the statutory auditors nor the secretarial auditors have reported any instances of fraud to the Audit Committee in terms of Section 143 (12) of the Act.

#### 4.18 SECRETARIAL STANDARDS

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' have been duly complied with by your Company.



#### 4.19 EXTRACTS OF THE ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Act as amended, copy of Annual Return in form MGT 7 for the F.Y. 2023-24 is uploaded on the website of the Company in the following link:

<https://www.nscclindia.com/disclosures/other-disclosures>

#### 4 CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of your Company and its subsidiary, prepared in accordance with Indian Accounting Standard 110 issued by the Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the consolidated financial statements of your Company.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of the financial statements of the subsidiary company in Form AOC-1 is attached to the financial statements as **Annexure-3**.

Pursuant to the provisions of Section 136 of the Act, the financial statements of your Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiary, are available on the website of your Company.

The Company will make available the said financial statements and related detailed information about the subsidiary companies upon the request by any member of your Company or its subsidiary company.

#### 6 DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### 6.1. BOARD OF DIRECTORS

Pursuant to the provisions of the SCR SECC Regulations, the Governing Board of every recognised clearing corporation shall comprise of:

- (a) Public Interest Directors (PID).
- (b) Non-Independent Directors (NID); and
- (c) Managing Director.

As on March 31, 2024, the Board consist of 7 Directors namely, Mr. Abhaya Hota [DIN: 02593219] (Chairperson of the Board), Mr. G S Hegde [DIN: 09515748], Mr. Jayant Haritsa [DIN: 09524601], Dr. Golaka Nath [DIN: 09750678] and Mrs. Priti Savla [DIN: 00662996] are Independent Directors under the category of the 'Public Interest Directors', Mr. Yatrik Vin [DIN: 07662795] is Director under the 'Non-Independent Director / Shareholder Director' category and Mr. Vikram Kothari [DIN: 07898773] is also the Managing Director & Chief Executive Officer (CEO) of the Company. Mr. Vikram Kothari is included in the category of 'Non-Independent Director / Shareholder Director' and accordingly he is not liable to retire by rotation during his tenure as Managing Director & CEO.

SEBI approved the appointment of Mrs. Priti Savla and Mr. Abhaya Hota as Public Interest Director on the Governing Board of NCL for a period of three years with effect from April 05, 2023, and April 06, 2023, respectively.

Upon completion of term, Mrs. Bhagyam Ramani ceased to be Public Interest Director and Interim Chairperson of the Company w.e.f. May 31, 2023. Consequently, as recommended by the Board, SEBI vide its letter dated May 31, 2023, approved the appointment of Mr. Abhaya Hota as Chairperson of the Company.

Mr. Yatrik Vin, Shareholder Director, retired from the directorship of the Company at the 28<sup>th</sup> Annual General Meeting of the Company held on August 17, 2023, and being eligible was re-appointed. SEBI vide its letter dated September 28, 2023, approved re-appointment of Mr. Yatrik Vin as Non-Independent Director / Shareholder Director.

Mr. Yatrik Vin retires by rotation at the ensuing Annual General Meeting. NSEIL, the holding company of NCL, vide its letter dated July 24, 2024, has nominated Mr. Ian Desouza, Interim Chief Financial Officer – NSEIL, to be appointed as a Non-Independent Director in place of Mr. Yatrik Vin on the Board of NCL. Accordingly, Mr. Yatrik Vin shall retire to be Non-Independent Director from the date of 29<sup>th</sup> AGM of the Company.

Further, considering extensive experience and knowledge in capital markets and exchange sector, NSEIL vide its letter dated July 24, 2024, has also nominated Mr. Piyush Chourasia as a Director under 'Non-Independent Director' category.

Based on the recommendations of NRC, the Board at its meeting held on August 02, 2024, approved the appointment of Mr. Ian Desouza (DIN: 10721685) and Mr. Piyush Chourasia (DIN: 07130931) as Directors on the Governing Board of NCL under 'Non-Independent Directors' category, subject to the approval of Shareholders & SEBI and the appointment of both the proposed Directors will be effective from the date of SEBI approval.

Details of the proposed appointment of both the Directors are mentioned in the Explanatory Statement of the Notice of the 29<sup>th</sup> Annual General Meeting of the Company pursuant to Section 102 of the Act. The appointment of both the Directors is appropriate and in the best interests of the Company. The Board recommends the appointment of both the Directors to the Shareholders.

SEBI vide its letter dated November 06, 2023, approved the re-appointment of Mr. Vikram Kothari (DIN: 07898773) as Managing Director of NCL for a period of four years. The Shareholders at the Extra Ordinary General Meeting held on November 16, 2023, ratified / approved the re-appointment of Mr. Vikram Kothari as Managing Director & CEO of the Company. The effective date of his re-appointment on the Governing Board of the Company is November 07, 2023.

The composition of the Board is in conformity with the Act and SCR SECC Regulations, enjoining a specified combination of Executive, Non-Executive and Public Interest Directors with at least one Independent Women Director. The Chairperson of the Board is a Non-Executive Director and in conformity with SEBI Listing Regulations is not related to the

Managing Director.

### **Key Managerial Personnel**

Pursuant to SCR SECC Regulations, the following are the Key Managerial Personnel of NCL as on March 31, 2024, viz. Mr. Vikram Kothari, MD & CEO, Ms. Rana Usman, Chief Operations Officer - Clearing & Settlement, Mr. Huzefa Mahuvawala, Chief Risk Officer, Mr. Uppili Krishnan Srinivasan, Chief Technology Officer - Applications & Development, Mr. Amit Mahesh Pujara, Chief Regulatory Officer & Compliance Officer, Ms. Hima Bindu Vakkalanka, Vice President - Operations Risk & Strategic Projects, Mr. Aniket Bhanu, Vice President - Strategic Projects, Mr. Sijo Eluvathingal - Vice President - Risk Operations, Mr. Nirajkumar Chhangani - Vice President - Technology Operations, Mr. Nilesh Tinaikar - Vice President - Business Solution Group, Ms. Mira Desai - Vice President and Head - Strategic Initiatives, Mr. Deepak K Maharishi - Vice President - Technology - Apps & Development, Mr. Animesh Jain - Vice President and Head - Application Development & Maintenance, Mr. Amit Hatakar - Vice President - Technology - Apps & Development, Mr. Pradeep Kumar Mukilmaridur, Head Legal, Mr. Amit Amlani, Chief Financial Officer, Ms. Irsha Kale, Head HR and Mr. Ravin Tribhuvan Tank, Company Secretary.

In order to ensure compliance with the SCR SECC Regulations for KMP role, additional Key Managerial Personnel Mr. Sijo Eluvathingal - Vice President NCL Risk, Mr. Amit Hatakar - VP (App & Dev - NCL), Mr. Deepak Maharishi - VP (App & Dev - NCL), Mr. Nirajkumar Chhangani - VP (Tech Ops - NCL), Mr. Sachin Shetty - ASVP - NCL Risk, Ms. Archana Upadhye - ASVP - Clearing & Settlement, Ms. Ashwini Goraksha - ASVP - Clearing & Settlement, Ms. Nisha Pillai - ASVP - Clearing & Settlement, Mr. Onkar Phadnavis - ASVP - Clearing & Settlement, Ms. Supriya Salian - ASVP - Clearing & Settlement and Mr. Rijesh Kottungal - ASVP (Tech Ops - NCL) were designated as KMP with effect from April 17, 2023.

Further, Mr. Nilesh Tinaikar - Vice President - Business Solution Group was transferred from NSE to NCL and designated as a Key Managerial Personnel under SCR SECC Regulations and SEBI Listing Regulations, with effect from June 01, 2023.

Further, pursuant to amendments in the SCR SECC Regulations, Mr. Pratik Thacker - Manager - Finance & Accounts, Ms. Sangeeta Dhir - Manager - Finance & Accounts, Ms. Srinidhi Bakthula - Manager - Legal and Ms. Dolly Haresh Karia - Deputy Manager - Secretarial and Corp. Compliance, were designated as KMP under SCR SECC Regulations with effect from July 20, 2023. Mr. Vivek Singhvi erstwhile Vice President of NSE Clearing Limited deputed to the wholly owned subsidiary of NCL i.e. NICCL with effect from July 20, 2023.

Pursuant to amendment in the definition of Key Managerial Personnel as per SEBI vide Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2023, Mr. Rijesh Kottungal, Mr. Sachin Shetty, Mr. Onkar Phadnavis, Ms. Nisha Pillai, Ms. Supriya Sachin Salian, Ms. Ashwini Goraksha, Ms. Archana Upadhye, Ms. Srinidhi Bakthula, Mr. Pratik Thacker, Ms. Sangeeta Dhir and Ms. Dolly Haresh Karia, discontinued being designated as Key Managerial Personnel with effect from August 31, 2023.

Mr. Piyush Chourasia resigned as Chief Regulatory Officer & Head Strategy with effect from

August 15, 2023, and Mr. Amit Pujara was appointed as Chief Regulatory Officer with effect from October 21, 2023. Mr. Animesh Jain was appointed as Vice President and Head - Application Development & Maintenance with effect from September 04, 2023, and Ms. Mira Desai appointed as Vice President of NSE Clearing Limited with effect from December 04, 2023.

Further, Mr. Mangesh Mahale resigned as CISO with effect from February 07, 2024.

During the year under review, Ms. Deepika Amesar was appointed as Manager HR, KMP of NCL with effect from April 25, 2023, and Ms. Amesar resigned with effect from January 11, 2024. Ms. Irsha Kale was appointed as Head HR - NCL with effect from January 05, 2024.

Mr. Thomas Cherian has joined as Vice President - Chief Technology Officer - Operations with effect from April 15, 2024. Ms. Mira Desai resigned as Vice President - Technology with effect from April 30, 2024.

Subsequent to the year under review, pursuant to restructuring, Mr. Huzefa Mahuvawala was redesignated as Chief Risk Officer, Ms. Rana Usman was redesignated as Chief Operations Officer - Clearing & Settlement & Ms. Hima Bindu Vakkalanka was redesignated as, Vice President - Operations Risk & Strategic Projects.

### **6.1.1 Director's e-KYC**

The Ministry of Corporate Affairs (MCA) has vide amendment to the Companies (Appointment and Qualification of Directors) Rules, 2014, mandated KYC of all the Directors through the e-Form DIR-3 KYC. All Directors of NCL have complied with the aforesaid requirement.

### **6.1.2 Disclosure under Section 164 of the Companies Act, 2013**

The Company has received the disclosures in the Form DIR-8 required under Section 164 of the Act and has noted that none of the directors have incurred any of the disqualifications on account of non-compliance with any of the provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. Further, there were no acts of omission / commission by the Company itself, leading to the disqualification of its directors.

## **6.2 NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

During the F.Y. 2023-24, eleven meetings of the Board were held. For further details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

During the year under review, the total duration of the Board meetings, i.e. approximate aggregate number of hours was about approx. 30 hours. The maximum gap between any two meetings was less than one hundred and twenty days.

Details of the composition of Committees of the Board, meetings held, attendance of the Directors at such Meetings and other relevant details are given in the Corporate Governance Report forming part of this Report.

### 6.3 DECLARATION BY INDEPENDENT DIRECTORS

As per SCR SECC Regulations, SEBI has the power to nominate a Public Interest Director (PID) on the Board of Clearing Corporations. PID means an Independent Director, representing the interests of investors in the securities market and who does not have any association, directly or indirectly, which is in conflict with his / her role. PIDs have a fixed tenure and the approval of shareholders for their appointment is not necessary.

In terms of SCR SECC Regulations, SEBI has nominated Mr. Abhaya Hota, Mr. Jayant Haritsa, Mr. G S Hegde, Dr. Golaka Nath and Mrs. Priti Savla as Public Interest Directors.

All PIDs have given a declaration of independence as required under the applicable laws as well as confirmation that he / she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence.

Further, all PIDs are independent of management and a confirmation that he / she has read and understood the Company's code of conduct, as applicable to the Board of Directors of the Company and that he / she affirms compliance with the said code of conduct during the F.Y. 2023-24. All PIDs have complied with the Code for Independent Directors prescribed under Schedule IV to the Act and they satisfy the 'Fit and Proper' criteria as stipulated under Regulation 20 of SCR SECC Regulations.

The enrollment of all PIDs in the Databank being maintained by the Indian Institute of Corporate Affairs to qualify as an Independent Director has been completed and they have all furnished the declaration affirming their compliance with the relevant provisions of Companies (Appointment & Qualification of Directors) Rules along with the Declaration of Independence given as per Section 149 (6) of the Act.

In the opinion of the Board, all the aforesaid Independent Directors possess the requisite expertise and experience and they hold the highest standards of integrity and fulfill the conditions specified under the Act and the SEBI Listing Regulations.

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

Pursuant to requirements of the Act, the Company has framed policies on the appointment of Directors and Senior Management Personnel i.e. Policy for Nomination and Appointment of Directors, KMPs and Senior Management Personnel and Remuneration Policy of Directors and Key Management Personnel identified under SCR SECC Regulations and under the Act and the same are in force. The Nomination Policy and the Remuneration Policy of the Company are given in [Annexure-4](#).

## **6.5 MANNER IN WHICH THE FORMAL ANNUAL EVALUATION OF PERFORMANCE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS WAS CARRIED OUT**

Pursuant to the provisions of the Act, the Nomination & Remuneration Committee (NRC) specifies the manner for effective evaluation of the performance of Board, its committees and individual directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance. Accordingly, the evaluation of the performance of the Board, its committees, its individual directors and of its Independent External Persons (IEPs) are carried out in accordance with the Board Evaluation Policy put in place and other requirements stipulated by SEBI in this regard.

During F.Y. 2023-24, the Company actioned the feedback from the Board evaluation process conducted in the year 2021-22. The evaluation exercise in terms of Schedule IV of the Act was also carried out for F.Y. 2023-24 in a separate meeting of Independent Directors held on April 26, 2024. The performance of all the Directors was evaluated by the entire Board except the person being evaluated. The performance of the Committees was evaluated by the Board. The NRC also carried out the evaluation of Individual Directors. The Board also carried out evaluation of their own performance apart from its Committees, Individual Directors and IEPs.

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

### **6.5.1 Performance evaluation of the Board**

The performance of the Board of Directors is evaluated on the basis of various governance and business related parameters which include, *inter-alia*, Corporate Governance standards adopted by the Board such as board composition, board diversity, etc., Independence in functioning and decision making, Commitment to highest ethical standards of integrity and probity, Provision for entrepreneurial leadership, Effective guidance for setting up and achieving the strategic aims and financial goals of the Company, Implementation and periodic review of policies and procedures for risk management, financial controls and statutory compliance, Number and adequacy of meetings, discussion on strategic matters having substantial effect on the functioning of the Company, Accountability for decisions taken, Stakeholder relationship management, Engagement with executive management (formal or informal) on issues / concerns having effect on the Company's functioning and adequacy on flow of information to the Board and Ensuring necessary financial and human resource support to achieve Company's objectives, etc.

### **6.5.2 Performance evaluation of the Committees**

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

### **6.5.3 Performance evaluation of the Directors / IEPs**

The performance of the Individual Directors and IEPs is largely evaluated based on his / her level of participation and contribution to the performance of the Board / Committee(s) in respect of the above areas and on the basis of various governance and business related

parameters which include, *inter-alia*, Understanding of roles, responsibility, regulatory systems, laws and regulations applicable to the Company and performance of duties in an independent and objective manner; Understanding of objectives, values, vision and business of the Company; Level of participation and devotion of time to Board meetings and Committee meetings, if any, Skills, knowledge, experience, application of subject matter expertise, Adherence to Code of Conduct and Code of Ethics of the Company, Disclosure of conflict of interest or material pecuniary relationships with the Company, its subsidiaries and associates or any proposed contract or arrangement and Engagement with executive management for efficient discharge of responsibilities, etc.

If the individual director whose performance is to be evaluated is a Public Interest Director (PID), the NRC, while evaluating the performance of such PID, shall also keep in mind the policy, if any, framed for performance review of PIDs besides this policy, guiding criteria of performance review, evaluation mechanism, the recommendation to SEBI for extension of PID, etc. as laid down by SEBI in its circular No. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/26 dated February 5, 2019.

The Board Evaluation Policy of the Company including the Performance evaluation criteria of the Board, its Committees, Individual Directors, the Chairperson and PID is available on your Company's website in the following link:

[https://nscclindia.com/sites/default/files/disclosure/Board\\_Evaluation\\_Policy.pdf](https://nscclindia.com/sites/default/files/disclosure/Board_Evaluation_Policy.pdf)

## **7 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 NCL at the end of the F.Y. i.e. March 31, 2024 and of the profits of NCL for that year;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of NCL and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis;
- (v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and were operating effectively.

## 8 CORPORATE SOCIAL RESPONSIBILITY

NCL is covered under the purview of Section 135 of the Act and hence it needs to spend 2% of its average net profit for identified CSR purposes. Since the contribution of the subsidiary companies of NSE Group is negligible and there would be duplication of efforts if each individual Company within the group undertakes CSR activities on its own and difficulties in scaling up of these activities could arise, it was decided by the Boards of the respective companies in NSE Group that CSR efforts for the Group be undertaken commonly and the actual spend be allocated to the respective Companies in proportion to their legal obligation.

Therefore, a common CSR function was created under NSE as a group resource and the actual CSR spend was proportionately allocated to the respective Companies. However, the CSR Committees for these Companies which monitor the spending are separate. A common CSR policy was prepared and approved by CSR Committees and Boards of the respective Companies.

With the rapid increase in the number of CSR projects, it was felt that a separate and focused entity in the form of a Section 8 Company could be established to create a measurable impact and enter collaborations with on ground implementation partners for scale up of programmes. Accordingly, NSE Foundation was incorporated as a company under Section 8 of the Act on March 5, 2018. Effective April 1, 2018, CSR projects of the NSE group including NCL are being implemented by the NSE Foundation.

During F.Y. 2023-24, ₹ 10.64 crores were required to be spent to implement the Corporate Social Responsibility Policy of the Company in the manner laid down in Section 135(5) of the Act. Further, the Company has committed a full amount towards the Health Care Project and ₹ 10.64 crores has been transferred to an unspent CSR account by the Company.

The CSR policy is available on the Company's website at:

[https://www.nscclindia.com/sites/default/files/disclosure/NSE\\_Group\\_CSR\\_Policy.pdf](https://www.nscclindia.com/sites/default/files/disclosure/NSE_Group_CSR_Policy.pdf)

The disclosures required to be made in the Board's Report as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached herewith as **Annexure-5**.

## 9 CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of corporate governance and adhering to corporate governance requirements.

NCL is a public limited company, whose securities are not listed on any of the stock exchanges. Pursuant to the provisions of Regulation 33 of the SCR SECC Regulations, the disclosure requirements and corporate governance norms as specified for listed companies are *mutatis mutandis* applicable to a recognized clearing corporation. NCL has always been involved in good governance practices and endeavors continuously to improve upon the same.

The Corporate Governance Report, which forms part of Board's Report, is prepared pursuant to SEBI Listing Regulations and SCR SECC Regulations. A report on corporate governance



for F.Y. 2023-24 is furnished as part of the Annual Report for the information of all its stakeholders as **Annexure-6**. The certificate from a Practicing Company Secretary confirming compliance with the conditions of disclosures and Corporate Governance norms specified for listed companies is also attached to the above report.

## **10 COMMITTEES OF THE BOARD**

Details of the composition of Committees of the Board, meetings held, attendance of the Directors at such Meetings and other relevant details are given in the Corporate Governance Report forming part of this 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 VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has formulated the 'Whistle Blower Policy' and has been in force since January 2015. The Policy, as on date, provides a mechanism for reporting alleged violation of Code of Ethics or Code of Conduct or any law or regulation to the Whistleblower Panel or the Chairman of Audit Committee. Protected Disclosures should preferably be reported in writing as soon as possible after the whistleblower becomes aware of the same.

All Protected Disclosures reported under the Policy will be thoroughly investigated by the Whistleblower Panel or Chairman of the Audit Committee. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure. Complete protection will be given to whistleblowers against any unfair practice. No Personnel has been denied access to the relevant Committee.

If the findings of the investigator(s) conclude commission of an unethical and improper act, disciplinary action or any other action, as deemed appropriate, will be initiated against the person concerned. There were no such complaints received during the financial year.

A report is being submitted to the Chairman of the Audit committee as and when any Protected Disclosures are received along with the results of investigations if any and the action initiated with regard to the same. The Board of NCL periodically takes up the policy for its review and for bringing in suitable changes wherever required so that the policy remains relevant at all times. Accordingly, the Board of NCL at its meeting held April 30, 2024, reviewed the policy and approved suitable changes therein.

As per the requirements of SEBI Listing Regulations, whistle blower policy is provided in the Company's website for the information of the shareholders at the following location:

<https://www.nscclindia.com/sites/default/files/disclosure-doc/2024-05/Whistle%20Blower%20Policy.pdf>

### **13 BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

In accordance with Regulation 34(2)(f) of the SEBI Listing Regulations read with National Guidelines on Responsible Business Conduct issued by the Ministry of Corporate Affairs, the BRSR forms part of the Annual Report and the same is made available on NCL's website at <https://www.nscclindia.com/>. The report describes initiatives taken by the Company from an environmental, social and governance perspective.

Further, SEBI vide its circular no. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023, updated the format of BRSR to incorporate BRSR core, a subset of BRSR, indicating specific Key Performance Indicators (KPIs) under nine ESG attributes, which are subject to mandatory reasonable assurance by an independent assurance provider. In accordance with this requirement, the Company has appointed TUV India Private Limited (CIN: U74140MH1989PTC052930) as the assurance provide of the BRSR Core of the Company for the F.Y. 2023-24. The BRSR Core also forms part of the Annual Report and the same is made available on NCL's website at:

<https://www.nscclindia.com/disclosures/other-disclosures>

### **14 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO**

#### **14.1 Conservation of Energy and Technology Absorption**

The disclosure of particulars with respect to conservation of energy and technology absorption in terms of Section 134(3)(m) of the Act read with Rule 8 of Companies (Accounts) Rules, 2014 are given hereunder: -

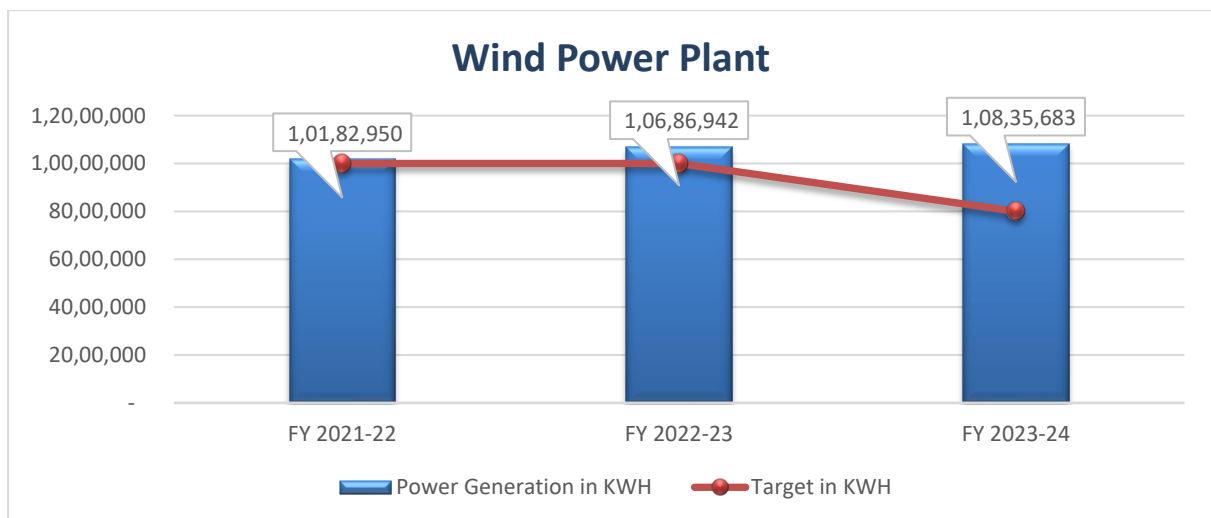
NCL, a wholly owned subsidiary of NSE, is carrying on its operations from the premises of NSE. NCL, together with other companies in NSE Group, has undertaken the following major technological initiatives towards energy conservation, green / renewable energy which demonstrates the commitment towards the sustainable development and clean environment, namely: -

#### **14.1.1 Green Power Generation:**

##### **i) Wind Power Plant:**

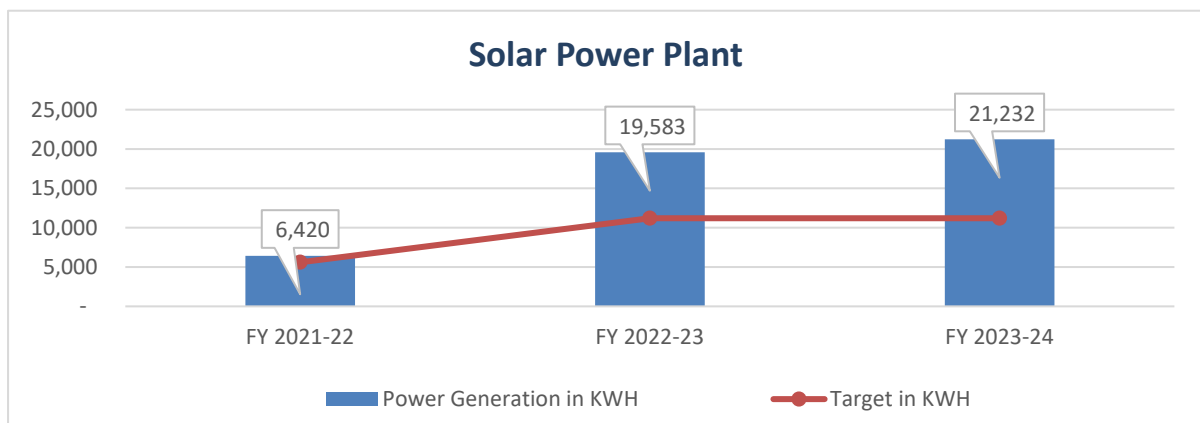
NSE group has its own Wind Power Plant of a capacity of 5 MW (i.e. 4 nos. of 1.25 MW of Windmills) at Satara in Maharashtra. In Wind Power Plant, the Wind Electric Generator (WEG) converts the Kinetic Energy available in the Wind to Electrical Energy by using a Rotor, Gearbox and Generator. With regard to the operation of Wind Power Plant, it goes hand-in-hand with the Local Electricity Board. The Plant is connected to the Main Power Grid of the Local Electricity Board. As per renewable energy policy of Government of Maharashtra, the quantum of electricity generated through the Wind Power Plant is fed to the grid, which gets set off against the power consumption towards High Tension (HT) installation of the 'Wind farmer' (which in this case is NSE) anywhere in that grid.

Accordingly, the aforesaid Wind Power Plant has generated 1,08,35,683 electricity units in the F.Y. 2023-24.



**ii) Solar Power Plant:**

The Solar Power Plant of a capacity of 10 KW each has been installed at Exchange Plaza and BCP Premises at Kotturpuram, Chennai building which harnesses the Solar Power to cater to part of the lighting load of the buildings. This way the NSE group has saved around 21,232 units in the F.Y. 2023-24.

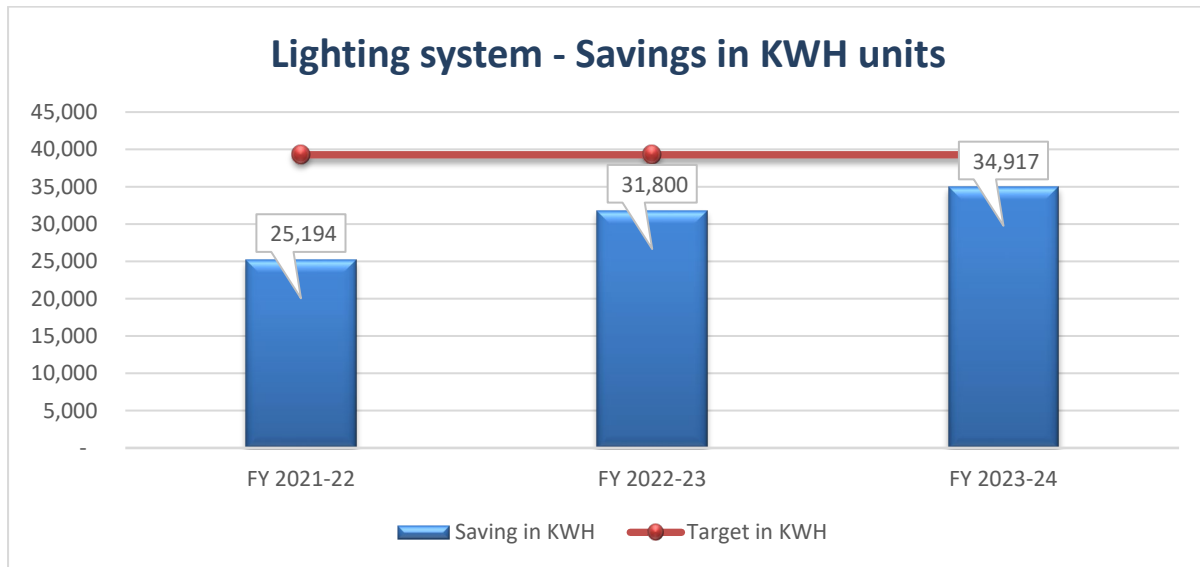


**14.1.2 Energy Conservation:**

**i) Lighting Transformer and LED Lights:**

Lighting Transformers have been introduced in the lighting feeders to regulate incoming power supply which reduces excess power consumption and enhances the life of the luminaries. Additionally, LED Lights have been introduced across the entire Office area.

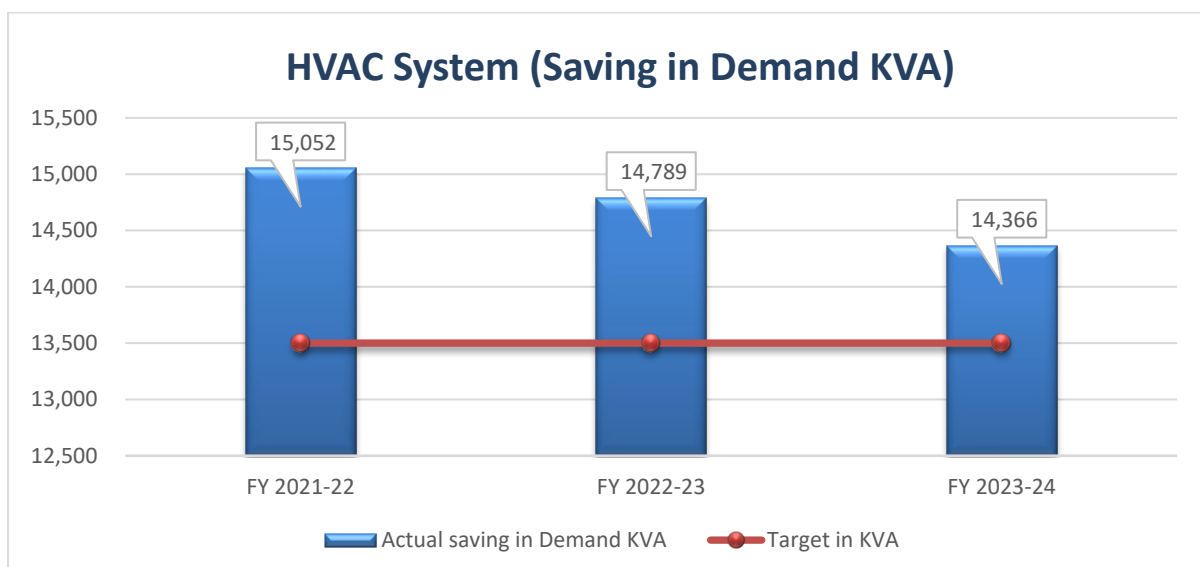
These measures have saved around 34,917 units in F.Y. 2023-24.



**ii) Thermal Energy Storage System:**

A Thermal Energy Storage System has been introduced in the Air-conditioning (AC) System at Exchange Plaza. It was observed that most of the Services (i.e. AC Chillers, AHU's, Lifts, Lighting, PC, Plumbing System, etc.) in the building were operated mainly during office / day hours. Amongst them, the AC Chillers and their associated equipment's used to consume more than 30% of the total peak demand load. In view of this, NSE group has decided to reduce its demand load during peak hours by introducing the aforesaid plant in the existing AC System. In this system, the AC Chillers are being operated at night hours to form the "Chill" (i.e. Glycol Water at a temperature below zero degree centigrade) which gets stored in a Thermal Storage Tank. The next day, the stored Chill is being utilised through Heat Exchangers for air-conditioning the entire Office area. On account of this, the Services which were operating mainly during office hours have been distributed and NSE group had surrendered the extra power.

This way, NSE group has saved around 14,366 Demand KVA in the F.Y. 2023-24.



### iii) Occupancy Sensors:

Motion / Occupancy Sensors have been installed at the entire office area to operate the lights automatically based on the occupancy in the respective areas.

### iv) Building Management System:

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

### v) Automatic Power Factor Control Units:

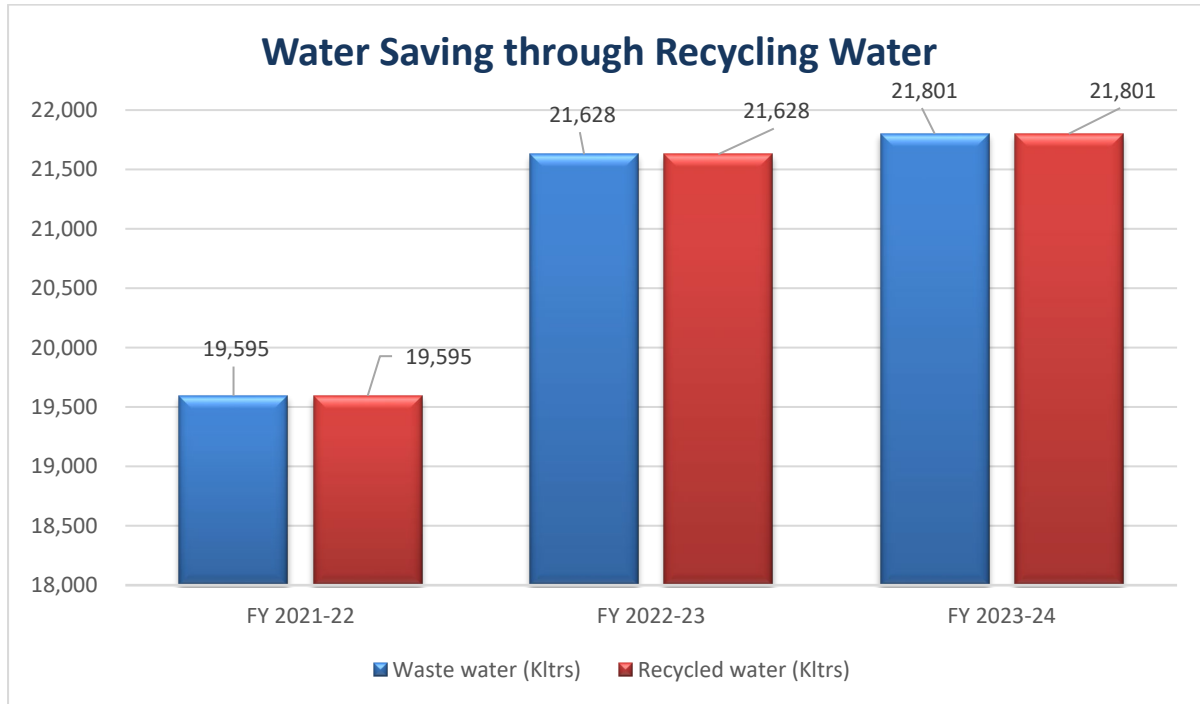
The Automatic Power Factor Control Units have been installed to improve the power factor (i.e. by counter-balancing the inductive load of the building with capacitive load) of the entire electrical load of the building. The Power Supplier provides incentives i.e. by passing certain discounts on the electricity bill on account of this regularly.

## 14.1.3 Water Management:

### i) Water Recycling - Sewerage Treatment Plant

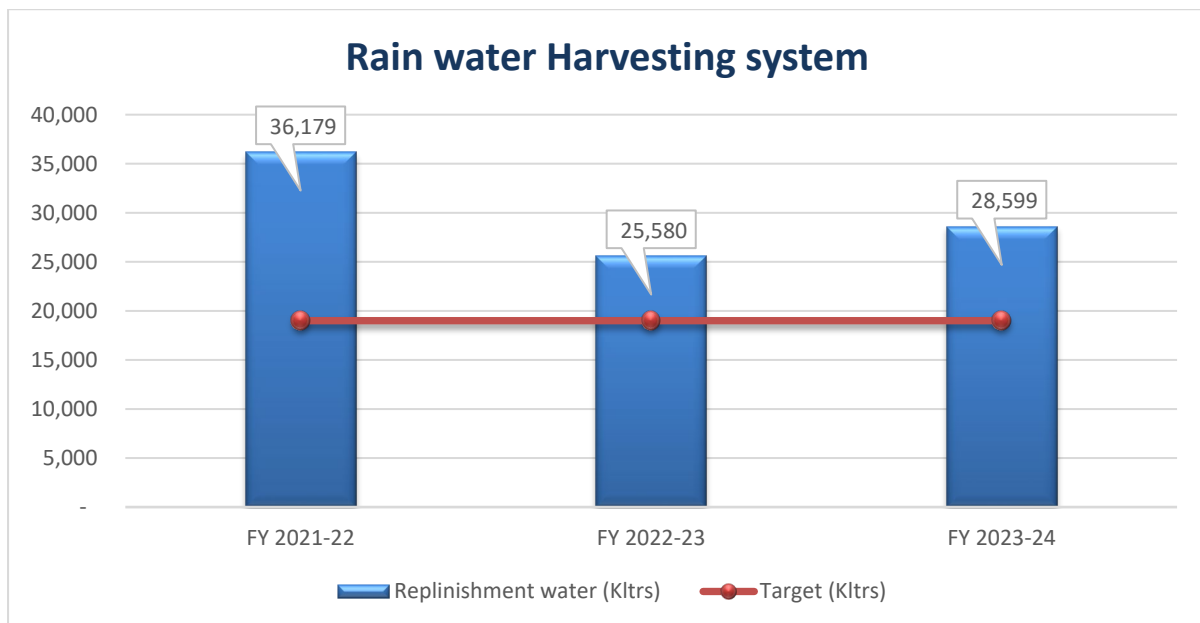
This plant has been installed at the inception stage itself to enable NSE group to reuse the building's domestic and flushing water (i.e. after treatment) for its Cooling Towers associated with the Air-conditioning System and for Gardening purposes every day. This way NSE group has saved around 21,801 Kiloliters of Water in F.Y. 2023-24.





**ii) Rain Water Harvesting System:**

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



#### 14.1.4 Waste Management:

##### Vermiculture Plant:

The compostable material like food waste collected from the Canteen, Garden Organics and Paper and Cardboard gets collected at a single place. Post shredding, the aforesaid organic material gets loaded into Vermiculture plant for the decomposing process. Post 7 days of an on-going process, vermicompost / manure gets generated and is being used for Gardening purposes. This way the NSE group has generated around 165 Kg of manure in the F.Y. 2023-24.

##### Waste Disposal:

The Company believes in reducing, recycle and reuse and manages its waste efficiently through various initiatives such as the Vermiculture system, Sewage treatment plant. We reduce the E-waste and ensure that the E-waste generated is recycled efficiently.

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

**Food Waste** - Food waste generated at Exchange Plaza building is processed through Vermiculture System installed at its building wherein manure (i.e. Vermicompost) generated through it is used for Gardening purposes.

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

### **15 FOREIGN EXCHANGE EARNINGS / OUTGO DURING THE YEAR UNDER REVIEW**

During the financial year there were no foreign exchange earnings. Further, the foreign exchange outgo towards revenue payments amounted to ₹ 0.95 Crores, Capital payments were ₹ 160.00 Crores inclusive of Capital contribution of ₹ 160.00 Crores to NICCL.

### **16 SEGMENT REPORT**

NCL operates only in one Business Segment i.e. facilitating clearing and settlement of securities and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

Necessary disclosure in this regard forms a part of notes to the annual accounts as approved by the Statutory Auditors of the Company.



## **17 PARTICULARS OF EMPLOYEES**

As on March 31, 2024, there are 276 employees on the payroll of NCL. The Statements of Particulars of Employees, pursuant to provisions Rule 5(2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed herewith as **Annexure-7**. The ratio of compensation paid to each key management personnel, vis-a-vis. median of compensation paid to all employees of NCL is enclosed herewith as **Annexure-8**.

## **18 PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016**

Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016, against the Company.

## **19 DIFFERENCE IN AMOUNT OF THE VALUATION**

During the year under review, there were no instance of one-time settlement with Banks or Financial Institutions. Therefore, as per rule 8(5)(xii) of Companies (Accounts) Rules, 2014, the reasons for difference in the valuation at the time of one-time settlement and the valuation done when taking loan from the Banks or Financial Institutions are not reported.

## **20 COST AUDIT / COST RECORDS**

The Company is not required to disclose the maintenance of cost records as specified by the Central Government under Section 148 of the Act. Accordingly, such accounts and records are not prepared and maintained.

## **21 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 NCL.

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

**Abhaya Hota  
Chairperson**

**Place: Mumbai  
Date: April 30, 2024**

ANNEXURE 1 TO DIRECTORS' REPORT

**FORM NO. AOC-2**

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

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

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

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

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

- (a) Name(s) of the related party and nature of relationship  
**Please see Annexure to AOC -2**
- (b) Nature of contracts/arrangements/transactions  
**Please see Annexure to AOC -2**
- (c) Duration of the contracts / arrangements/transactions  
**Please see Annexure to AOC -2**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:  
**Please see Annexure to AOC -2**
- (e) Date(s) of approval by the Board, if any:  
Approved by the Audit Committee on March 15, 2023 as all transactions are in the ordinary course of business and at arm's length basis.
- (f) Amount paid as advances, if any: **Nil**

For NSE Clearing Limited

Abhaya Hota  
Chairperson

Place : Mumbai  
Date : April 30, 2024

## ANNEXURE TO AOC-2

## (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 IFSC Clearing Corporation Limited	Subsidiary
3	NSE Investments Limited	Fellow Subsidiary
4	NSE IFSC Limited	Fellow Subsidiary
5	NSE Foundation	Fellow Subsidiary
6	NSE Data & Analytics Limited	Fellow Subsidiary's Subsidiary
7	NSE Academy Limited	Fellow Subsidiary's Subsidiary
8	NSEIT Limited	Fellow Subsidiary's Subsidiary
9	NSE Indices Limited	Fellow Subsidiary's Subsidiary
10	NSE Infotech Services Limited	Fellow Subsidiary's Subsidiary
11	NSE.IT (US) Inc.	Fellow Subsidiary's Subsidiary's Subsidiary
12	Aujas Cybersecurity Limited (formerly known as Aujas Networks Limited / Aujas Networks Private Limited)	Fellow Subsidiary's Subsidiary's Subsidiary
13	Talentsprint Private Limited	Fellow Subsidiary's Subsidiary's Subsidiary
14	TalentSprint Inc. (w.e.f. 29-11-2021)	Fellow Subsidiary's Subsidiary's Subsidiary's Subsidiary
15	Cogencis Information Services Ltd	Fellow Subsidiary's Subsidiary's Subsidiary
16	CXIO Technologies Private Limited (w.e.f July 08, 2021)	Fellow Subsidiary's Subsidiary's Subsidiary
17	BFSI Sector Skill Council of India	Holding Company's Associate
18	India International Bullion Holding IFSC Limited (w.e.f. June 04, 2021)	Holding Company's Associate

19	Power Exchange India Limited	Associate of Fellow Subsidiary
20	Protean eGov Technologies Ltd.(Formerly known as NSDL e-Governance Infrastructure Limited)	Associate of Fellow Subsidiary
21	Market Simplified India Limited	Associate of Fellow Subsidiary
22	Receivables Exchange of India Limited	Associate of Fellow Subsidiary
23	Indian Gas Exchange Limited	Associate of Fellow Subsidiary
24	Capital Quant Solutions Private Limited	Associate of Fellow Subsidiary's Subsidiary
25	India International Bullion Exchange IFSC Ltd (w.e.f. August 25, 2021)	Holding Company's Associate's Subsidiary
26	NSDL Database Management Limited	Holding Company's Associate's Subsidiary
27	National Securities Depository Limited	Holding Company's Associate
28	NSE Administration & Supervision Limited (w.e.f January 9, 2024)	Subsidiary of Parent Company
29	NSE Sustainability Ratings & Analytics Limited (w.e.f March 30, 2024)	Fellow Subsidiary's Subsidiary Company
30	Ms. Bhagyam Ramani–Director (upto 31.05.2023) Mr. Gopalkrishna Hegde (w.e.f. 17.06.2022) Mr. Jayant Ramaswamy Haritsa (w.e.f. 17.06.2022) Mr. Golaka Nath (w.e.f 17.11.2022) Mrs. Priti Savla (w.e.f 05.04.2023) Mr. Abhaya Hota (w.e.f 06.04.2023) Mr. Yatrik Vin (w.e.f. 07.09.2022) Mr. Vikram Kothari- Managing Director (w.e.f 07.11.2017) Mr. Amit M. Pujara (w.e.f 01.11.2021) Ms. Hima Bindu Vakkalanka (w.e.f 01.04.2019) Mr. Nilesh Tinaikar (w.e.f 01.06.2023) Mr. Uppili Krishnan Srinivasan (w.e.f 02.02.2022) Mr. Deepak K. Maharishi (w.e.f 17.04.2023) Mr. Amit Hatakar (w.e.f 17.04.2023) Mr. Huzefa Mahuvawala (w.e.f 02.06.2019) Mr. Nirajkumar Chhangani (w.e.f 17.04.2023) Mr. Aniket Bhanu (w.e.f 01.04.2020) Mr. Sijo Eluvathingal (w.e.f 17.04.2023) Ms. Rana Usman (w.e.f 01.12.2016) Mr. Pradeep Kumar Mukilmaridur (w.e.f 05.12.2022) Mr. Mangesh Ramesh Mahale (upto 07.02.2024) Mr. Amit Amlani (w.e.f 01.04.2019) Ms. Deepika P. Amesar (w.e.f 03.04.2023 to 11.01.2024) Mr. Ravin T. Tank (w.e.f 19.08.2022) Mr. Animesh Jain (w.e.f 04.09.2023)	Key Management personnel / Directors

## (b) Details of transaction (including taxes as applicable) with parties are as follows :

Name of the related party	Nature of transaction	Year ended March 31, 2024	Year ended March 31, 2023
National Stock Exchange of India Limited	<ul style="list-style-type: none"> <li>Clearing and Settlement charges</li> <li>Usage charges</li> <li>Reimbursement (including liability) paid for expenses on staff on deputation</li> <li>Reimbursement paid for other expenses incurred</li> <li>Space &amp; Infrastructure Usage Charges</li> <li>Contribution to Core SGF</li> <li>Usage Charges - Interoperability</li> <li>Reimbursement received for services rendered / assets transferred</li> <li>EBP Platform Usage Income</li> <li>Dividend</li> <li>Royalty for Usage of Brand/Logo</li> <li>Equity Share Capital</li> </ul>	1,315.80 25.18 2.29 81.34 6.81 1,937.25 1.66 2.52 0.85 22.50 23.68 1,400.00	710.92 25.13 10.61 70.51 4.45 4.00 1.66 0.09 0.84 180.00 - -
NSE IFSC Clearing Corporation Ltd	<ul style="list-style-type: none"> <li>Investment in Equity Share Capital</li> <li>Reimbursement for other expenses incurred</li> </ul>	160.00 0.10	- 0.84
NSEIT Limited	<ul style="list-style-type: none"> <li>Repairs &amp; Maintenance – Clearing &amp; Computer systems</li> </ul>	33.38	26.60
NSE Foundation	<ul style="list-style-type: none"> <li>Investment in Equity Share Capital</li> <li>Contribution towards CSR Expenses</li> </ul>	- 0.07	- 5.88
National Securities Depository Limited	<ul style="list-style-type: none"> <li>Depository operation related fees/charges</li> </ul>	0.16	0.19
Aujas Cybersecurity Limited	<ul style="list-style-type: none"> <li>Repairs &amp; Maintenance – Clearing &amp; Computer systems</li> </ul>	0.15	0.52

NSE Limited	Indices	<ul style="list-style-type: none"> <li>Reimbursement of 50% of the one-time cost &amp; annual subscription fees</li> </ul>	0.21	-
Mr. Kothari- Managing Director (w.e.f. 07.11.2017)	Vikram	Gross remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	3.04	2.67
Directors		<ul style="list-style-type: none"> <li>Sitting Fees paid to Directors</li> </ul>		
		<ul style="list-style-type: none"> <li>Mr. H R Khan</li> </ul>	-	0.15
		<ul style="list-style-type: none"> <li>Mr. Salim Gangadharan</li> </ul>	-	0.08
		<ul style="list-style-type: none"> <li>Mr. Navin Kumar Maini</li> </ul>	-	0.10
		<ul style="list-style-type: none"> <li>Mr. CVR Rajendran</li> </ul>	-	0.09
		<ul style="list-style-type: none"> <li>Mrs. Bhagyam Ramani</li> </ul>	0.09	0.36
		<ul style="list-style-type: none"> <li>Mr. Gopalkrishna Hegde</li> </ul>	0.37	0.21
		<ul style="list-style-type: none"> <li>Mr. Jayant Ramaswamy Haritsa</li> </ul>	0.41	0.25
		<ul style="list-style-type: none"> <li>Mr. Ananth Narayan Gopalkrishnan</li> </ul>	-	0.04
		<ul style="list-style-type: none"> <li>Mr. Golaka Nath</li> </ul>	0.44	0.08
		<ul style="list-style-type: none"> <li>Mrs. Priti Savla</li> </ul>	0.33	-
		<ul style="list-style-type: none"> <li>Mr. Abhaya Hota</li> </ul>	0.43	-

For NSE Clearing Limited

Abhaya Hota  
Chairperson

Place: Mumbai  
Date: April 30, 2024



**FORM NO. MR.3**  
**SECRETARIAL AUDIT REPORT**

for the Financial Year ended March 31, 2024

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

To,  
The Members,  
**NSE Clearing Limited**  
Exchange Plaza, Plot C-1,  
Block G, Bandra Kurla Complex,  
Bandra (East), Mumbai 400051

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

**Auditor's Responsibility:**

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2024 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

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**Head Office**

Ecstasy, 802-805, 8th Floor, Citi Of Joy, JSD, Mulund West, Mumbai-400080, Maharashtra  
**Board Number:** +91 22 2167 8100 **Nasik Branch:** 0253- 2316533, 2516455 [www.mmjc.in](http://www.mmjc.in)

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment; **(Foreign Direct Investment and External Commercial Borrowings are not applicable to the Company during the Audit Period)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the Audit Period)**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not Applicable to the Company during the Audit Period)**
  - (i) Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations, 2018;

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India);
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 to the extent as referred in Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 **(Listing Regulations)**;



During the period under audit, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except in case of sitting fees paid by subsidiary company to its directors for attending board and committee meetings and where Company is not a party, instead prior, audit committee of the Company has post facto ratified & approved the said transactions.*

**We further report that,** having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof on test check basis, the company has complied with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 which is specifically applicable.

**We further report that**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in five cases where meeting is convened at a shorter notice for which necessary approvals obtained as per applicable provisions) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The adequacy and efficacy shall read in context of reporting as specified in the report.

**We further report that during the audit period,** the Company has

1. The Company paid the settlement amount of ₹ 22,88,00,000/- in June 2023 and SEBI disposed of the proceedings of the show cause vide settlement order dated June 20, 2023 w.r.t. technical glitch
2. Increased its Authorised share capital from ₹ 45,00,00,000/- (Rupees Forty-Five Crores) divided into 4,50,00,000 (Four Crore Fifty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten only) each to ₹ 50,00,00,00,000/- (Rupees Five Thousand Crores only) divided into 5,00,00,00,000 (Five Hundred Crore) Equity Shares of ₹ 10/- (Rupees Ten only). Consequently, altered its Capital Clause V of Memorandum of Association by passing Shareholder resolution at Extra-ordinary General Meeting held on October 03, 2023 and the said amendment come into force from February 29, 2024 i.e. post its publication in the Gazette of State or Gazette of India, whichever is later.

3. Issued and allotted 1,40,00,00,000 Equity Shares of face value of ₹ 10/- each aggregating to ₹ 14,00,00,00,000/- for cash at par to the eligible equity shareholders of the Company on right basis;

**For Makarand M. Joshi & Co.  
Company Secretaries**

**Kumudini Bhalerao  
Partner**

**FCS No. 6667**

**CP No. 6690**

**Peer Review No: 640/2019**

**UDIN:F006667F000274198**

**Date:** April 30, 2024

**Place:** Mumbai

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

To,  
The Members,  
**NSE Clearing Limited**  
Exchange Plaza, Plot C-1,  
Block G, Bandra Kurla Complex,  
Bandra (East), Mumbai 400051

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Makarand M. Joshi & Co.  
Company Secretaries**

**Kumudini Bhalerao  
Partner**

**FCS No. 6667**

**CP No. 6690**

**Peer Review No: 640/2019**

**UDIN:F006667F000274198**

**Date:** April 30, 2024

**Place:** Mumbai

## ANNEXURE - 3 TO DIRECTORS' REPORT

## Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

## Form AOC 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## Part "A" Subsidiary

Name of the Subsidiary	NSE IFSC Clearing Corporation Limited
The date since when subsidiary was acquired	December 02, 2016
Reporting date	March 31, 2024
Share Capital (₹ in crores)	250.00
Reserves and Surplus (₹ in crores)	(89.50)
Total Assets (₹ in crores)	228.19
Total Liabilities (₹ in crores)	228.19
Investments (₹ in crores)	71.74
Turnover (₹ in crores)	16.66
Profit before Taxation (₹ in crores)	(8.40)
Provision for Taxation	-
Profit after Taxation (₹ in crores)	(8.40)
Proposed Dividend	-
% of shareholding	100%

**Notes:-**

NSE IFSC Clearing Corporation Limited is a wholly owned subsidiary of NSE Clearing Limited.

For and on behalf of the Board of Directors

Abhaya Hota  
Chairperson  
DIN:02593219

Vikram Kothari  
Managing Director & CEO  
DIN:07898773

Amit Amlani  
Chief Financial Officer

Ravin Tank  
Company Secretary

Place: Mumbai  
Date: April 30, 2024

## ANNEXURE 4 TO DIRECTORS' REPORT

**NOMINATION AND REMUNERATION POLICIES****NSE Clearing Limited****Policy for Nomination and Appointment of Directors, KMPs and Senior Management Personnel****1. Introduction**

NSE Clearing Limited (hereinafter referred to as “NCL” or “the company”) is governed by the Companies Act, 2013 and rules notified thereunder; the Securities Contracts (Regulation) Act, 1956 read with rules notified thereunder and the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred to as “SCR (SECC) Regulations, 2018”) including disclosure requirements and corporate governance norms as specified for listed companies to the extent applicable to stock exchanges/clearing corporations.

Pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and SCR (SECC) Regulations, 2018, the Board of Directors of NCL is mandated to constitute a Nomination and Remuneration Committee which shall, amongst other things, formulate the criteria for determining qualifications, positive attributes and independence of a Director and criteria for identifying persons who may be appointed in senior management and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. Accordingly, NCL has constituted a Nomination and Remuneration Committee. This Policy lays down the broad guideline for nomination and appointment of Directors and Senior Management.

**2. Objective**

The objective of this Policy is to lay down a framework in relation to appointment of Directors, Key Managerial personnel and Senior Management Personnel under Companies Act and SECC Regulations. The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) and Securities Contracts Regulations (Stock Exchanges and Clearing Corporations) Regulations, 2018 (SECC Regulations). The Company aims to achieve a balance of merit, experience and skills amongst its Directors, KMPs and Senior Management Personnel.

The objectives of this Policy are:

- a. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, KMPs and Senior Management including Key Managerial Personnel.
- b. To institute processes that enables the identification of individuals who are qualified to become Directors and who may be appointed as Key Managerial Personnel and/or in senior management. The NRC shall recommend to the Board of Directors the appointment of Directors, KMPs and Senior Management Personnel and their removal under the Companies Act. The appointment of KMPs under SECC Regulations shall be approved by the NRC.
- c. To formulate the criteria for identifying the persons who are qualified to become Directors and such persons who may be appointed as the KMPs / Senior Management Personnel of the Company.
- d. To determine the composition of the Board of Directors.
- e. To determine the qualifications, positive attributes and independence of a director and
- f. To ensure Board Diversity and implementation of succession planning in the Company.

### 3. Definitions

- (i) **“Board of Directors”** or **“Board”** shall mean the collective body of directors of NCL;
- (ii) **“Director”** means a director appointed to the Board of NCL;
- (iii) **“Independent Director”** shall have the meaning as defined under the Companies Act, 2013 read with relevant rules and the Listing Regulations.
- (iv) **“Key Managerial Personnel (KMP)”** means as defined under Section 2(51) of the Companies Act, 2013 and/or as per Regulation 2(j) of SCR (SECC), Regulation, 2018.
- (v) **“Managing Director”** means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

Explanation.—For the purposes of this clause, the power to do administrative acts of a routine nature when so authorized by the Board such as the power to affix the common seal of the company to any document or to draw and endorse any cheque on the account of the company in any bank or to draw and endorse any negotiable instrument or to sign any certificate of share or to direct registration of transfer of any share, shall not be deemed to be included within the substantial powers of management;

(vi) **“Nomination and Remuneration Committee” or “the Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013, Regulation 19 of the Listing Regulations and Regulation 27 of the SECC Regulations.

(vii) **“Non- Independent Director”** means a means a director elected or nominated by the shareholders who are neither Trading Members nor Clearing Members, as the case may be, or their associates and agents;” as defined under SCR (SECC) Regulations, 2018);

(viii) **“Policy”** means this “Policy for Nomination and Appointment of Directors, KMPs and Senior Management Personnel.”

(ix) **“Public Interest Director”** means an Independent Director as defined under SCR (SECC) Regulations, 2018.

(x) The term **“Senior Management”** shall mean officer/personnel of the company who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include the functional heads, by whatever name called and the company secretary and the chief financial officer [Regulation 16(d) of Listing Regulations]. It includes KMPs under the Companies Act, 2013 and those recommended by the NRC to be part of senior Management from time to time.

(xi) **“Whole-time director”** as defined under Section 2(94) of the Companies Act, 2013 includes a director in the whole-time employment of the company;

Words and definitions not defined herein, shall have the same meaning as provided in the Companies Act, 2013 read with relevant Rules, Listing Regulations and SECC Regulations or other relevant provisions as may be applicable.

#### 4. Interpretation

In any circumstance where the terms of this Policy differ from any existing or enacted law, rule, regulation governing the Company, the law, rule or regulation will take precedence over the provision of this Policy. Further, apart from the

criteria and requirements laid down in this policy, the NRC and the Board will also be guided by the SEBI Directives, Circulars, Letters and Guidance notes with respect to the nomination and appointment of Directors, KMPs and Senior Management Personnel issued by SEBI from time to time.

## **5. Parameters for recommending a candidate for appointment as Director**

When recommending a candidate for appointment as Director, the Committee will have regard to the following qualifications and positive attributes:

- (i) the appointee should satisfy the 'fit & proper criteria' as stipulated under SCR (SECC) Regulations, 2018 (refer Annexure A) and other requirements as prescribed by SEBI from time to time;
- (ii) assessing the appointee against a range of criteria which includes, but not be limited to, qualifications, skills, industry experience, background and other qualities required to operate successfully in the position;
- (iii) the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company, in case of senior management their contribution towards effectiveness of the organisation as a whole would be considered;
- (iv) the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;
- (v) ability of the appointee to represent the Company;
- (vi) ability to work individually as well as a member of the Board and with the senior management;
- (vii) influential communicator with power to convince other in a positive way;
- (viii) ability to participate actively in deliberation and group processes;
- (ix) have strategic thinking and facilitation skills;
- (x) act impartially keeping in mind the interest of the company on priority basis;
- (xi) has attained minimum age of 21 years and is not older than 75 years or such other age as may be prescribed from time to time, in case of Public Interest Directors.
- (xii) shall not be disqualified under Section 164 of the Companies Act, 2013
- (xiii) Personal specifications:
  - Educational qualification;



- Experience of management in a diverse organization;
- Interpersonal, communication and representational skills;
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity; and
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace.

(xiv) Enrollment of name in the Databank for the position of Independent Director / PID, being maintained by the Indian Institute of Corporate Affairs at Manesar to qualify as an Independent Director.

(xv) While evaluating the candidature of an Independent Director, the Committee shall review the criteria for determining Independence as stipulated under the Companies Act 2013, Listing Regulations and other applicable regulations or guidelines.

(xvi) The Committee takes a broad perspective with respect to Independence and takes into consideration not only the dealings, transactions, relationships with the concerned Individual Director but also with relatives, entities and organizations affiliated to it.

(xvii) The Committee, along with the Board, regularly reviews the skill, characteristics required from the Board & Individual Directors. One of the prime objectives of this exercise is to identify competency gaps in the Board and make suitable recommendations. The objective is to have a board of diverse background and experience in business, technology, governance and areas that are relevant for NSE Clearing Limited.

(xviii) Besides considering all other qualifications with regards to talent, relevant professional experience, proven track record of performance and achievement, ethics and integrity, ability to bring in fresh and independent perspectives, sector specific experience and expertise, the Committee objectively evaluates whether an individual can dispassionately discharge the statutory functions of a Director as enshrined in the Companies Act, 2013, SCR (SECC) Regulations, 2018 and Listing Regulations.

As far as the position of Managing / Executive Director is concerned, the person to be appointed will be assessed against a range of criteria which shall include but shall not be limited to qualifications, skills, industry experience, fit & proper, background and other attributes required for the said position. The person appointed as Managing / Executive Director shall have all the powers and authorities as prescribed by the Board of Directors and as provided in the Articles of Association and applicable provisions of the Act. Managing / Executive Director will be overall in-charge of the business, administration and other affairs of the Company subject to the superintendence, control and directions of the Board of Directors and he shall guide, control and supervise the employees of the Company, their functions, the business carried on by the Company and all administrative matters.

With respect to the selection of the Managing Director & CEO, the Management shall ensure that no applicant is invited for an interview for the post of Managing Director & CEO unless the applicant has obtained necessary clearance / No objection certificate from the requisite authorities, wherever required, in view of SEBI letter dated September 7, 2021, regarding the policy for the appointment of the Managing Director of MIIIs.

## **6. Guiding factors to be considered while appointing PIDs**

- a. Governing Board shall comprise of atleast one PID having the requisite qualification and experience in each of the areas of capital markets, finance and accountancy, legal and regulatory practice and technology.
- b. Atleast one person shall be inducted having experience and background in finance/ accounts who may preferably be inducted in the audit committee.
- c. Persons currently holding positions of trust and responsibility in reputed organisations or person who have retired from such positions.
- d. Persons who are likely to have interested positions in commercial contracts and affairs of stock exchanges, may preferably be excluded. Persons who are regular speculators in the market or are a director in the board of the Promoter entity of the Stock Exchange or Clearing Corporation, shall be excluded.

## **7. Composition of Board under SECC Regulations**

The Board of NCL shall include:

- (a) Non- Independent Directors;
- (b) Public Interest Directors; and,
- (c) Managing Director;
- (d) SEBI Nominee Director, if any.

Besides taking into account provisions as specified in the Articles of Association, applicable provisions contained in the Companies Act and Rules made thereunder and Listing Regulations, the Committee shall also take into account the following while deciding the composition of the Board and its size:

- The number of public interest directors shall not be less than the number of Non-Independent directors to constitute the quorum for the meeting of the governing board.;
- The managing director shall be included in the category of non- Independent Directors;
- The Managing Director of the Company shall not
  - (a) be a shareholder or an associate of a shareholder of a recognised stock exchange or recognised clearing corporation or shareholder of an associate of a recognised stock exchange or recognised clearing corporation, as the case may be;

- (b) be a trading member or a clearing member, or his associate and agent, or shareholder of a trading member or clearing member or shareholder of an associate and agent of a trading member or a clearing member;
- Any employee of a recognised stock exchange or recognised clearing corporation may be appointed on the governing board in addition to the managing director and such director shall be deemed to be a non-Independent Director;
- SEBI may appoint one or more persons as its Nominee not exceeding three in number, as director(s) on the governing board of any recognised stock exchange and such director(s) shall enjoy the same status and power as the other directors of the governing board.
- The governing board of the Company shall comprise of directors having the requisite qualifications and experience in the areas of capital markets, finance and accountancy, legal and regulatory practice, technology, risk management and management or administration
- The Company may also appoint directors having qualification and experience in other areas which may be specific to them.
- The Chairperson shall be elected by the Governing Board from amongst the Public interest Directors and shall be subject to prior approval of SEBI;
- No trading member or clearing member, or their associates and agents, shall be on the Board. The exceptions / exemptions in this regard shall be as stipulated in the SCR SECC Regulations, 2018, from time to time;
- No foreign portfolio investor shall have any representation in the Board; and
- The Public Interest Directors on the Board shall be appointed by the SEBI.
- The Public Interest Directors shall be eligible to become a Non- Independent Director only after a cooling period of 3 years after ceasing to be a Public Interest Director.

## 8. Term / Tenure :

### a) Managing Director / Whole-time Director:

- i. The Company shall appoint or re-appoint any person as its Managing Director for a term not exceeding 5 (five) years at a time.
- ii. Post the completion of the first term, the company shall conduct the appointment process for appointment of the managing director afresh. The Managing Director may be appointed for a maximum period of ten years, subject to an age limit of sixty-five years.
- iii. No re-appointment shall be made earlier than 1 (one) year before the expiry of the term.
- iv. The appointment and tenure of the Managing Director would be governed by the applicable provisions of the Companies Act, 2013 and SECC Regulations, as may be mandated by SEBI from time to time.

### b) Public Interest Director

- i. A Public Interest Director shall be appointed for a fixed term of 3 (three) years on the Board and for such extended period as may be approved by SEBI, subject to performance evaluation as provided in the Board

Evaluation Policy and subject to the maximum age limit of seventy-five years.

- ii. At the time of appointment of the Public Interest Director, it shall be ensured that number of boards on which such Public Interest Director shall serve is restricted to 7 (seven) listed companies as a Public Interest Director.
- iii. The appointment and tenure of the Public Interest Director would be governed by the applicable provisions of the Companies Act, 2013 and as may be mandated by SEBI from time to time.
- iv. Shareholders' approval shall not be necessary for the appointment of PID.

**c) Non- Independent Director**

- i. The appointment and tenure of the Non- Independent Director would be governed by the applicable provisions of the Companies Act and as may be mandated by SEBI from time to time. The Non- Independent Director shall be liable to retire by rotation as per the provisions of Companies Act, 2013 in this behalf.
- ii. The appointment of a Non- Independent Director who has attained the age of 75 years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.

**9. Evaluation**

The NRC shall by itself or through the Board or an independent external agency as prescribed in the Board Evaluation Policy, evaluate the performance of the Board / Committee(s), Individual Directors and Chairman at a regular interval (yearly) and review implementation and compliance.

**10. Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act or the prevailing policy of the Company, as applicable. The Board / Committee will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**11. Board Diversity**

The Board shall consist of such number of Directors, including at least one-woman Independent Director, as is necessary to effectively manage the Company of its size.. The NRC will lead the process for Board appointments. All Board appointments will be based on meritocracy in the context of the skills, diverse experience, independence and knowledge which the Board as a whole requires to be effective. The candidates will be considered against objective criteria, having

due regard to the benefits of diversity on the Board. NCL believes that increased diversity in Board is associated with better financial performance, greater innovation and has a positive impact on the Company.

## **12. Familiarization Program for Directors**

The Company shall provide an orientation to new Directors and continuing education / training to all its Directors and shall periodically provide materials or briefing sessions for all Directors on subjects that would assist them in discharging their duties. Each new Director shall spend reasonable time for personal briefings by senior management on the Company's operations, its material subsidiaries, strategic plans, its financial statements, its key policies and practices and other details as may be desired by the Director. Public interest directors shall peruse the relevant laws, code of conduct, etc. and submit an undertaking that they are aware of their role, responsibilities and obligations. The Company shall provide at least seven days of training to all director each year.

## **13. Criteria for appointment of KMPs and Senior Management Personnel**

The following attributes shall be taken into consideration for selecting suitable candidates for appointment as senior management personnel:

- (i) The KMPs and Senior Management Personnel identified as KMP of NCL should satisfy the "Fit and Proper Person" criteria as prescribed by SECC Regulations (Refer Annexure A);
- (ii) Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, industry experience, background and other qualities as may be required to operate successfully in the position;
- (iii) Contribution towards effectiveness of the organisation as a whole;
- (iv) ability of the appointee to represent the company;
- (v) ability to work individually as well as part of team of senior management;
- (vi) influential communicator with power to convince other in a positive way;
- (vii) ability to participate actively in deliberation and group processes;
- (viii) have strategic thinking and facilitation skills;
- (ix) act impartially keeping in mind the interest of the company on priority basis;
- (x) Profile shall include:
  - Educational qualification;
  - Experience of management in a diverse organization;
  - Interpersonal, communication and representational skills;
  - Demonstrable leadership skills;
  - Commitment to high standards of ethics, personal integrity and probity;

- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace

The NRC / Management from time to time shall identify the level, designation and names of (i) Key Management / Managerial Persons under SCR (SECC) Regulations, 2018, Listing regulations and Companies Act and / or persons who forms part of Senior Management and recommend the same to NRC for its approval. The Managing Director is empowered to identify the candidates in the Senior Management in terms of the criteria prescribed herein and recommend their appointment to NRC.

#### **14. Guidelines for appointment of KMPs**

- a) Appointment of MD does not fall under the scope of this process and will be governed by the SEBI defined process for the same.
- b) The NRC upon the recommendations of the MD and Human Resource Officer shall periodically review and consider the list of Key Managerial Personnel segmented under
  - (i) due for retirement (within 1 year)
  - (ii) organization readiness to mitigate risks on account of attrition, capability gaps and performance of the role holder.
  - (iii) The NRC shall also consider the new vacancies that may arise because of business needs/up-gradation of Department(s)/Regional Office(s).
- c) The MD and Human Resource Officer would be responsible to identify roles, designations & levels to be considered as KMP and recommend to the NRC for review and approval.

#### **15. Succession Planning**

The Committee shall review, approve and aid the Board in succession and emergency preparedness plan for Key Executives (which includes persons for appointments to the Board and to senior management). The above mentioned criteria may be applied for such identification and evaluation.

#### **16. Amendment**

Any amendment or modification in the Companies Act, 2013, Listing Regulations, SECC Regulations, 2018, Rules, Regulations and directives issued under the respective statutes (which include Listing Regulations) and any other applicable Regulation relating to NRC shall automatically be applicable to the Company.

#### **17. Disclosure**

This policy shall be placed on the Company's website in accordance with provisions of the Companies Act, 2013 and Listing Regulations and the salient features of the policy, if any, shall be disclosed in the Board's report.

## **18. Review of the policy**

This Policy shall be reviewed once a year to ensure that it meets the regulatory requirements or latest industry practice or both and the changes shall be placed in the NRC and the Board.

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## ANNEXURE A

### Fit and proper criteria under SECC Regulations

A person shall be deemed to be a fit and proper person if:

- (A) such person has a general reputation and record of fairness and integrity, including but not limited to-
- i. financial integrity;
  - ii. good reputation and character; and
  - iii. honesty;
- (B) such person has not incurred any of the following disqualifications:
- i. the person, or any of its whole time directors or managing partners, has been convicted by a court for any offence involving moral turpitude or any economic offence or any offence against the securities laws;
  - ii. an order for winding up has been passed against the person;
  - iii. the person, or any of its whole time directors or managing partners, has been declared insolvent and has not been discharged;
  - iv. an order, restraining, prohibiting or debarring the person, or any of its whole time directors or managing partners, from dealing in securities or from accessing the securities market, has been passed by the Board or any other regulator authority, and a period of three years from the date of the expiry of the period specified in the order has not elapsed;
  - v. any other order against the person, or any of its whole time directors or managing partners, which has a bearing on the securities market, has been passed by the Board or any other regulatory authority, and a period of three years from the date of the order has not elapsed;
  - vi. the Board has initiated recovery proceedings under the SEBI Act, 1992 and are pending;
  - vii. the person has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force;
  - viii. the person is financially not sound or has been categorized as a willful defaulter; and
  - ix. any other disqualification as specified by SEBI.

If any question arises as to whether a person is a fit and proper person, the Board's (i.e. SEBI's) decision on such question shall be final

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## NSE Clearing Limited

### Remuneration Policy

#### 19. Introduction

NSE Clearing Limited (hereinafter referred to as “NCL” or “the company”) is governed by the Companies Act, 2013 and Rules notified thereunder; the Securities Contracts (Regulation) Act, 1956 read with rules notified thereunder and the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred to as “SCR (SECC) Regulations, 2018”) including disclosure requirements and corporate governance norms as specified for listed companies to the extent applicable to clearing corporations.

Section 178 of the Companies Act, 2013 and SCR (SECC) Regulations, 2018 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) prescribe that the Nomination and Remuneration Committee shall recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees.

Regulation 27 of the SCR (SECC) Regulations, 2018 mandates that the Remuneration Policy for the Key Management Personnel of the Clearing Corporation shall be in accordance with the norms specified by SEBI.

#### 20. Definitions

- (i) **“Board of Directors” or “Board”** shall mean the collective Body of Directors of NCL;
- (ii) **“Director”** means a Director appointed to the Board of NCL;
- (iii) **“Independent Director”** shall have the meaning as defined under the Companies Act, 2013 read with relevant rules and the Listing Regulations.
- (iv) **“Key Managerial Personnel (KMP)”** means as defined under Section 2(51) of the Companies Act, 2013 and/or as per Regulation 2 of SCR (SECC), Regulation, 2018
- (v) **“Senior Management”** under Companies Act means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads. “Senior Management” under SEBI (Listing Obligations and Disclosure Requirements), 2015 mean officers / personnel of the Exchange who are members of its core management team excluding Board of Directors comprising all members of management one level below the chief executive officer/managing director/whole time

director/manager (including chief executive officer/ manager, in case they are not part of the board) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer. It may include such persons identified by the NRC / Board from time to time in terms of the Companies Act, 2013 and Listing Regulations.

- (vi) **“Managing Director”** under the Companies Act, 2013 means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

Explanation.—For the purposes of this clause, the power to do administrative acts of a routine nature when so authorized by the Board such as the power to affix the common seal of the company to any document or to draw and endorse any cheque on the account of the company in any bank or to draw and endorse any negotiable instrument or to sign any certificate of share or to direct registration of transfer of any share, shall not be deemed to be included within the substantial powers of management;

- (vii) **“Nomination and Remuneration Committee” or “Committee”** shall mean a Committee of Board of NCL, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013, Regulation 19 of the Listing Regulations and Regulation 27 of SCR (SECC) Regulations, 2018.
- (viii) **“Other Employees”** means any person (other than KMPs under the Companies Act and SECC Regulations and Senior Management Personnel) employed to work full time on the payrolls of the Company.
- (ix) **“Policy”** means this Remuneration Policy.
- (x) **“Public Interest Director”** means an Independent Director, representing the interests of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of the Securities and Exchange Board of India (“SEBI”), is in conflict with his role;
- (xi) **“Whole-time director”** includes a director in the whole-time employment of the company;

Words and definitions not defined herein, shall have the same meaning as provided in the Companies Act, 2013 read with relevant rules, Listing Regulations and SCR (SECC) Regulations 2018 or other relevant provisions; as may be applicable.

## 21. Interpretation

In any circumstance where the terms of this Policy differ from any existing or enacted law, rule, regulation governing the Company, the law, rule or regulation will take precedence over the provision of this Policy.

## 22. Objectives

The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management Personnel.

The objectives of this policy are:

- (a) To lay down a policy for payment of remuneration to the Directors, Key Managerial Personnel, Senior Management and other employees of NCL;
- (b) To assist the Board on determination of remuneration payable to the Directors, Key Managerial Personnel, Senior Management and other employees of NCL;
- (c) To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (d) To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (e) To ensure that the remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- (f) To decide on the Annual Performance Linked Pay (variable pay) payable to Managing Director and to approve annual increase in the Total Pay payable to Managing Director;
- (g) To assist the Board's overall responsibility relating to executive compensation and recommend to the Board appropriate compensation packages for Whole-time Directors and Senior Management personnel in such a manner so as to attract and retain best available personnel for position of substantial;
- (h) To approve release of variable pay of KMPs under SEBI Regulations withheld earlier; and
- (i) To approve Variable Pay and Fixed Pay of KMPs under SEBI Regulations.

## 23. Remuneration of Directors, KMP and Senior Management

- (a) The remuneration / compensation, etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company, Central Government and SEBI, wherever required. It shall be as per the statutory provisions of the Companies Act, 2013 read with the rules made thereunder for the time being in force. The requirements, if any, prescribed by SEBI from time to time in this regard shall be followed while determining the compensation payable to Directors, KMP and Senior Management.
- (b) The remuneration / compensation to be paid to the KMP shall be approved by the Committee. For KMP's under Companies Act, 2013, it shall be as per the statutory provisions of the Companies Act, 2013 read with the rules made thereunder for the time being in force. For KMP's under SCR (SECC) Regulations, 2018, the requirements prescribed by SEBI from time to time in this regard shall be followed while determining the compensation payable to

them, which shall be determined by the Committee. For those Senior Management, compensation payable shall be recommended by the Committee to the Board for its approval.

- (c) The Committee shall lay down remuneration policy of the Company from time to time in accordance with market practice and the Company philosophy subject to SEBI norms, as may be applicable.
- (d) The annual compensation shall consist of a fixed component and a variable component. The variable component shall be within a range of 25% to 50% of the total pay in respect of KMPs under SCR (SECC) Regulations, 2018. This shall however not be applicable to the other employees.
- (e) The Chief Human Resources Officer will obtain compensation approval from the MD and the NRC before extending the final offer to the selected candidate.
- (f) 50% of the variable pay in respect of the KMPs in respect of each financial year shall be paid to the KMP concerned on completion of 3 years from the last date of the respective financial year which will be kept invested in fixed deposits till final payment, if any and paid to the employee concerned with accrued interest if and when the final payment is made. However, as a malus arrangement, the said amount or any part thereof along with accrued interest as per fixed deposit rate for the applicable period in respect of a financial year may be prevented from being paid by the compensation committee, after providing an opportunity of being heard to the concerned KMP, in case of fraud, misfeasance, misappropriation or excessive risk taking by the concerned employee intentionally causing financial loss to the company.
- (g) The KMPs are also covered under a claw back arrangement under which the compensation committee may require an employee to return previously paid in full or vested remuneration partially or fully including the interest earned (if any), after providing an opportunity of being heard to the concerned KMP, under the following circumstances namely fraud, misfeasance, misappropriation and intentionally causing financial loss to the company. The claw back is exercisable within a period of three years from the end of financial year in which the remuneration was paid or vested. The claw back is not exercisable in respect of retiral benefits accrued to KMPs.
- (h) ESOPs and other equity linked instruments shall not be offered or provided as part of the compensation for the Key Management Personnel.
- (i) The following factors shall be considered while fixing compensation package for the KMPs:
  - A. performance, potential, qualification, experience, expertise,
  - B. role and responsibilities
  - C. level of employees, inflation, attraction and retention of talent,
  - D. market benchmark / comparable to the industry standards,
  - E. size and complexities of operation,
  - F. financial condition and health of the Company, revenues, net profit,

G. average levels of compensation payable to employees in similar ranks, periodic review, etc.

(j) Incentive to take excessive risks over the short term shall be discouraged.

(k) The Managing Director and Chief Human Resources Officer will be responsible for execution of the compensation strategy, practices and plan (covering both fixed pay and variable pay) for the other Employees in line with the compensation policy

#### **24. Remuneration criteria for Managing Director**

The remuneration / compensation, if any, etc. of the Managing Director shall be subject to the approval of the NRC, Board and Shareholders of the Company, wherever required, under applicable laws.

#### **25. Remuneration criteria for Independent Directors/ Public Interest Directors / Non- Executive Directors**

The Independent Directors/ Public Interest Directors / Non- Executive Directors of the Company are entitled to sitting fees for attending the meetings of the Board or Committees thereof. The reimbursement of expenses for attending the Board and other Committee meetings including travelling, boarding and lodging expenses, shall be paid by the Company.

#### **26. Amendment**

Any amendment or modification in the Companies Act, 2013, SCR(SECC) Regulations, 2018, Rules, Regulations and directives issued under the respective statutes (which includes Listing Regulations) and any other applicable provision relating to the remuneration/compensation/commission, etc. shall automatically be applicable to this Policy.

#### **27. Disclosure**

This Policy shall be placed on the Company's website in accordance with provisions of the Companies Act, 2013 and Listing Regulations and the salient features of the policy, if any, shall be disclosed in the Board's report.

#### **28. Review of the policy**

This Policy shall be reviewed by the Nomination and Remuneration committee annually (unless an earlier review is required) to ensure that it meets the regulatory requirements or latest industry practice or both. The changes made to the Policy shall be placed before the NRC and the Board for approval.

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## ANNEXURE 5 TO THE DIRECTOS' REPORT

## ANNUAL REPORT OF THE CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY 2023-24

### 1. Brief Outline on CSR Policy of the Company:

NSE Group understands that the economic and social well-being of the community is closely interlinked to their habitats and the environment. NSE Group therefore strives to integrate triangulated focus to improve the quality of life of its identified beneficiaries towards creating inclusive societies, while meeting its social, economic and environmental responsibilities. CSR activities is one way in which the NSE Group reaches the triple-disadvantaged sections of society, which is undertaken through the NSE Foundation.

NSE Foundation was incorporated as a company under Section 8 of the Companies Act, 2013 on 5<sup>th</sup> March 2018, to initiate, supervise and co-ordinate activities to implement the Corporate Social Responsibility Policy and CSR activities of NSE and its Group Companies as mandated under the Companies Act, 2013. Based on the Schedule VII in Section 135 of the Companies Act 2013, NSE Group has identified eight CSR areas as issues of concern to be addressed in the developmental landscape in India to be undertaken through NSE Foundation. They are façade) primary Education, ii) Elder care, iii) Safe Drinking Water & Sanitation, iv) Health & Nutrition v) Environment Sustainability, vi) Skill Development & Entrepreneurship, vii) Funding of incubators in academic institutions and other agencies and viii) Disaster Relief and Rehabilitation.

NSE Group CSR programmes seek to impact some of the most disadvantaged sections of the community by undertaking large-scale multi-year impactful programmes with an initial focus on the health sector.

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of Meeting of CSR Committee held during the year <sup>^</sup>	Number of Meeting of CSR Committee attended during the year
1	Dr. Golaka Nath	Chairperson, Independent Director	2	2
2	Mr. G S Hegde	Independent Director	2	2
3	Mrs. Priti Savla <sup>##</sup>	Independent Director	2	2

4	Mrs. Bhagyam Ramani*	Former Chairperson, Independent Director	1	1
5	Mr. Jayant Haritsa**	Independent Director	0	0
6	Mr. Abhaya Hota#	Independent Director	1	0

**Note:**

^ Number of Meetings held during the tenure of Member

\* Ceased to be Director w.e.f. May 31, 2023

\*\* Ceased to be Member w.e.f. April 11, 2023

# Appointed as Member w.e.f. April 11, 2023 and ceased to be a member w.e.f. June 04, 2023

## Appointed as Member w.e.f. April 11, 2023

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<b>Composition of CSR Committee:</b>	<a href="https://www.nscclindia.com/sites/default/files/2024-01/Committees%20under%20other%20regulations_0.pdf">https://www.nscclindia.com/sites/default/files/2024-01/Committees%20under%20other%20regulations_0.pdf</a>
<b>CSR Policy:</b>	<a href="https://www.nscclindia.com/sites/default/files/disclosure/NSE_Group_CSR_Policy.pdf">https://www.nscclindia.com/sites/default/files/disclosure/NSE_Group_CSR_Policy.pdf</a>
<b>CSR projects:</b>	<a href="https://www.nscclindia.com/sites/default/files/disclosure-doc/2024-04/Revised%20Annual%20Action%20Plan%20NCL-%20FY%202023-24%20-%20March%202024.pdf">https://www.nscclindia.com/sites/default/files/disclosure-doc/2024-04/Revised%20Annual%20Action%20Plan%20NCL-%20FY%202023-24%20-%20March%202024.pdf</a>

4. Provide the executive summary along with web-links of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Impact assessments were undertaken by third party assessment agencies (selected via the due vendor governance process of NSEIL) for concluded projects of NSE Group CSR. Through the assessments, agencies have reviewed the programmes in line with the outlined objectives. The projects fall under the focus areas of Primary Education (11), Safe Drinking Water & Sanitation (10), Elder Care (3), Disaster Relief & Rehabilitation (2), Health and Nutrition (5), Incubation (1), Skill Development (1) and Environment Sustainability (3). The list of impact assessments is summarized below:

SN	Name of the Project	Focus areas	Location	Project Outputs
1	Remedial Education Program in Sapotra Block of Karauli	Primary Education	Karauli	This programme enhanced student learning outcomes in language and numeracy. 531 government school teachers were trained in activity-based learning and the use of innovative teaching-learning materials. To counteract pandemic disruptions, 92 Village Level Learning Centres (VLLCs) were established, and children's groups were formed in 170 government schools to promote health, hygiene, and life skills. The remedial pedagogy was implemented by 116 Shikshan Mitras.
2	Rehli Shiksha Pahal Program (RSPP)	Primary Education	Sagar	The initiative impacted 8,000 students and 4,900 community members. Around 36% of third grade students and 24% of fifth grade students achieved grade-level reading. About 91% of teachers adopted Activity-Based Learning, and community involvement increased, with 46% of panchayat members becoming aware of educational challenges. The initiative also witnessed a steady re-enrolment in the schools and introduced home-based learning during the pandemic.
3	Project EQUIP (Education Quality Improvement project)	Primary Education	Ramanath puram	This educational initiative in Mandapam block, enhanced learning outcomes for 12,384 rural students through learning materials and videos in Math, English, and Tamil. Around 71% students attended school and after-school centers. The programme reached 66 schools and 60 centers, involving 345 teachers and 200 tutors to support the initiative. Further, 93% of teachers and 97% of parents observed a positive impact on student engagement and understanding.
4	Girl Child Education Programme	Primary Education	Purulia and Bankura	The programme was implemented in tribal dominated districts of Purulia and Bankura. It enrolled 3,070 girls in 100 Learning Centres despite large distance between each hamlet. Further, the programme achieved a 70% attendance rate amongst enrolled students. Around 96% of students appreciated the customised teaching, with 33% improving academically. The programme witnessed a shift in community attitudes, with 84% of parents supporting equal education for their daughters and 80% aspiring for their professional careers.



SN	Name of the Project	Focus areas	Location	Project Outputs
5	Shikshadeep Prakalpa	Primary Education	Birbhum	The initiative improved literacy and numeracy for 8,860 children. Around 70% of teachers noted enhanced student performance, with 90% seeing higher enrollment. The initiative maintained educational continuity for 1,960 students during COVID-19, with 67% of parents confirming ongoing learning at home.
6	ShikshaDeep Prakalpa-Suri II: Creating sustainable community-led SLCs (Supplementary Learning Centres)	Primary Education	Birbhum	This programme in Suri II block improved foundational learning for children aged 5-11, with 89% achieving proficiency in Bengali, 70% in English, and 95% in Mathematics. Post-COVID, all students returned to school, supported by 150+ trained Shikshan Mitras. The community sustained 41 out of 75 learning centers, reflecting its commitment towards educational advancement.
7	Atikrānta-An initiative towards transformation	Primary Education	Kolkata	The initiative was designed to improve education access for 1,920 children across 27 schools to enhance their literacy and numeracy outcomes. Learning assessment indicated that grade-level proficiency of students increased from 8% at baseline to 49% by endline. Over half (51%) received personalized support, while 83.17% were trained in WASH practices. The initiative also trained 20 Shikshan Mitras and educated parents on various educational, career and safety related topics, ensuring community-wide engagement in the learning process.
8	NSE Foundation Urban Learning Improvement Program	Primary Education	Chennai	The project was launched with a focus on improving language and numeracy across 25 schools impacting 2,312 students. Post-intervention, 79% of students could subtract compared to 0% (none) at baseline. Similarly, 44% could read a paragraph or story compared to 14% at baseline. The programme's success hinged on a network of youth leaders trained in pedagogy who organised learning camps and community events, with Math and English fairs further bolstering student skills.

SN	Name of the Project	Focus areas	Location	Project Outputs
9	Creating And Enabling A Learning Environment For Academic Excellence	Primary Education	New Delhi	The education programme targeted primary students across 25 schools, enhancing Hindi reading and writing skills. Post intervention, 95% students achieved beginner level competency in reading and writing skills, up from 56% and 51% respectively. Numeracy skills also improved, with 82% reaching beginner level compared to 52% at baseline. WASH facilities were upgraded in all schools along with formation of 25 WASH committees. Behavioral changes amongst students included doubling personal hygiene practices to 80% and increasing handwashing before meals to 90%.
10	“Ankuram” Foundational Learning Enhancement in Primary Grades [I-V] in Government Schools in Todabhim block of Karauli district Rajasthan	Primary Education	Karauli	This foundational learning initiative was undertaken in 200 schools, reaching 11,622 children. Around 602 teacher training sessions and 192 review meetings were organized as part of the programme. The initiative also developed 40 model Anganwadi Centres, benefiting 7,884 children in early education. Capacity building and trainings were organised for around 1,600 SMC members and 240 local educators.
11	NSE Foundation Block Educational Transformation Karauli B E T Karauli Project Gyanodaya	Primary Education	Karauli	The programme targeted 75 schools to improve student learning outcomes. The Integrated Audio Learning program reached 10,200 students, and 227 teachers were trained to improve education delivery. Further, 10,681 students benefited from home visits. The initiative reported a 15-25% improvement in learning outcomes and conducted 249 SMC meetings across 95 schools to foster community engagement.
12	Solid and Liquid Waste Management (SLWM) Strategy and Plan for Talode (Pilot Town), and implementation of SLWM Interventions to help Talode achieve its goal of becoming ODF++	Sanitation and Safe Drinking Water	Nandurbar	The Solid and Liquid Waste Management (SLWM) project aimed to make the Talode town ODF, impacting 35,000 people. It involved strategy development, stakeholder meetings with local authorities and surveys to assess and improve waste management, especially faecal sludge management. Key activities included handing over project designs to local authorities, assessment of sanitation facilities, and creation of a situation assessment report. The project organised participatory planning with community consultations to address the challenges of solid waste management effectively.

SN	Name of the Project	Focus areas	Location	Project Outputs
13	'Integrated Safe Drinking Water Project in partnership with Jal Jeevan Mission [JJM] in Nandurbar'	Sanitation and Safe Drinking Water	Nandurbar	The initiative was undertaken in partnership with the Jal Jeevan Mission. As a key knowledge partner, the objective of the project was to assist JJM in providing functional household tap connections to 850 habitations, focusing on drought-affected areas. Around 60-70% locals attended project related activities regularly. The formation of Water User Groups (WUG) saw equal female participation as group members. Further, about 50-60% members understood WUG operations, 60-70% were informed about future maintenance, and 70% were aware about the Village Water and Sanitation Committee's (VWSC) roles.
14	Technical support to 2 Aspirational Districts (Karauli, and Ramanathapuram) for effective implementation of Jal Jeevan Mission and Swachh Bharat Mission	Sanitation and Safe Drinking Water	Karauli and Ramanathapuram	This programme targeted 10 GPs in the Karauli district and 20 GPs in the Ramanathapuram district with the intent to enhance government capacity to implement JJM and SBM 2.0, benefiting underserved rural communities. Around, 43% of SHG members, 34% of VWSC members, and 23% of youth collectives participated in capacity-building sessions. Findings indicate that 74% respondents understood importance of water quality testing, 90% were aware of VWSC roles, 50% used retrofitting services for drinking water sources, and 63% engaged in water security training, leading to improved water governance and sustainability.
15	School Health Programme	Sanitation and Safe Drinking Water	Mumbai	The project, inspired by 'Swachh Bharat: Swachh Vidyalaya', improved WASH facilities in 9 Mumbai schools and conducted BCC activities in 30 schools, benefiting over 5,000 students. Around, 97% of students found new toilets and water purifiers better and more functional, 91% adopted daily WASH practices, and 78% of teachers reported fewer absences due to water-borne illnesses.

SN	Name of the Project	Focus areas	Location	Project Outputs
16	Integrated Solid and Liquid Waste Management	Sanitation and Safe Drinking Water	Karauli	The initiative aimed to improve waste management through decentralisation, and institutionalisation of management practices through promoting public-private partnerships. About 127 stakeholder meetings were conducted to secure government support for deploying waste management measures. 420 and 510 households in municipal and gram panchayat wards, respectively, practiced waste segregation. Around 4,250 households were willing to pay for waste management, while 70 households took up home composting. The project fostered community engagement, leading to the formation of local champions and committees for sustainable waste practices.
17	Bhu-Jal Dhaara (A Livelihood Improvement Project Through Integrated Watershed Development)	Sanitation and Safe Drinking Water	Karauli	The programme intended to enhance livelihoods and manage water resources in 60 villages, with a goal of 30% income increase. Challenges included low VWDC engagement etc. Despite this, phase 1 saw environmental awareness initiatives in 30 villages, and funding for 1,100 hectares watershed area secured, indicating progress in sustainable agriculture and watershed management efforts.
18	Scoping study for Liquid and solid waste management for rejuvenation of Bhadrawati River stretch along Karauli Town	Sanitation and Safe Drinking Water	Karauli	The scoping study was undertaken with the intent to develop a comprehensive 'River Rejuvenation Strategy and Schematic Plan' for rejuvenation of the Bhadravati River and improve waste management. Key findings include: <ul style="list-style-type: none"> <li>• Weekly generation of 3-6 kilolitres of faecal sludge with only 2 out of 8 drying beds functional.</li> <li>• Daily wastewater flow of 3.66 million litres into the river, with high BOD and COD levels (high organic pollutants).</li> <li>• 20 metric tons of solid waste produced daily, with inefficient collection due to inadequate vehicles.</li> <li>• 92% of households have toilets, yet many lack proper construction and 60% lack desludging access. The study underscores the need for robust waste management solutions.</li> </ul>

SN	Name of the Project	Focus areas	Location	Project Outputs
19	Making Sapotra Block of Karauli district Open Defecation Free through School, AWC, Community centered based WASH interventions	Sanitation and Safe Drinking Water	Karauli	The programme improved water, sanitation, and hygiene (WASH) facilities, impacting 5,000 households and 9,600 students. Its achievements include over 91% of schools gaining functional drinking water facilities, 95% promoting hand hygiene with improved tap-to-student ratios, and 90% of households receiving piped water. Awareness of handwashing techniques rose to 95%, reducing water-borne diseases. Functional toilets in homes reached 87%, and schools saw a rise from 19% to over 95% and awareness of WASH committees remained at 21% among students.
20	Promotion of Thiruppullani as Swachh and Swasth Block	Sanitation and Safe Drinking Water	Ramanathapuram	This WASH initiative renovated facilities in 65 schools, 51 Anganwadis, and 6 PHCs, aiding 34,500 people directly. Infrastructure improvements included 18 new wells and upgrades to 30 existing wells. Post-intervention, 81% had functional water access, 72% boiled water, and 92% practiced handwashing. Water facilities are now within 500 meters for 84% respondents. Menstrual Hygiene Management (MHM) understanding improved for 55% of female students.
21	Sustainable Community ODF Program, Tamil Nadu	Sanitation and Safe Drinking Water	Ramanathapuram	The project renovated WASH facilities impacting 20,000 people. It retrofitted sanitation units and promoted hygiene education. Around 97% respondents reported that they had stopped open defecation, with a 79% drop in related illnesses. School sanitation satisfaction increased to 96%, boosting female attendance. Handwashing awareness reached 99% among students, while active WASHMAN Committee participation stood at 44%, a positive indication for sustainable sanitation practices.

SN	Name of the Project	Focus areas	Location	Project Outputs
22	Technical Support for AGRASAR groups	Elder Care	Pan India	The initiative established a support team to integrate the elderly groups into government plans across 16 Indian states, focusing on livelihoods and engagement. It involved training and capacity building through State Rural Livelihood Mission (SRLMs) and National Rural Livelihood Mission (NRLM), with the Technical Support Unit (TSU) team working closely with Ministry of Social Justice and Empowerment (MoSJE) and Ministry of Rural Development (MoRD). Key outcomes include the formation of 7,388 new Elderly Self-Help Groups (ESHGs) post-intervention, reflecting increased acceptance of elders in livelihood activities. However, the target of 23,382 ESHGs was not met, partly due to the elderly's hesitance towards entrepreneurship.
23	An initiative to support healthy ageing in the rural communities	Elder Care	Karauli	The programme targeted the elderly in about 280 villages. It established 212 ESHGs, with 85.8% engaging in savings and 34% in inter-lending. Further, the programme held 2,433 meetings, formed 212 youth groups, and involved 230 PRI members, enhancing community support. It also organised 120 cataract surgeries, distributed 200 walking sticks, and linked 368 elders to social security schemes.
24	Samrakshana: Garnering Resilience through Elders Network, Ramanathapuram district, Tamil Nadu	Elder Care	Ramanathapuram	This project enhanced elderly care by forming 161 ESHGs and providing healthcare access through Mobile Medical Units (MMUs), benefiting 9,192 individuals. MMU services reached over 11,000, with 90% accessing medical services, including surgeries. Financial inclusion was facilitated with 94% elders receiving seed capital, leading to 59% starting businesses. Health insurance coverage rose to 71%. The initiative also fostered respect and independence among the elderly.

SN	Name of the Project	Focus areas	Location	Project Outputs
25	Training of Care Givers for senior citizens with mental ailments	Skill Development	Bangalore	The initiative trained 425 caregivers in geriatric mental health, with 241 earning NIMHANS certification. An LMS portal was launched for training. Further, NIMHANS' Sakalawara campus added a sound-proof lab and a skill lab for educational content and nursing demonstrations. The program, in collaboration with 12 agencies, expanded its reach, enhancing the proficiency of caregivers in addressing elderly patients' mental health challenges.
26	Strengthening Primary Health care services in Kiphire District in Nagaland by managing Mobile Medical Unit (MMU) & Government PHC	Health & Nutrition	Nagaland	The project aimed to deploy Mobile Medical Units (MMU) and establish model Primary Health Centres (PHC). The first year saw the programme surpass vehicle and outpatient service targets for 5,600 patients. Provision of local healthcare and transport to local health centre led to reduction in ambulance costs.
27	Rice fortification for better nutrition outcomes in the State of Nagaland	Health & Nutrition	Nagaland	This programme combated anaemia by distributing fortified rice, aligning with national nutrition schemes and reaching 65,429 PDS, 2,30,968 ICDS, and 1,43,914 PM Poshan beneficiaries. It promoted nutrition awareness to make fortified rice a community staple. The initiative also strengthened state systems and encouraged fortified rice adoption through awareness campaigns, particularly among students and women, enhancing nutrition education and outcomes.
28	Suswasthya Strengthening health and nutrition services for women, children and adolescents in Khoyrasol Block of Birbhum and upscaling the best practices in other 18 blocks through capacity building and advocacy	Health & Nutrition	Birbhum	The initiative enhanced maternal and child health, reaching 6,328 children. It achieved 93% early pregnancy registration, 80% access to antenatal care, and 98% institutional births. Around, 74% of high-risk pregnancies resulted in newborns weighing over 2.5 kg, while 83% of infants were exclusively breastfed. The project also improved awareness of health schemes, nutritional practices, and adolescent health education, indicating a positive shift in community health behavior

SN	Name of the Project	Focus areas	Location	Project Outputs
29	Empower Women and Girls – for improving Maternal, Child and Adolescent Health and Nutrition	Health & Nutrition	Karauli	The programme improved health and nutrition across 95 villages, focusing on capacity building and awareness. It covered 93 Village Organisations (VOs) and reached 5,105 adolescent girls. The programme supported 54 Godbharai ceremonies and contacted 1,497 pregnant women in its second year. Additionally, 406 Swasthya Sakhis were identified, with 180 receiving training, enhancing community health practices and engagement with public health entitlements.
30	Lifeline Express	Health & Nutrition	Birbhum	The health initiative achieved its goal by serving 7,774 patients, providing diverse medical services and free healthcare to 98.7% of them. Around 65% patients underwent surgeries, and health awareness improved post-intervention. Further, awareness campaigns reached 56% of the community, and 42% of patients benefited from post-operative transportation, with 30% traveling 5-10 km for services.
31	SWIFT Growth (Sustainable Water Institutions for Tangible Growth)	Environment Sustainability	Ramanatha puram	The environment sustainability project focused on community empowerment and agricultural enhancement, impacting 9,430 households. It established 42 Vayalagams (village-level institutions), renovated 22 water bodies, and supported soil fertility and tree planting initiatives. The project facilitated Rs. 24.50 crores in loans for 84 farmer groups and conducted 27 insurance literacy programs. A call center was also established, offering information on government entitlements and agricultural knowledge.
32	“Water, Agriculture and Food Security (WAFS) Project”	Environment Sustainability	Ramanatha puram	The programme enhanced water and food security by developing water resources and resilient agriculture. It renovated 15 Ooranis (village pond), rehabilitated 18 irrigation tanks, and constructed 100 farm ponds, improving water availability and agricultural efficiency. The project reclaimed 353 acres of land, converted 277 acres into orchards, and established an organic farmer producer company with 276 members, fostering sustainable livelihoods and community empowerment.



SN	Name of the Project	Focus areas	Location	Project Outputs
33	Sustainable springshed and agriculture development in Kiphire district in Nagaland	Environment Sustainability	Nagaland	The project aspired to enhance ecological balance and agricultural prosperity with the intent to benefit 1,500 households. It focused on natural resource preservation, water and spring-shed development, and agricultural support. Key achievements include forming 74 producer groups, rejuvenating 11 springs aiding 434 households, and supporting 74 farmers in vegetable cultivation. Additionally, 5 field-based trainings were conducted, providing seeds to 757 farmers across two seasons, fostering sustainable community practices and agricultural enhancement.
34	Rebuilding Schools Affected by Nisarga Cyclone	Disaster Relief	Ratnagiri	This disaster relief programme rehabilitated 10 cyclone-affected schools, enhancing WaSH facilities and classrooms. Upgrades included new water facilities, electrical fittings, and improved sanitation, with 94.4% of schools reporting clean water access. Students benefited from better lighting, ventilation, and educational wall paintings, while teachers observed a decrease in accidents due to safety improvements.
35	Assam Flood Response 2020 Restoration of WASH in Schools	Disaster Relief	Golihat and Jorhat	NSE Foundation's collaboration with district administration led to the restoration of WASH facilities in 23 schools, enhancing infrastructure and hygiene practices. The initiative resulted in a 98% increase in student attendance, a 95% improvement in health behaviors, and enhancement cleanliness standards.
36	Robotic Solutions for cleaning of Septic Tanks	Incubation	Chennai	Under the project, 'HomoSEP', a robot to safely clean hard sludge from septic tanks, reducing health risks for Safai Karamcharis was developed. The project trained 400 workers and deployed eight prototypes, with plans to clean 4,000 tanks in the first year. Adjustments were made to the robots' size for broader application, and while field trials were successful, ongoing support and financial linkages are suggested to enhance cooperatives' income and robot maintenance.

As required by Rule 8(3) of the Companies (CSR Policy) Rules 2014 and amendments thereunder, the Company has carried out impact assessment through independent third parties, the details of which is made available on the website of the Company and can be accessed through the weblink.

Link: <https://www.nscclindia.com/disclosures/other-disclosures>

5.
  - a) Average net profit of the company as per section 135(5): **Rs.532,25,14,150/-**
  - b) Two percent of average net profit of the company as per section 135(5): **Rs.10,64,50,283/-**
  - c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**
  - d) Amount required to be set off for the financial year: Nil
  - e) Total CSR obligation for the financial year (5b+5c+5d). **Rs.10,64,50,283/-**
  
6.
  - a) Amount spent on CSR Projects (both ongoing projects and other than ongoing project): Rs.1,35,19,760/-
  - b) Amount spent in Administrative Overheads: Rs.6,75,988/-
  - c) Amount spent on Impact Assessment, if applicable: Rs.13,79,854/-
  - d) Total amount spent for the Financial Year (6a+6b+6c): Rs.1,55,75,602/-
  - e) CSR amount spent or unspent for the Financial Year

Total Amount Spent for the Financial Year. (In Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer.
-	Rs.10,64,50,283/-	27 <sup>th</sup> March 2024	N.A.	Nil	N.A.

f) Excess amount for set off, if any:

Sl.	Particulars	Amount
i)	Two percent of average net profit of the Company as per section 135(5)	Not Applicable
ii)	Total amount spent for the Financial Year	
iii)	Excess amount spent for the financial year [(ii)-(i)]	
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

## 7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (In Rs.)	Deficiency, if any
				Name of the Fund	Amount (in Rs).	Date of transfer		
1	2022-23	1,95,95,184	7,09,785	N.A.	Nil	N.A.	1,88,85,399	-
2	2021-22	-	-	N.A.	Nil	N.A.	-	-
3	2022-21	-	-	N.A.	Nil	N.A.	-	-

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No**

If yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl.	Short particulars of the property or assets (including complete address and location of the property)	Pincode of the property or assets(s)	Date of creation	Amount of CSR amount spent	Details of entity / authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).**

In the year under report, Rs.10,64,50,283/- being the amount required to be spent to implement the Corporate Social Responsibility Policy of the Company

The CSR Committee and Board have approved a large greenfield project for a multispecialty OPD hospital with bone marrow transplant facilities at Advanced Centre for the Treatment, Research and Education in Cancer (ACTREC), Navi Mumbai as an ongoing project over a period of 3 financial years. Accordingly, the balance amount of Rs.10,64,50,283/- has been transferred to unspent CSR account as per the provisions of Sec 135(6) of the Companies Act, 2013.

Vikram Kothari Managing Director & CEO	Golaka Nath Chairman, CSR Committee
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Place : Mumbai

Date : April 30, 2024

## ANNEXURE 6 TO DIRECTORS' REPORT

**CORPORATE GOVERNANCE REPORT****I. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY 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 effective discharge of its social responsibility and enhancing shareholder value.

NSE Clearing Limited ("NCL" or "the Company" or "Clearing Corporation") is a company incorporated under the Companies Act, 1956. NCL is also a recognised Clearing Corporation under Securities Contracts (Regulation) Act, 1956 read with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SCR SECC Regulations"). NCL is required to comply with Securities Contracts (Regulation) Act, 1956, the Rules and Regulations laid down thereunder and the directives and circulars issued by the Securities and Exchange Board of India ("SEBI") from time to time for the purpose of its governance.

Pursuant to Regulation 33 of the SCR SECC Regulations, the disclosure requirements and corporate governance norms as specified for listed companies are *mutatis-mutandis* applicable to a recognised clearing corporation. NCL has focused on good governance practices and endeavors to improve the same in the corporate landscape. NCL has rigorously stood by the core principles of corporate governance and considers integrity, transparency, fairness, accountability and adherence to the law as the pillars of its business practices. For the information of its stakeholders, NCL is furnishing the Report on Corporate Governance for the financial year ended March 31, 2024.

**II. BOARD OF DIRECTORS****A. Composition of the Board and Category of Directors**

Pursuant to Regulations 23(1) and 23(3) of SCR SECC Regulations, the Board of the Company shall comprise of Public Interest Directors ("PIDs"), Non-Independent Directors ("NIDs") and Managing Director ("MD"), and the number of PIDs shall not be less than the number of NIDs on the Governing Board of the Company. Further, Regulation 23(4) of SCR SECC Regulations, prescribes that the MD shall be included in the category of Non-Independent Directors.

Pursuant to Regulation 2(1)(o) of SCR SECC Regulations, PIDs has been defined as an Independent Director representing the interest of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of SEBI, is in conflict with the role. Further, as per Regulation 2(1) (ka) of SCR SECC Regulations, NID has been defined as a director elected or nominated by the shareholders who are neither trading members nor clearing members, as the case may be, or their associates and agents.

All the Directors of the Company are fit and proper persons in terms of Regulation 20 of SCR SECC Regulations.

Being a recognized clearing corporation, appointment of all the categories of Directors of the Company have been approved by the SEBI.

As on March 31, 2024, the Board consists of 7 (seven) Directors of which 5 (five) are Public Interest Directors, 1 (One) Non-Independent Director and 1 (One) Managing Director & Chief Executive Officer (MD & CEO), all being professionals having experience in diverse areas as specified under SCR SECC Regulations. The said composition of the Board was in compliance with the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and SCR SECC Regulations.

The Board of Directors, in the Policy for Nomination and Appointment of Directors, KMPs and Senior Management Personnel, underscored the need for board diversity by stating that the Board shall have an appropriate combination of executive and non-executive directors and their appointments shall be based on meritocracy in the context of skills, diverse experience, independence and knowledge, which the Board as a whole requires, to be effective, after keeping in mind SEBI prescribed norms such as:

- qualifications in the area of capital markets, finance and accountancy, legal and regulatory practice, technology, risk management and management or administration
- at least one person having experience and background in finance / accounts who may preferably be inducted in the audit committee
- persons currently holding positions of trust and responsibility in reputed organizations or person who have retired from such positions.

Accordingly, the Directors are chosen from among eminent persons or experts in the field as aforementioned. None of the Directors hold any shares in the Company and are not inter-se related to each other except for Mr. Yatrik Vin who jointly with National Stock Exchange of India Limited (NSEIL) holds 8 equity shares of the Company.

The Chairperson of the Board is a Non-Executive Independent Director. Upon completion of term, Mrs. Bhagyam Ramani, ceased to be Public Interest Director and Interim Chairperson of the Company w.e.f. May 31, 2023. Consequently, as recommended by the Board, SEBI vide its letter dated May 31, 2023, approved the appointment of Mr. Abhaya Hota as Chairperson of the Company.

The composition of the Board is in conformity with SCR SECC Regulations and SEBI Listing Regulations.

The composition of the Governing Board as on March 31, 2024, was as follows: -

Name of Director	Category of Directorship
Mr. Abhaya Hota	Chairperson & Public Interest Director (Independent Non-Executive Director)
Mr. G S Hegde	Public Interest Director (Independent Non-Executive Director)
Mr. Jayant Haritsa	Public Interest Director (Independent Non-Executive Director)
Dr. Golaka Nath	Public Interest Director (Independent Non-Executive Director)
Mrs. Priti Savla	Public Interest Director (Independent Non-Executive Director)
Mr. Yatrik Vin	Non-Independent Director (Non-Executive Director)
Mr. Vikram Kothari	Managing Director & CEO (Executive Director)

**❖ Changes during the year and till the date of this report:**

1. SEBI vide its letter dated April 05, 2023, and April 06, 2023, approved the appointment of Mrs. Priti Savla and Mr. Abhaya Hota, respectively, as PID on the Governing Board of NCL for a period of three years.
2. Mrs. Bhagyam Ramani ceased to be PID and Interim Chairperson from the Board of NCL consequent to completion of her tenure on May 31, 2023.

The Board acknowledged and placed on record appreciation for her immensely valuable suggestions and insights provided during the deliberations at the meetings of the Board / Committees.

3. SEBI vide its letter dated September 28, 2023, approved the re-appointment of Mr. Yatrik Vin as Shareholder Director / Non-Independent Director of the Company.
4. The second term of Mr. Vikram Kothari concluded on November 06, 2023. Further, SEBI vide its letter dated November 06, 2023, approved the re-appointment of Mr. Vikram Kothari as Managing Director of NCL. Accordingly, Mr. Kothari was re-appointment on the Governing Board of the Company for a period of four years w.e.f. November 07, 2023. The Shareholders at the Extra Ordinary General Meeting held on November 16, 2023, ratified / approved the re-appointment of Mr. Vikram Kothari as MD & CEO of the Company.

**❖ NSE Clearing Board**

The Board of Directors of NCL is comprised of qualified members who bring in the required skills, expertise and competence that allows them to make an effective contribution to the deliberations at the meetings of the Board and its Committees. The Board members are committed to ensuring that the NCL Board is in compliance with the highest standards of corporate governance.

The skills / expertise / competencies / positive attributes, etc. that are identified for appointment of a candidate as Director to function effectively, in the context of the business and sector of the Company are:

- **Qualifications** - capital markets, finance and accountancy, legal and regulatory practice, technology, risk management and management or administration, or any other area relevant to the financial markets.
- **Experience** - capital and financial Market, financial and management skill, management of the finance function of an enterprise, accounting, economics, financial reporting process, financial securities, commodity market, derivatives market, futures market, equity market, debt market, index, SME Market, etc.
- **Knowledge** - understanding and knowledge of the entity and applicable regulatory norms, constructive and analytical decision-making abilities, understanding of the risk attached with the business structure, understanding of the role, responsibilities, and obligations, etc.

- **Technology** - Technical / Professional skills in relation of Company's business, analyzing technological trends, innovation, creative ideas for business, research, and innovation, digitization and allied knowledge in the field of science and technology.
- **Leadership** - demonstrable leadership skills, leadership experience with regard to managing a company including practical understanding, risk management, processes, strategic planning, guiding and leading management teams to make decisions, facilitation skills, strong interpersonal and communications.
- **Governance** - corporate governance, compliance, transparency, board governance, accountability to stakeholders, corporate ethics and values, strengthening regulatory functions, protecting shareholder interests, law and other areas relevant to business / sector and industry in which company operates.

The Skill / expertise in specific functional areas of Board of Directors as on March 31, 2024, are as under:

Skills	Mr. Abhaya Hota	Mr. G S Hegde	Mr. Jayant Haritsa	Dr. Golaka Nath	Mrs. Priti Savla	Mr. Yatrik Vin	Mr. Vikram Kothari
Qualifications	√	√	√	√	√	√	√
Experience	√	√	√	√	√	√	√
Knowledge	√	√	√	√	√	√	√
Technology	√	-	√	√	-	√	√
Leadership	√	√	√	√	√	√	√
Governance	√	√	√	√	√	√	√

#### ❖ Board Diversity

NCL has over the years been fortunate to have eminent persons from diverse fields to serve as Directors on its Board. NCL has ensured the diversity of the Board in terms of experience, knowledge, perspective, background, gender, age and culture.

#### ❖ D&O Insurance

In line with the requirements of Regulation 25(10) of the SEBI Listing Regulations, NSE group has taken Directors and Officers Insurance (D&O) which is applicable to NCL for all its Directors and Members of the Senior Management for such quantum and for such risks as determined by the NSE's Board.



### ❖ Chairperson of the Board

Mrs. Bhagyam Ramani, upon completion of her term, ceased to be PID and Interim Chairperson of the Company w.e.f. May 31, 2023. Further, as recommended by the Board, and pursuant to SEBI letter dated May 31, 2023, Mr. Abhaya Hota was appointed as the Chairperson of the Company.

#### **The role and responsibilities of the Chairperson are as under:**

1. All meetings of the Board shall be presided over by the Chairperson, if present, but if at any meetings of Directors, the Chairperson is not present at the time appointed for holding the same, then in that case the Directors shall choose one of the Public Interest Directors present to preside at the meeting.
2. The Chairperson may, unless dissented to or objected by the majority of Directors present at a Meeting at which a Quorum is present, adjourn the Meeting for any reason, at any stage of the Meeting.
3. It would be the duty of the Chairperson to check, with the assistance of the Company Secretary, that the Meeting is duly convened and constituted in accordance with the Act or any other applicable guidelines, rules and regulations before proceeding to transact business.
4. The Chairperson shall ensure that the proceedings of the Meeting are correctly recorded.
5. The Chairperson has absolute discretion to exclude from the Minutes, matters which in his opinion are or could reasonably be regarded as defamatory of any person, irrelevant or immaterial to the proceedings or which are detrimental to the interests of the Company.
6. The Chairperson shall not interfere in the day-to-day functioning of the Company and shall limit his role to decision making on policy issues and to issues as the Governing Board may decide.
7. The Chairperson shall abstain from influencing the employees of the Company in conducting their day-to-day activities.
8. The Chairperson shall not be directly involved in the function of appointment and promotion of employees unless specifically so decided by the Governing Board.
9. In case any Director requires his views or opinion on a particular item to be recorded verbatim in the Minutes, the decision of the Chairperson whether or not to do so shall be final.
10. The Chairperson shall approve the agenda papers of the Governing Board.
11. Minutes of the Meeting of the Board shall be signed and dated by the Chairperson of the Meeting or by the Chairperson of the next Meeting.

### ❖ **Managing Director & Chief Executive Officer (MD & CEO)**

The MD & CEO is at the helm of operations and responsible for the Company's day-to-day operations. MD & CEO functions according to the guidance and direction provided by the Board and provides strategic directions, lays down policy guidelines and ensures the implementation of the decisions of the Board and its various Committees.

### ❖ **Responsibilities of the Board**

The Board shall exercise superintendence, control and direction of the Company's affairs towards long-term value creation for all stakeholders. The Board along with its Committees provide supervision and direction for the conduct of affairs of the Company.

The responsibilities of the Board include the following:

1. Members of Board of Directors and Key Managerial Personnel shall disclose to the Board of Directors whether they directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the entity.
2. The Board of Directors and Senior Management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.
3. Directors shall who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into –
  - a. with a body corporate in which such director or such director in association with any other director, holds more than two per cent. shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
  - b. with a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting.
4. Key functions of the Board of Directors: -
  - a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation & corporate performance and overseeing major capital expenditures, acquisitions & divestments.
  - b. Monitoring the effectiveness of the Company's governance practices and making changes as needed.

- c. Selecting, compensating, monitoring and, when necessary, replacing Key Managerial Personnel and overseeing succession planning.
  - d. Aligning the remuneration of Key Managerial Personnel and Board of Directors with the long-term interests of Company and its shareholders.
  - e. Ensuring a transparent nomination process to the Board of Directors with the diversity of thought, experience, knowledge, perspective and gender on the board of the Company.
  - f. Monitoring and managing potential conflicts of interest of management, members of the Board of Directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
  - g. Ensuring the integrity of Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
  - h. Overseeing the process of disclosure and communications.
  - i. Monitoring and reviewing Board of Director's evaluation framework.
5. The Board of Directors shall provide strategic guidance to Company, ensure effective monitoring of the management.
  6. The Board of Directors shall set a corporate culture and the values by which executives throughout the group shall behave.
  7. Members of the Board of Directors shall act on a fully informed basis, in good faith, with due diligence & care and in the best interest of the Company & its shareholders.
  8. The Board of Directors shall encourage continuing Directors' training to ensure that the members of the Board are kept up to date.
  9. Where decisions of the Board of Directors may affect various shareholder groups differently, they shall treat all shareholders fairly.
  10. The Board of Directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
  11. The Board of Directors shall exercise objective independent judgement on corporate affairs.

12. The Board of Directors shall consider assigning a sufficient number of non-executive members of the Board capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
13. The Board of Directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the entity to excessive risk.
14. The Board of Directors shall have ability to step back to assist executive management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the Company's focus.
15. When Committees of the Board are established, their mandate, composition and working procedures shall be well defined and disclosed by the Board of Directors.
16. Members of the Board of Directors shall be able to commit themselves effectively to their responsibilities.
17. In order to fulfil their responsibilities, members of the Board of Directors shall have access to accurate, relevant and timely information.
18. The Board of Directors and Senior Management should facilitate the Independent Directors to perform their role effectively as a member of the Board of Directors.
19. The Governing Board as a whole shall comply with the Code of Conduct as prescribed under Part I of Part B of Schedule II of the SCR SECC Regulations.

## **B. BOARD MEETINGS**

### **❖ Schedule of Board / Committee meetings**

The dates of the Board / Committee and the Annual General Meeting are proposed in advance. The final annual schedule that is fixed is circulated to all the Directors as part of the agenda in the Board meeting for information. The Company Secretary attends all Board meetings and generally assists Directors in the discharge of their duties and also ensures good information flow within the Board and between the Board and Senior Management. In addition, the Company Secretary attends to secretarial and Board governance matters and is responsible for ensuring that Board procedures are followed.

Voting on a resolution in the meeting of the Governing Board is valid only when the number of PIDs that have cast their vote on such resolution is equal to or more than the number of NIDs who have cast their vote on such resolution.

### ❖ Board agenda

The Board agenda is prepared by the respective departments and are finalized in consultation with the MD & CEO and are approved by the Chairman of the governing board. The Board agenda and notes thereof are ordinarily sent to the Directors in advance to enable them to read and comprehend the matters to be dealt with and seek further information / clarification, if required.

The agenda of the Board meetings is managed in such a way that it allows for flexibility when it is needed. Directors are provided with complete information related to agenda items in a timely manner. Wherever it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary items on the agenda are permitted after obtaining permission of the Chairman of the Board and with the concurrence of the Independent Directors.

The Board has chosen to receive all its agenda papers electronically for all its Board and Committee meetings and has eliminated the need for hard copy of Agenda Papers. However, a hard copy of the Board agenda papers are sent to the Directors at specific request. The agenda papers for Board and Committee meetings are uploaded onto a secure portal which can be accessed digitally.

At the quarterly Board meetings, the MD & CEO gives a comprehensive update on NCL's business and operations. The CFO presents the financial performance and significant financial highlights. Certain business heads provide an update on their areas of business and Key Management Personnel are present at Board meetings, when required. The agenda also includes minutes of the meetings of all the Board Committees and the unlisted subsidiary (NSE IFSC Clearing Corporation Limited) for the information of the Board.

For any business exigencies, the resolutions are passed by circulation and later placed at the subsequent Board / Committee Meeting for noting. The Chairpersons of various Board Committees brief the Board on all the important matters discussed and decided at their respective Committee meetings, which are generally held prior to the Board meeting. Any feedback or observations made by the Board, wherever necessary, form part of the action taken report for their review at the subsequent meetings.

The Company also provides regular updates to the Board members on material changes to regulatory requirements applicable to the Directors periodically.

The minutes of Board meetings are prepared with details of the matters considered by the Board and are reviewed by the MD & CEO before being circulated to the other Directors for their comments.

Following the Board and Committee meetings, an effective post meeting follow-up, review and reporting process is undertaken for the decisions taken by them. Important decisions taken at Board / Committee meetings are communicated promptly to the concerned departments.

❖ **Number of Board Meetings**

The Board met eleven times during the year on April 25, 2023, May 10, 2023, June 19, 2023, July 21, 2023, August 31, 2023, October 21, 2023, November 06, 2023, January 02, 2024, January 19, 2024, January 20, 2024 and March 06, 2024. The maximum gap between any two meetings was less than one hundred and twenty days. The necessary quorum was present for all the meetings.

## BOARD OF DIRECTORS

### Composition and Attendance of the Board Meetings

**Composition of the Board\***

**Chairperson :**

Mr. Abhaya Hota (PID)

**Directors :**

- Dr. Golaka Nath (PID)
- Mr. G S Hegde (PID)
- Mr. Jayant Haritsa (PID)
- Mrs. Priti Savla (PID)
- Mr. Yatrik Vin (NID)
- Mr. Vikram Kothari (MD & CEO)

\* as on March 31, 2024

**PID** - Public Interest Director

**NID** - Non-Independent Director

**MD & CEO** - Managing Director & Chief Executive Officer

**No. of meeting held during the financial year**

**11**

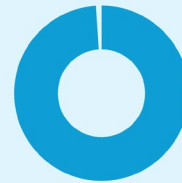
**Total No. of Directors**



- Independent Director
- Non-Independent Director

**Average Attendance**

**99%**



Date of Meeting	Mrs. Bhagyam Ramani*	Mr. Abhaya Hota	Dr. Golaka Nath	Mr. G S Hegde	Mr. Jayant Haritsa	Mrs. Priti Savla	Mr. Yatrik Vin <sup>#</sup>	Mr. Vikram Kothari
Apr 25, 2023	✓	✓	✓	✓	✓	✓	✓	✓
May 10, 2023	✓	✓	✓	✓	✓	✓	✓	✓
Jun 19, 2023	-	✓	✓	✓	✓	✓	✓	✓
Jul 21, 2023	-	✓	✓	✓	✓	✓	✓	✓
Aug 31, 2023	-	✓	✓	✓	✓	✓	-	✓
Oct 21, 2023	-	✓	✓	✓	✓	✓	✓	✓
Nov 06, 2023	-	✓	✓	✓	✓	✓	✓	✗
Jan 02, 2024	-	✓	✓	✓	✓	✓	✓	✓
Jan 19, 2024	-	✓	✓	✓	✓	✓	✓	✓
Jan 20, 2024	-	✓	✓	✓	✓	✓	✓	✓
Mar 06, 2024	-	✓	✓	✓	✓	✓	✓	✓

Note: Number of Board Meetings held during the tenure of Director

✓ - Present

✗ - Leave of absence

\* Ceased to be Director on the Governing Board w.e.f. May 31, 2023

<sup>#</sup> Term of Mr. Yatrik Vin expired due to retirement by rotation at the 28<sup>th</sup> AGM of NCL held on August 17, 2023 and SEBI vide its letter dated September 28, 2023 approved the re-appointment of Mr. Vin.

### C. Directors' Attendance Record and Directorships

As mandated by the SEBI Listing Regulations, Directors are neither member of more than ten Board level Committees nor act as Chairperson of more than five such committees across all entities in which he or she is a Director. Table No.1 gives the details of the composition of the Board, attendance and details of Committee Membership and Committee Chairmanship.

**Table No.1****(1) Details of Directors along with the Directorship(s) and Chairmanship(s) or Membership(s) of Committees in other companies as on March 31, 2024:**

Name of the Director	Category	Attendance Particulars			No. of Directorships / Chairmanships and Committee Chairmanships / Memberships		
		Number of Board Meetings during the year		Last AGM	Other Directorship (s) / Chairmanship (s)	Other Committee Membership (s)	Other Committee Chairmanship (s)
		Held <sup>#</sup>	Attended				
Mr. Abhaya Hota	Public interest Director	11	11	Y	2	2	2
Mr. G S Hegde	Public interest Director	11	11	Y	-	-	-
Mr. Jayant Haritsa	Public interest Director	11	11	Y	-	-	-
Mr. Golaka Nath	Public interest Director	11	11	Y	-	-	-
Mrs. Priti Savla	Public interest Director	11	11	Y	3	2	1
Mr. Yatrik Vin	Non-Independent Director	10	10	N	8	6	2 <sup>^</sup>
Mr. Vikram Kothari	Managing Director & CEO (Non-Independent Director)	11	10	Y	-	-	-
Mrs. Bhagyam Ramani*	Public interest Director	2	2	NA	NA	NA	NA

Y= Yes; N=No; NA=Not Applicable

<sup>#</sup> Number of Board Meetings held during the tenure of Director

\* Ceased to be Director on the Governing Board w.e.f. May 31, 2023

<sup>^</sup> The Chairmanship of Committee in a Private Company (being a deemed public Company) is included

Note:

1. The Directorships / Committee memberships held by Directors as mentioned above, do not include Directorships / Committee memberships in Private Limited Companies, Foreign Companies and Section 8 Companies.
2. Memberships / Chairmanships of only the Audit Committee and Shareholders Relationship Committee of all Public Companies have been considered.



**(2) Names of the listed entities where the Directors as on March 31, 2024 is a Director and the category of Directorship.**

Name of Director	Name of Listed Entity	Category of Directorship
Mr. Abhaya Hota	The Federal Bank Limited	Non-Executive - Independent Director
	Protean eGov Technologies Limited	Non-Executive - Independent Director
Mrs. Priti Savla	IRB Infrastructure Developers Limited	Non-Executive - Independent Director
	Apcotex Industries Limited	Non-Executive - Independent Director
Mr. G S Hegde	-	-
Mr. Jayant Haritsa	-	-
Dr. Golaka Nath	-	-
Mr. Yatrik Vin	-	-
Mr. Vikram Kothari	-	-

**(3) Separation of Offices of Chairperson & Chief Executive Officer**

The Company has been following the principle of separation of the role of Chairman and the Chief Executive Officer. Mrs. Bhagyam Ramani ceased to be the Non-Executive - Interim Chairperson of the Board w.e.f. May 31, 2023. Consequently, as recommended by the Board, SEBI vide its letter dated May 31, 2023, approved the appointment of Mr. Abhaya Hota as Chairperson of the Company. Mr. Vikram Kothari is the MD & CEO of the Company and is entrusted with the day-to-day management of the affairs of the Company. The MD & CEO carries out his functions subject to superintendence, control and management of the Board of Directors of the Company.

**D. On-going familiarisation programme for existing Directors of the Board**

The Company conducts orientation programs for Directors covering various operations of the Company to familiarise themselves with the various functions being carried out by the Company. The details of familiarization programmes imparted to independent directors are given on the Company's website:

[https://www.nscclindia.com/sites/default/files/disclosure-doc/2024-04/Familiarisation\\_programme\\_2023-24.pdf](https://www.nscclindia.com/sites/default/files/disclosure-doc/2024-04/Familiarisation_programme_2023-24.pdf)

The Company also provides training in various fields such as operation, risk management, compliance, information security, etc. to all the Directors regularly. Every Director inducted on the Board is well known in the financial services industry and can 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
- Status of Clearing & Settlement Operations
- Status of Compliance of Operational Norms
- Minutes of the meetings of Audit Committee and other committees of the Board
- Risk Management measures undertaken
- Cyber Security
- Strategic Initiatives
- Regulatory updates
- Details of foreign exchange exposure and the steps taken to limit the risk of adverse exchange rate movements.
- Other information, which is required to be placed before the Board as per SEBI Listing Regulations, is taken to the Board as and when the event occurs.

The Audit Committee and Governing Board periodically reviews the Compliance reports with various laws, rules and regulations applicable to the Company. Besides the above, the compliance certificate as envisaged in Regulation 17 of SEBI Listing Regulations is also provided to the Board by the MD & CEO and the Chief Financial Officer.

## **E. Code of Conduct**

The Board of Directors of the Company has laid down a Code of Conduct for the members of the Board, key management personnel and senior management personnel of the Company which *inter alia*, incorporates the duties of Independent Directors as laid down under the Act. All the Directors, Committee Members, KMPs, and senior management personnel of the Company have affirmed compliance with the Code of Conduct as prescribed by SEBI under Regulation 26 (1) of SCR SECC Regulations and Regulation 17(5) of the SEBI Listing Regulations and a declaration to this effect duly signed by the Managing Director and CEO is annexed as Annexure and forms part of this report.

As per the requirement of the SEBI Listing Regulations the code of conduct, has been hosted on the website of the Company at:

[https://www.nscclindia.com/sites/default/files/disclosure/NSCCL\\_code\\_board.pdf](https://www.nscclindia.com/sites/default/files/disclosure/NSCCL_code_board.pdf)

## **F. Independent Directors / Public Interest Directors (PIDs)**

- (1) Independent Directors / PIDs on the Board of NCL are not less than 21 years in age and do not hold any shares in NCL.
- (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) Effective performance of Functions

The Company makes all possible efforts to enable the Independent Directors to perform their functions effectively. However, as per SEBI requirement, the elected directors shall not interfere in the day-to-day management of the Company and focus on the informed and balanced decision making especially on issues of strategy, performance, risk management, resources, key appointments and standard of conducts. The Company always strives to strike a balance between both the above requirements without compromising on compliance of such requirements.

The Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The evaluation exercise in terms of Schedule IV of the Act was carried out in a separate meeting of Independent Directors held on April 26, 2024, for this purpose. At the Board Meeting, the performance of the Directors was evaluated by the entire Board except the person being evaluated.

The performance of the Committees was evaluated by the Board. The Board also carried out the evaluation of their own performance apart from its committees, IEPs and individual Directors.

## **G. Remuneration of Directors**

In order to align compensation levels with market levels and at the same time attract, retain and motivate Directors of the quality required to run the company successfully, the compensation being paid to MD & CEO is periodically reviewed and revised. The remuneration includes both fixed and variable components. The terms and conditions of appointment of Independent Directors / PIDs and NIDs are governed by the provisions of the Act & Rules laid down thereunder, SCR SECC Regulations, SEBI Listing Regulations and the circulars issued thereunder by SEBI.

The terms and conditions of service in respect of the MD & CEO of the Company are governed by the resolution passed by the Board of Directors, shareholders, provisions of the Act & Rules laid down thereunder, SCR SECC Regulations and the circulars issued thereunder by SEBI.

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

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

- a. The variable pay component shall be within a range of 25% to 50% of total pay. 50% of the variable pay will be paid on a deferred basis after 3 years.
- b. ESOPs and other equity linked instruments shall not be offered or provided as part of the compensation for the Key Management Personnel.
- c. Compensation will be subject to malus and claw-back arrangement as per prevailing SEBI / SECC Rules & Regulations.

Accordingly, the Company has framed Remuneration policy in conformity with norms specified by SEBI for its employees, which include Key Management Personnel and the MD & CEO. For details of the Remuneration Policy, please refer to the Annexure 4 to the Boards' Report.

None of the Directors of the Company hold any shares or any convertible instruments of NCL except Mr. Yatrik Vin who jointly with NSEIL holds 8 equity shares of the Company.

The details of remuneration paid to the MD & CEO during F.Y. 2023-24 are given in Table No.02 below: -

**Table No.02**

(₹ in crores)

Name & Designation	Salary & Allowances	Variable Pay	Perquisites in cash or in kind	Contribution to PF and other	Total
Mr. Vikram Kothari, Managing Director & CEO	1.98	0.59*	0.03	0.08	2.68

\* Includes Variable pay of ₹ 0.23 crores of earlier years and Excludes 50% of the Variable Pay of ₹ 0.36 crore to be paid on a deferred basis after 3 years.

The sitting fees paid to the Non-Executive Directors for attending the meetings of the Board and its Committees during the year F.Y. 2023-24 is given in Table No.03 below: -

**Table No.03**

Name	Board meetings		Board Committees meetings		Total
	No. of meetings attended	Amount (Rs.)	No. of meetings attended	Amount (Rs.)	
Mr. Abhaya Hota, Chairperson	11	11,00,000	42	31,50,000	42,50,000
Mrs. Bhagyam Ramani, Interim Chairperson	2	2,00,000	9	6,75,000	8,75,000
Mr. Jayant Haritsa	11	11,00,000	40	30,00,000	41,00,000
Mr. G S Hegde	11	11,00,000	35	26,25,000	37,25,000
Mr. Golaka Nath	11	11,00,000	44	33,00,000	44,00,000
Mrs. Priti Savla	11	11,00,000	29	21,75,000	32,75,000
Mr. Yatrik Vin	10	*	-	*	*

Sitting fees are exclusive of Goods & Service Tax (as applicable).

\*As per the decision taken by the Board, the employees of NSE who become Directors on the Boards of its subsidiaries are not eligible for sitting fees from such companies. NCL is one of the subsidiaries of NSE. Mr. Yatrik Vin, being employee of NSE, is NSE's representative on the Board of NCL. Accordingly, Mr. Vin is not paid any sitting fees for the Board or committee meetings attended by him.

The Non-executive Directors [except Managing / Whole-time Director and the Director who is an employee or equivalent of the Company or any of the NSE Group companies] are remunerated only by way of sitting fees as admissible to independent directors in the Act and as per the provisions of the SEBI Regulations / Requirements. The sitting fees paid for attending the Board Meetings is Rs. 1,00,000/- per meeting and for the Committee Meetings is Rs. 75,000/- per meeting. Further, the Company has not issued any stock option.

The Criteria of making payments to the Non-executive Directors of the Company have been disclosed on the website of the Company:

<https://www.nscclindia.com/sites/default/files/disclosure/criteriaformakingpaymentstononexecutivedirectors.pdf>

### III. COMMITTEES OF THE BOARD

Currently, there are five Committees of the Board required as per the Companies Act namely;



The terms of reference of the Board Committees are determined by the Board from time-to-time. Meetings of the Board Committees are normally convened by the respective Committee Chairperson. Matters requiring the Board's attention / approval, as emanating from the Board Committee Meetings, are placed before the Board with clearance of the Committee Chairperson.

All the recommendations made by Board Committees during the year were accepted by the Board. The Minutes of the Board Committee Meetings are placed before the Board for its information. The role and composition of these Committees, including the number of meetings held during the F.Y. and the related attendance, are provided below:

#### (A) **Audit Committee (AC)**

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

The Audit Committee reviews the reports of the internal auditors, operational auditors, statutory auditors and secretarial auditors. The terms of reference of the Audit Committee are as per the provisions contained in the Act and SEBI Listing Regulations.

The necessary quorum was present for all the meetings with the presence of at least two PIDs as required under Regulation 18(2)(b) of the SEBI Listing Regulations.

The Officer responsible for the finance function and the representatives of the statutory auditors, internal auditors, secretarial auditors or such other executives as the audit committee considers appropriate are regularly invited to the Audit Committee meetings. The Company Secretary is the Secretary to the Committee.

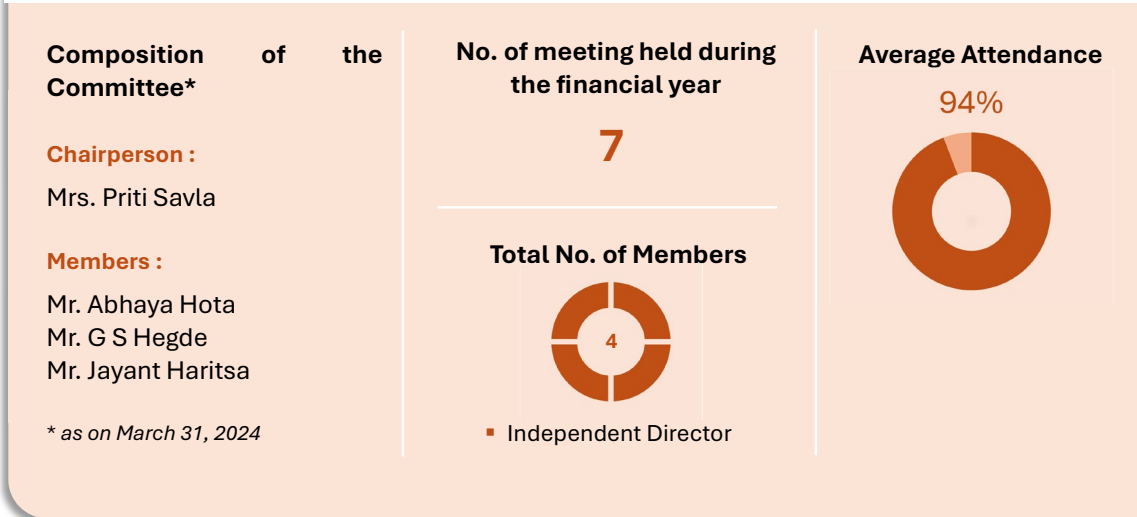
All members of the Audit Committee have the requisite accounting and financial management expertise. Mrs. Priti Savla, Chairperson of the Audit Committee attended the Annual General Meeting (AGM) held on August 17, 2023, to answer shareholders queries.

The maximum gap between any two meetings was less than one hundred and twenty days.

NCL has adopted the Audit Committee charter in addition to the statutorily required terms of reference. The charter broadly stipulates the structure, composition, the roles and responsibility of the authority as well as the overall oversight and operational functions of the Audit Committee.



Composition and Attendance of the Audit Committee Meetings



Date of Meeting	Mrs. Bhagyam Ramani**	Mrs. Priti Savla#	Mr. Abhaya Hota#	Mr. G S Hegde	Mr. Jayant Haritsa
April 25, 2023	✓	✓	✓	✓	✓
May 10, 2023	✓	✓	✓	✓	✓
May 20, 2023	✓	✓	✗	✗	✓
July 21, 2023	-	✓	✓	✓	✓
October 21, 2023	-	✓	✓	✓	✓
January 20, 2024	-	✓	✓	✓	✓
March 06, 2024	-	✓	✓	✓	✓

**Note:**

- Number of Meetings held during the tenure of Member
- Dr. Golaka Nath ceased to be a Member w.e.f. April 11, 2023

# Appointed as Member w.e.f. April 11, 2023  
 \*\* Ceased to be Member w.e.f. May 31, 2023

✓ - Present  
✗ - Leave of absence

The scope and functions of the Audit Committee are in accordance with Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. Its terms of reference *inter alia*, include the following:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Granting the omnibus approval in line with Policy on Related Party Transactions and such approval shall be applicable in respect of transactions which are repetitive in nature. Also granting of approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.
- Call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- 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;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Modified opinion(s) in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter



- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up thereon;
- 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 of NCL;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Examination of the Secretarial Audit reports and matters connected therewith;
- The Audit Committee shall mandatorily review the following information:
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - c. Internal audit reports relating to internal control weaknesses; and
  - d. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
  - e. Statement of deviations: a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations. b. annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of SEBI Listing Regulations.
- Review the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its Shareholders.
- Carrying out any other function as the Audit Committee may deem fit with the approval of the Board.

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

The Company has the NRC and the Composition and terms of reference of the Committee are in compliance with the provisions of Regulation 19 of the SEBI Listing Regulations, Regulation 29 of SCR SECC Regulations and Section 178 of the Act.

Pursuant to SCR SECC Regulations, the NRC shall consist of Public Interest Directors and shall be chaired by a Public Interest Director. However, Independent External Person(s) may be part of the Committee for the limited purpose of recommendation relating to selection of Managing Director; wherein the number of PIDs shall not be less than the Independent External Persons.

Further, as per the requirements of the Act, the Company is required to constitute NRC consisting of three or more non-executive directors out of which not less than one-half shall be independent directors. The Chairman of NRC shall be different from Chairman of the Board.

The NRC has laid down the policy for compensation of employees including Key Management Personnel in terms of the compensation norms prescribed by the SEBI. The NRC has also laid down performance evaluation criteria for the Board of Directors, individual directors (including independent directors) and Committees of the Board of Directors.

The necessary quorum was present for all the meetings with the presence of one PID as required under Regulation 19(2A) of the SEBI Listing Regulations.

Mr. G S Hegde, the Chairman of the Nomination & Remuneration Committee, attended the Annual General Meeting (AGM) held on August 17, 2023, to answer shareholders queries.

SEBI had approved the induction of Mr. Ajit Ranade as Independent External Experts in NRC of NCL for the limited purpose of selection of Managing Director

The information regarding the performance evaluation criteria of Independent Directors is covered in the Board’s Report.



Composition and Attendance of the Nomination and Remuneration Committee Meetings

Composition of the Committee*	No. of meeting held during the financial year	Average Attendance
<p><b>Chairperson :</b> Mr. G S Hegde</p> <p><b>Members :</b> Mr. Jayant Haritsa Dr. Golaka Nath Mr. Abhaya Hota</p> <p><small>* as on March 31, 2024</small></p>	<p><b>13</b></p> <hr/> <p><b>Total No. of Members</b></p> <p><b>4</b></p> <p>■ Independent Director</p>	<p><b>98 %</b></p>

Date of Meeting	Mr. G S Hegde	Dr. Golaka Nath*	Mr. Jayant Haritsa	Mr. Abhaya Hota*	Mr. Ajit Ranade#
April 17, 2023	✓	✓	✓	✓	-
April 25, 2023	✓	✓	✓	✓	-
May 18, 2023	✓	✓	✓	✓	-
May 20, 2023	✓	✓	✓	✓	-
June 19, 2023	✓	✓	✓	✓	-
July 20, 2023	✓	✓	✓	✓	-
August 01, 2023	✓	✓	✓	✓	✓
August 07, 2023	✓	✓	✓	✓	✓
August 20, 2023	✓	✓	✓	✓	✓
August 31, 2023	✓	✓	✓	✓	x
October 19, 2023	✓	✓	✓	✓	-
November 06, 2023	✓	✓	✓	✓	-
January 20, 2024	✓	✓	✓	✓	-

Note: ✓ - Present  
x - Leave of absence

- Number of Meetings held during the tenure of Member  
- Mrs. Bhagyam Ramani ceased to be Member w.e.f. April 11, 2023

\* Appointed as Member w.e.f. April 11, 2023  
# Mr. Ajit Ranade was appointed as IEP for the limited purpose for appointment of MD as per SCR (SECC) Regulations, 2018.

The brief terms of reference of NRC are as follows:

- formulate the criteria for determining qualifications, positive attributes and independence of a director and for personnel who may be appointed in Senior Management;
- identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the Policy and criteria laid down.
- select the Managing Director;
- recommend to the Board appointment and removal of Directors & personnel in Senior Management in accordance with policy and criteria laid down;
- While recommending appointment of Independent Director / Public Interest Director (PID) the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director / PID. The person recommended to the Board for appointment as an independent director / PID shall have the capabilities

identified in such description. For the purpose of identifying suitable candidates, the Committee may;

- use the services of an external agencies, if required
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates
- (f) recommend on the extension or continuation of the term of appointment of independent director and PID on the basis of performance evaluation of independent directors and PID's;
- (g) Identification of Key Management Personnel (KMPs) and determining the tenure of KMPs under SEBI Regulations, other than a director, to be posted in a regulatory department.
- (h) While recommending candidature for PID and MD, NRC shall mandatorily get a reference check done by a Human Resource (HR) agency covering three key areas, viz. Integrity, Knowledge / Professional Skills and Interpersonal Skills. After getting the reference check done, the NRC and the Board of the MII shall examine such report and give confirmation to SEBI that the recommended candidates are found to be satisfactory on the knowledge and professional skillset; past conduct including integrity; and interpersonal skills.
- (i) Recommend to the Board a policy relating to the compensation / remuneration in terms of the compensation norms prescribed by SEBI and remuneration for the directors including MD, senior management (Including key management personnel) and other employees so as to attract and retain best available personnel for position of substantial responsibility with the Company:

The NRC shall, while formulating the policy referred in point (i) above, ensure that:

- i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
  - iii. Remuneration to Directors, Key Managerial Personnel and other Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- (j) recommend to the board, all remuneration, in whatever form, payable to senior management.
- (k) to approve Variable Pay and Fixed Pay of KMPs under SCR SECC Regulations, 2018, including Managing Director and release of variable pay withheld earlier of such KMP's.

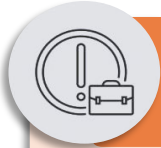
- (l) formulate criteria for evaluation of performance for Independent Directors and Board of Directors, its committees, individual directors and Public Interest Director (PID) and its review thereof, which shall be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- (m) determine the composition of the Board of Directors and addressing issues of Board diversity, devising a policy on diversity of Board of Directors;
- (n) ensure that appropriate procedures are in place to assess Board membership needs and Board effectiveness;
- (o) review, approve and aid the Board in succession and emergency preparedness plan for key executives;
- (p) framing & reviewing the performance review policy to carry out evaluation of every director's performance, including that of Public Interest Director (PID).
- (q) Besides the above, to discharge the function(s) as entrusted with the Nomination & Remuneration Committee under the Act and SEBI Listing Regulations as amended from time to time.
- (r) Such other function as may be vested by the Board, from time to time, to this committee to discharge the same.

### **(C) Risk Management Committee (RMC)**

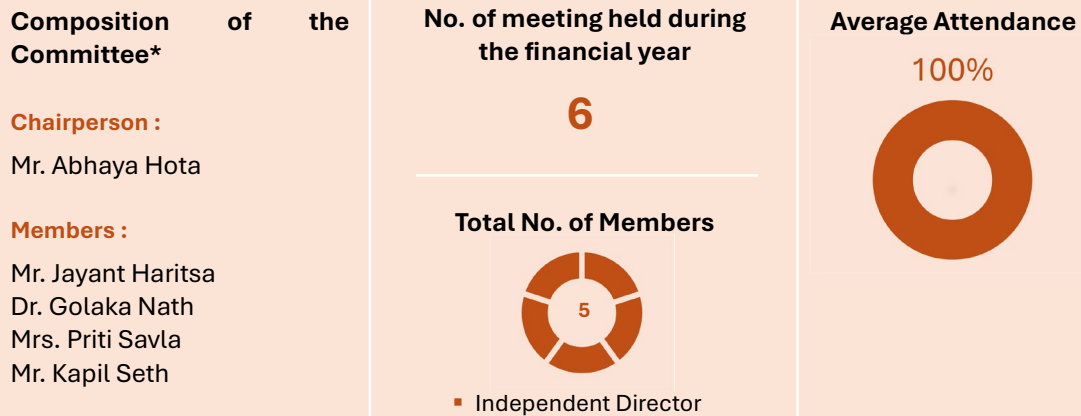
The Company has RMC and the Composition and terms of reference of the Committee are in compliance with the provisions of Regulation 21 of the SEBI Listing Regulations, Regulation 29 of SCR SECC Regulations and the Act. The Committee shall also review the strategic, cyber and business risk (non-settlement risks) and advise the Board with respect to the same.

The requisite quorum was present for all the meetings with the presence of one member of the Board of Directors as required under Regulation 21(3B) of the SEBI Listing Regulations. The meetings were conducted in such a manner that on a continuous basis not more than one hundred and eighty days elapsed between any two consecutive meetings.

Mr. Huzefa Mahuvawala, Chief Risk Officer of NCL reports to the Risk Management Committee and the MD & CEO and attends all meetings of RMC.



### Composition and Attendance of the Risk Management Committee (RMC) Meetings



\* as on March 31, 2024

Note: The RMC comprises of 4 PID's (Independent Directors) and one Independent External Person (IEP) as per SCR (SECC) Regulations, 2018.

Date of Meeting	Mrs. Bhagyam Ramani**	Mr. Abhaya Hota*	Mr. Jayant Haritsa	Dr. Golaka Nath	Mrs. Priti Savla*	Mr. Kapil Seth
April 24, 2023	✓	✓	✓	✓	✓	✓
July 20, 2023	-	✓	✓	✓	✓	✓
August 31, 2023	-	✓	✓	✓	✓	✓
October 19, 2023	-	✓	✓	✓	✓	✓
December 18, 2023	-	✓	✓	✓	✓	✓
January 18, 2024	-	✓	✓	✓	✓	✓

Note: Number of Meetings held during the tenure of Member

✓ - Present

\* Appointed as Member w.e.f. April 11, 2023

\*\* Ceased to be Director w.e.f. May 31, 2023

The brief terms of reference of Risk Management Committee are as follows:

- i. To formulate a detailed risk management policy which shall be approved by the governing Board;
- ii. To review the Risk Management Framework & risk mitigation measures from time to time;
- iii. To monitor and review enterprise-wide risk management plan and lay down procedures to inform Board members about the risk assessment and minimisation procedures;
- iv. The head of the risk management department shall report to the risk management committee and to the Managing Director of the Clearing Corporation; and

- v. The risk management committee shall monitor implementation of the risk management policy and keep the Board and the governing Board informed about its implementation and deviation, if any.

**(D) Stakeholders Relationship Committee (SRC)**

The Company has SRC and the Composition and terms of reference of the Committee are in compliance with the provisions of Regulation 20 of the SEBI Listing Regulations and the Act. The Committee reviews various aspects of interest of shareholders and other security holders.

The Company has appointed Mr. Amit Pujara as the Chief Regulatory Officer & Compliance Officer of the Company.

Mr. Jayant Haritsa, Chairman of the SRC attended the Annual General Meeting (AGM) held on August 17, 2023, to answer shareholders queries.



**Composition and Attendance of the Stakeholders Relationship Committee Meetings**

Composition of the Committee*	No. of meeting held during the financial year	Average Attendance
<p><b>Chairperson :</b> Mr. Jayant Haritsa</p> <p><b>Members :</b> Mr. G S Hegde Mrs. Priti Savla Mr. Vikram Kothari</p> <p><small>* as on March 31, 2024</small></p>	<p><b>1</b></p> <hr/> <p><b>Total No. of Members</b></p> <p><b>4</b></p> <p> <span style="color: #c00000;">■</span> Independent Director  <span style="color: #800000;">■</span> Non-Independent Director                 </p>	<p><b>75%</b></p>

Date of Meeting	Mr. Jayant Haritsa	Mr. G S Hegde	Mrs. Priti Savla <sup>#</sup>	Mr. Vikram Kothari
November 06, 2023	✓	✓	✓	✗

*Note:*

- ✓ - Present
- ✗ - Leave of absence
- Number of Meetings held during the tenure of Member
- Mrs. Bhagyam Ramani ceased to be a member w.e.f. May 31, 2023

<sup>#</sup> Appointed as Member w.e.f. June 04, 2023

The brief terms of reference of SRC are as follows:

- (i) Resolving the grievances of the security holders including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings, etc.
- (ii) Review of measures taken for effective exercise of voting rights by shareholders.
- (iii) Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (iv) Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.
- (v) To perform all functions to specifically look into various aspects of interests of shareholders, debenture holders and other security holders of the Company relating to the interests of security holders of the Company.
- (vi) To perform functions as is entrusted under the Act or Rules prescribed thereunder or the SEBI Listing Regulations or such other regulatory requirements applicable to the company or in the terms of reference of the Stakeholders Relationship Committee; and
- (vii) To discharge functions as may be assigned / vested by the Board of Directors from time to time.

During the F.Y., the number of shareholders’ complaints received, number of complaints not solved to the satisfaction of shareholders and number of pending complaints were NIL.

**(E) Corporate Social Responsibility (CSR) Committee**

The Committee was constituted, *inter alia*, to formulate and recommend to the Board a Corporate Social Responsibility Policy, to recommend the amount of expenditure to be incurred on the activities, and to monitor the Corporate Social Responsibility Policy of the Company from time to time.





Date of Meeting	Mrs. Bhagyam Ramani*	Mr. G S Hegde	Mr. Golaka Nath	Mrs. Priti Savla##	Mr. Abhaya Hota#
April 21, 2023	✓	✓	✓	✓	✗
January 16, 2024	✗	✓	✓	✓	- ✓ - Present

Note: ✗ - Leave of absence

- Number of Meetings held during the tenure of Member  
- Mr. Jayant Haritsa Ceased to be Member w.e.f. April 11, 2023

\* Ceased to be Director w.e.f. May 31, 2023  
# Appointed as Member w.e.f. April 11, 2023 and ceased to be a member w.e.f. June 04, 2023  
## Appointed as Member w.e.f. April 11, 2023

The necessary quorum was present for all the meetings.

The brief terms of reference of CSR Committee are as follows:

1. Formulate and recommend the CSR Policy to the Board for approval, monitor its implementation and suggest modifications from time to time for the same.
2. Formulate and recommend the Board for approval, an Annual Action Plan in pursuance of the CSR Policy which shall include:
  - (a) the list of CSR projects or programmes approved to be undertaken in the selected core focus areas
  - (b) manner of execution of such projects or programmes
  - (c) modalities of utilization of funds
  - (d) implementation schedules for the projects or programmes
  - (e) monitoring & reporting mechanism for the projects or programmes
  - (f) approve and recommend the details of need & impact assessment (if applicable) for the projects undertaken by the Company

Provided that the Board may alter such plan at any time during the F.Y., as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

3. Approve or ratify the CSR projects undertaken by NSE Foundation in line with the approved CSR Policy to ensure seamless implementation of the projects and fulfilment of the mandate set out under Section 135 of the Act and the Rules thereunder.
4. Report to the Board the manner of utilization of the annual CSR budget in pursuance of the CSR policy, unspent funds or excess spend towards CSR projects and ensure that the administrative overheads shall not exceed five per cent of the total CSR expenditure of the Company for any F.Y.
5. Approve and recommend to the Board an Annual Report on the CSR activities in a format prescribed in the Act.

6. Report to the Board on the progress of the various CSR projects undertaken by NSE Foundation or through any entity as prescribed under Section 135 of the Act and CSR rules thereunder and the expenditure incurred for the same on a periodic basis.
7. Establish a transparent monitoring mechanism for ensuring implementation of the CSR programme.
8. Recommend the amount of expenditure to be incurred on the CSR activities.

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

#### **(F) Regulatory Oversight Committee (ROC)**

The Committee consists of Dr. Golaka Nath, PID, Mr. G S Hegde, PID, Mrs. Priti Savla, PID, Mr. Abhaya Hota, PID and Mr. P. Krishnamurthy, Independent External Person as its members with Dr. Golaka Nath as its Chairperson.

The brief terms of reference of ROC are as follows:

- a) Oversee matters related to member regulation such as admission of members, inspection, disciplinary action, etc.;
- b) Oversee SEBI inspection observations on membership related issues;
- c) Estimate adequacy of resources dedicated to member regulation;
- d) Monitor the disclosures made under Reg.33 of SECC Regulations, 2018;
- e) Review the actions taken to implement the suggestions of SEBI's Inspection Reports and place it before the Board of Clearing Corporation;
- f) To follow up and ensure compliance / implementation of the inspection observations;
- g) Supervising the functioning of Investors' Services Cell of the Clearing Corporation which includes review of complaint resolution process, review of complaints unresolved over long period of time, estimate the adequacy of resources dedicated to investor services, etc.;
- h) Lay down procedures for the implementation of the Code;
- i) Prescribe reporting formats for the disclosures required under the Code;
- j) Oversee the implementation of the code of ethics;
- k) To periodically monitor the dealings in securities of the Key Management Personnel;
- l) To periodically monitor the trading conducted by firms / corporate entities in which the directors hold twenty percent or more beneficial interest or hold a controlling interest;
- m) Reviewing the fees and charges levied by a Clearing Corporation;
- n) Monitoring implementation of SECC Regulations and other applicable rules and regulations along-with SEBI Circulars and other directions issued thereunder;
- o) The head(s) of department(s) handling the above matters shall report directly to the committee and also to the Managing director; and
- p) Any action of a recognized clearing corporation against the aforesaid head(s) shall be subject to an appeal to the committee, within such period as may be determined by the governing board.

**(G) Standing Committee on Technology (SCOT)**

The Committee consists of Mr. Jayant Haritsa, PID, Dr. Golaka Nath, PID, Mr. Abhaya Hota, PID, Dr. A.S. Ramasastry, Independent External Person and Ms. V Mythili Ranganath, Independent External Person as its members with Mr. Jayant Haritsa as its Chairperson.

The brief terms of reference of SCOT are as follows:

- a) Monitor whether the technology used by the clearing corporation remains up to date and meets the growing demands;
- b) Monitor the adequacy of system capacity and efficiency;
- c) Look into the changes being suggested to the existing software / hardware;
- d) Investigate into the problems computerised risk management / clearing & settlement system, such as hanging / slowdown / breakdown;
- e) Ensure that transparency is maintained in disseminating information regarding slowdown / break down risk management / clearing & settlement system;
- f) The Committee shall submit a report to the Governing Board of the clearing corporation. The Board will deliberate on the report and suitable action / remedial measure will be taken;
- g) Any stoppage beyond five minutes will be explained and reported to the Board. The Clearing Corporation shall issue a press release specifying the reasons for the breakdown;
- h) Review the implementation of board approved cyber security and resilience policy and fits framework; and
- i) Such other matters in the scope as may be referred by the Governing Board of the Clearing Corporation and / or SEBI.

**(H) Member and Core Settlement Guarantee Fund Committee (MCSGFC)**

The Committee consists of Mr. G S Hegde, PID, Mrs. Priti Savla, PID, Dr. Golaka Nath, PID and Mr. Vikram Kothari, MD & CEO (KMP) as its members with Mr. G S Hegde as its Chairperson.

The brief terms of reference of MCSGFC are as follows:

- a) To scrutinize, evaluate, accept or reject applications for admission of members and transfer of membership and approve voluntary withdrawal of membership;
- b) Also in case of clearing corporations with commodity segment, the committee shall also look into:
  - Approving enplanement & cancellation of Warehouse Service Providers / Vault Service Providers / Assayers, accreditation of warehouse, etc.
  - Reviewing the continuous functioning, monitoring, and compliance of norms by Warehouse Service Providers, Vault Service Providers and assayers.

- c) Formulate policy for regulatory actions, including warning, monetary fine, suspension, deactivation of terminal, declaring a member as defaulter, expulsion, to be taken for various violations by the members of the clearing corporation;
- d) Based on the laid down policy, the Committee shall consider the cases of violations observed during inspection, etc. and impose appropriate regulatory measure on the members of the clearing corporation;
- e) While imposing the regulatory measure, the Committee shall adopt a laid down process, based on the 'Principles of natural justice';
- f) Realize the assets / deposits of defaulter / expelled member and appropriate amongst various dues and claims against the defaulter / expelled member in accordance with the Rules, Byelaws and Regulations of the Clearing corporation;
- g) Admission / rejection of claims against such members over the assets of the defaulter / expelled member; and
- h) To manage the Core Settlement Guarantee Fund (Core SGF) of the clearing corporation, including its investments as per norms laid down and ensure proper utilization of Core SGF.

#### **(I) Grievance Redressal Committee (GRC)**

The Committee consisted of Mr. Pravin Mulay, Mr. K. V. Iyer, Mr. Uday Tardalkar, Mr. V. Chandrasekaran, Dr. Rakesh Kumar Kakkar and Mr. Devadatt R. Shirodkar, Independent External Persons as its members.

The brief terms of reference of GRC includes dealing with the complaints referred to it by the Clearing Corporation, hear the parties and resolve their complaints / disputes.

The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2023, w.e.f. 28-08-2023, omitted the constitution of the Grievance Redressal Committee (GRC) as a Statutory Committee and the Committee is now considered as Grievance Redressal Panel.

#### **(J) Investment Committee (IC)**

The Committee was constituted by the Governing Board at its meeting held on January 20, 2024. The Committee consists of Mrs. Priti Savla, PID, Mr. Jayant Haritsa, PID, Dr. Golaka Nath, PID and Mr. Vikram Kothari, MD & CEO (KMP) as its members with Mrs. Priti Savla as its Chairperson.

The brief terms of reference of the Investment Committee are as below:

1. Monitor investments made by the clearing corporation as per the provisions specified under SECC Regulations, 2018 and various circulars issued there under.
2. Evaluate proposals of capital expenditure.
3. Evaluate proposals of Corporate Social Responsibility.
4. Submit a recommendation to the governing board along with reasons for acceptance and rejection.

**(K) Advisory Committee**

During the year, the Advisory Committee was reconstituted and presently comprises of 8 Clearing members and Mr. Abhaya Hota acts as its chairperson and Mr. Jayant Haritsa as the member of the committee.

The brief terms of reference of Advisory Committee includes advising the governing board on non-regulatory and operational matters including product design, technology, charges and levies.

Pursuant to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2023, w.e.f. 28-08-2023, the Advisory Committee ceased to be a Statutory Committee.

**(L) Public Interest Directors**

The Company has complied with Regulation 26 read with part A of Schedule II of SCR SECC Regulations.

As per the aforesaid Regulations, Public Interest Directors shall meet separately, at least once in six months to exchange views on critical issues.

**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 and shareholders, as the case may be. The Audit Committee also periodically discusses with the Auditors the annual audit programme and the depth and detailing of the audit plan to be undertaken by them.

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

**V. SECRETARIAL AUDIT**

The Company has engaged the services of M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, to conduct Secretarial Audit pursuant to the requirements of the Act and the rules laid down thereunder for the F.Y. ended March 31, 2024. The report of the Secretarial Auditors is placed before the Audit Committee and the Board. Further, the Company has complied with corporate governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 except as mentioned in the Board's Report.

**VI. ANNUAL SECRETARIAL COMPLIANCE REPORT**

NSE Clearing Limited has undertaken an audit for F.Y. 2023-24 for all applicable compliances as per SEBI Regulations and Circulars / Guidelines issued thereunder.

The Annual Secretarial Compliance Report has been obtained M/s. Makarand M. Joshi & Co., Company Secretaries in terms of SEBI circular dated February 08, 2019.

## 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 F.Y. 2023-24 is enclosed at the end of the report.

## IX. GENERAL SHAREHOLDER INFORMATION

- (A) CIN: U67120MH1995PLC092283
- (B) ISIN: INE350O01012
- (C) Annual General Meeting: The 29<sup>th</sup> Annual General Meeting of the Company will be held on August 22, 2024 at 12 Noon through Video Conference/Other Audio-Visual Means (VC/OAVM). The deemed venue for the 29<sup>th</sup> Annual General Meeting shall be the Registered Office of the Company i.e. Exchange Plaza, Plot No. 1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051. For details, please refer to the Notice of this AGM.
- (D) Financial year: 2023-24
- (E) Dividend Payment date: within 5 days from the date of declaration by the shareholders at the ensuing AGM. Proposed dividend for F.Y. 2023-24: Rs. 0.20 per equity share of Rs.10/- each
- (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 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. Tel. No.022-4918 6270
- (G) Share Transfer system: The equity shares of NCL are in dematerialised form. Further, the ISIN of equity shares is suspended by NCL to prevent transfers not approved by NCL pursuant to Article 63 of its Articles of Association and to ensure compliance of the provisions of SCR SECC Regulations. Therefore, if and when application for approval of transfer is received adherence to compliance of SCR SECC Regulations is and will be ensured.
- (H) Distribution of shareholding: NCL is a wholly owned subsidiary of NSEIL. Accordingly, NSEIL holds 100% of the paid-up equity share capital of NCL.
- (I) Dematerialization of shares: The Company's shares are 100% dematerialized.
- (J) Plant locations: None
- (K) Compliance Officer: Mr. Amit Pujara is the Chief Regulatory Officer & Compliance Officer of NCL.
- (L) Disclosure with respect to demat suspense account / unclaimed suspense account: Not applicable.

## X. OTHER DISCLOSURES

### (1) Basis of related party transactions

The transactions with related parties are entered in the ordinary course of business and at arm's length price. The details of the related party transactions are disclosed in the Annual Report.

The 'Policy on dealing with related party transactions' of the Company is available on the website of the Company:

<https://www.nscclindia.com/sites/default/files/disclosure-doc/2024-05/Policy%20On%20Materiality%20and%20Dealing%20with%20Related%20Party%20Transactions.pdf>

The Audit Committee of the Company has granted omnibus approval for the Related Party Transactions (RPTs) which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length. During F.Y. 2023-24, NCL did not have any pecuniary relationship or transactions with Non-Executive Directors.

### (2) Details of non-compliance by the Company, penalties, strictures impose on the company by SEBI or any other statutory authority on any matter related to capital markets during the last three years:

SEBI vide its order dated December 28, 2022, imposed a Penalty of Rs. 25 Lakhs on the Company on account of partial non-compliance with SEBI circular on Early Warning Mechanism dated December 17, 2018.

In the matter of technical glitch that took place on February 24, 2021, SEBI has issued Show Cause Notice (SCN) to NCL and to some of its employees dated August 11, 2021, wherein a Settlement Order dated June 20, 2023, was passed and NCL made a payment of ₹ 22,88,00,000 in the form of settlement.

Further, in the matter of Inter-CCP Collateral, SEBI has issued Show Cause Notice to NCL dated November 21, 2023. NCL filed a settlement application on January 08, 2024, and has also filed a detailed reply dated February 12, 2024, with SEBI.

### (3) Vigil mechanism / Whistle Blower Policy

The Company has established a mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy. The Company also provides for adequate safeguards against victimization of employees who avail of the mechanism and also allows direct access to the Chairman of the Audit Committee (for financial matters) or Chairman of the Regulatory Oversight Committee (for other matters) in exceptional cases. No personnel have been denied access to the audit committee.

As per the requirements of SEBI Listing Regulations, whistle blower policy is provided in the Company's website for the information of the shareholders at the following location:

<https://www.nscclindia.com/sites/default/files/disclosure-doc/2024-05/Whistle%20Blower%20Policy.pdf>

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

In addition to the above, NCL also complies with the non-mandatory requirements of Part E of Schedule II prescribed under Regulation 27(1) of the SEBI Listing Regulations, like, maintaining a Chairperson's office at the Company's expense, reimbursement of expenses incurred by Chairperson in performance of his duties, dissemination of financial results to the shareholders, unqualified financial statements, maintaining separate post of Chairperson and Managing Director & CEO and direct reporting of internal auditors to the audit committee, etc.

**(5) Subsidiary Companies**

As on March 31, 2024, NCL has one wholly owned subsidiary namely NSE IFSC Clearing Corporation Limited (NICCL).

**(6) Disclosure by listed entity and its subsidiaries of loans and advances in the nature of loans to firms / companies in which Directors are interested by name and amount**

Not Applicable, as the Company has not given any loans and advances in the nature of loans to firms / companies in which Directors are interested by name and amount, during the year under review.

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

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

**(8) Communications with Shareholders**

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

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

**Annual Report:**

Annual report containing, *inter alia*, Audited Accounts, Board's Report, Report on Corporate



Governance, Management Discussion & Analysis other material and related matters / information is circulated to the shareholders and others entitled thereto.

### (9) Redressal of shareholders' complaints

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

### (10) Credit Ratings

NSE Clearing Limited has received reaffirmation of its corporate credit rating of 'CCR AAA/Stable' from CRISIL. NSE Clearing Ltd. has been rated "CCR AAA/Stable" for the fifteenth consecutive year.

'CCR AAA/Stable' rating indicates the highest degree of strength with regard to honoring debt obligations. As per CRISIL, the rating reflects strong operational and financial linkages with its parent, the NSEIL, and comprehensive risk management systems. CRISIL has stated that the systems are regularly upgraded to pre-empt market failures. CRISIL has reaffirmed the outlook for NSE Clearing as "Stable" and states that, "NSE Clearing will continue to have a strong market position due to its association with NSE and maintain comprehensive risk management systems and adequate core SGF commensurate with the clearing volumes, over the medium term." On an ongoing basis, NSE Clearing continues to address the risks in clearing and settlement with its stringent norms for selection of members, robust margining system, and risk-based position limits and surveillance mechanism.

(11) Details for the name and address of each stock exchange at which the listed entity securities are listed and a confirmation about payment of annual listing fees to each of such stock exchanges, stock code, market price data and performance in comparison to broad based indices – Not applicable.

## XI. GENERAL BODY MEETINGS

### A. Location, date, and time of last three Annual General Meetings (AGMs) were held:

Type of meeting	Date	Time	Venue	Special Resolution passed
28 <sup>th</sup> Annual General Meeting	August 17, 2023	11:00 A.M.	Through video conference from the Exchange Plaza, Plot C1, Block 'G', Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	-
27 <sup>th</sup> Annual General Meeting	July 05, 2022	10:00 A.M.	C1, Block 'G', Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	-
26 <sup>th</sup> Annual General Meeting	August 09, 2021	12:00 Noon	Complex, Bandra (East), Mumbai – 400 051	-

**B. Extraordinary General Meeting**

Date	Time	Venue	Special Resolution passed
November 16, 2023	11:00 A.M.	Through video conference from the Exchange Plaza, Plot C1,	-
October 03, 2023	04:00 P.M.	Block 'G', Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	-

**C. Postal Ballot**

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

**XII. CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE NORMS**

As required under SEBI Listing Regulations read with Regulation 33 of SCR SECC Regulations, NCL has obtained a certificate regarding the compliance of conditions of Corporate Governance therein from a Practicing Company Secretary. The same has been provided as an Annexure and forms part of this Report.

As required under Clause 10(i) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018, NCL obtained a certificate from a Practicing Company Secretary certifying that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

**XIII.** The Board has accepted the recommendations of its committees, made during F.Y. 2023-24, which are mandatorily required to be accepted.

**XIV. FEES PAID TO STATUTORY AUDITORS**

The details of the total fees for all services paid by NCL and its subsidiary, NICCL, on a consolidated basis, to the statutory auditors i.e. M/s. Khandelwal Jain & Co., Chartered Accountants and all entities in the network firm / network entity of which the statutory auditor is a part has been provided below:

Particulars	Amount in Rs.
<b>As auditor:</b>	
Audit fees	23,00,000
Tax audit fee	6,00,000
Limited review	12,00,000
<b>In other capacity:</b>	
Taxation matters	9,00,000
Certification matters	5,00,000
Out of pocket	1,00,000
<b>Total</b>	<b>57,00,000</b>

#### **XV. DETAILS OF MATERIAL SUBSIDIARY INCLUDING THE DATE AND PLACE OF INCORPORATION AND THE NAME AND DATE OF APPOINTMENT OF THE STATUTORY AUDITORS OF SUCH SUBSIDIARIES**

There are no Material Subsidiary of the Company. Further, 'Policy for determining material subsidiaries' is available on the Website of the Company.

<https://www.nscclindia.com/sites/default/files/disclosure-doc/2023-02/NCL%20-%20Policy-on-Determining-Material-Subsidiaries%20-%20January%2030%202023%20-%20Website.pdf>

#### **XVI. OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY;**

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence, as on March 31, 2024, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

#### **XVII. DISCLOSURE OF LOANS AND ADVANCES TO FIRMS / COMPANIES IN WHICH DIRECTORS ARE INTERESTED**

The Company has not given any loans and advances to firms / Companies in which Directors are interested.

#### **XVIII. DISCLOSURE OF COMMODITY PRICE RISKS OR FOREIGN EXCHANGE RISK OR HEDGING ACTIVITIES AND COMMODITY HEDGING ACTIVITIES**

Not applicable, no such instance.

**XIX. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A)**

Not applicable, no such instance.

**XX. SENIOR MANAGEMENT**

The Details of changes in the Senior Management are mentioned under Point 6.1 of Director's Report

**XXI.** The disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are given in the crux of the Board's Report under Sr. No.3. As of March 31, 2024. Further, no complaint has been filed during F.Y. 2023-24, and hence no complaint was disposed-off as pending at the end of the F.Y.

**XXII. DISCLOSURE OF CERTAIN TYPE OF AGREEMENTS BINDING LISTED ENTITIES**

Pursuant to clause 5A of paragraph A of Part A of Schedule III of SEBI Listing Regulations, there are no agreement impacting management or control of the Company or imposing any restriction or create any liability upon the Company.

**XXIII.** The Members of the Board and Senior Management have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2024. A declaration signed by the MD & CEO stating that the members of Board and Senior Management Personnel have affirmed compliances with the code of conduct of Board of Directors and Senior Management is attached herewith and forms a part of the Corporate Governance Report.

**XXIV.** Address for correspondence: The Secretarial Department, NSE Clearing Limited, Exchange Plaza, Plot No. C-1, "G" Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051. The Company also has its branch offices at five locations namely Mumbai, Delhi, Kolkata, Chennai, and Ahmedabad. 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).

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**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34 (3) and Schedule V Para C clause (10) (i) of SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

**To,**

**The Members**

**NSE Clearing Limited**

Exchange Plaza C-1 Block G,  
Bandra Kurla Complex,  
Bandra East, Mumbai 400051.

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to NSE Clearing Limited having CIN U67120MH1995PLC092283 and having its registered office at Exchange Plaza C-1 Block G, Bandra Kurla Complex, Bandra East, Mumbai. 400051 (hereinafter referred to as 'the Company') for the purpose of issuing this Certificate, in accordance with Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and Regulation 34 (3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) documents available on the website of the Ministry of Corporate Affairs as on 30-04-2024, and Stock Exchanges as on 30-04-2024 (ii) Verification of Directors Identification Number (DIN) status at the website of the Ministry of Corporate Affairs, and (iii) disclosures provided by the Directors (as enlisted in Table A) to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority as on March 31, 2024.

**Table A**

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>DIN</b>	<b>Date of appointment</b>
1.	Mr. Yatrik Rushikesh Vin	07662795	27/09/2021
2.	Mr. Vikram Kothari	07898773	07/11/2017
3.	Mr. Gopalkrishna Sitaram Hegde	09515748	17/06/2022
4.	Mr. Jayant Ramaswamy Haritsa	09524601	17/06/2022
5.	Mr. Golaka Chandra Nath	09750678	17/11/2022
6.	Ms. Priti Paras Savla	00662996	05/04/2023
7.	Mr. Abhaya Prasad Hota	02593219	06/04/2023

**Head Office**

Ecstasy, 802-805, 8th Floor, Citi Of Joy, JSD, Mulund West, Mumbai - 400080, Maharashtra  
**Board Number:** +91 22 2167 8100 **Nasik Branch:** 0253- 2316533, 2516455 [www.mmjc.in](http://www.mmjc.in)

*General Disclaimer: Our Analysis for this certificate does not cover the verification of criteria pertaining to appointment as Independent director under Section 149 and criteria pertaining to appointment as Managing Director under Section 196 and Schedule V of the Companies Act, 2013*

**For Makarand M. Joshi & Co.  
Company Secretaries**

**Kumudini Bhalerao**

**FCS: 6667**

**CP: 6690**

**PR:640/2019**

**UDIN: F006667F000282107**

**Date: April 30, 2024**

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**Head Office**

Ecstasy, 802-805, 8th Floor, Citi Of Joy, JSD, Mulund West, Mumbai - 400080, Maharashtra

**Board Number:** +91 22 2167 8100 **Nasik Branch:** 0253- 2316533, 2516455 [www.mmjc.in](http://www.mmjc.in)

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

I, Vikram Kothari, Managing Director & CEO, hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmations that they have complied with the code of conduct for the Financial Year 2023-24.

For the purpose of this declaration, Senior Management Personnel means Key Management Persons appointed under SCR SECC Regulations reporting directly to **Managing Director & CEO** and Key Managerial Personnel, namely, Chief Financial Officer and Company Secretary appointed under the provisions of the Companies Act, 2013.

Date: April 30, 2024

**Vikram Kothari**  
**Managing Director & CEO**

## MANAGEMENT DISCUSSION & ANALYSIS

The global economy demonstrated resilience in 2023 despite enduring several adverse geopolitical and financial upheavals in recent years. These include the Russia-Ukraine conflict, Israel-Hamas tensions, ongoing supply-side constraints, and coordinated tightening measures by global central banks in the preceding year. Notwithstanding faster-than-anticipated decline in global inflation in the second half of the year, major central banks in developed economies maintained interest rates at elevated levels to ensure sustainable alignment of headline inflation with target levels. That said, regional disparities remained with the US witnessing robust growth, the Euro area faced the repercussions of tight financial conditions and China grappling with economic challenges such as property sector crisis, unsustainable debt levels and slowing consumer demand.

The International Monetary Fund's April 2024 World Economic Outlook (WEO) report estimated global growth at 3.2% in 2023, marginally higher than 3.3% estimated in October, but below the 3.5% growth seen in the previous year. Growth is projected to remain at 3.2% in 2024 and 2025, aided by resilient growth momentum in the US, recovery in the euro area and strong growth outlook for India. Renewed spike in inflation owing to geopolitical conflicts, rising geopolitical fragmentation, financial market volatility and continued slowdown in China remain key downside risks.

As inflation levels, particularly in the US, accelerated towards central banks' targets faster than expected by late 2023, speculation heightened regarding an early reversal of the monetary policy cycle. This led to a decrease in long-term borrowing costs, a rise in equity markets, and an improvement in global financial conditions. With the anticipation of further inflation decline, the IMF predicts that policy rates in major advanced economies will start decreasing in the second half of 2024.

### Indian Economic Overview

In a volatile global setting, the Indian economy stood out as the fastest-growing large economy worldwide in 2023-24. This was buoyed by robust urban consumption demand and a revival in the investment cycle, driven by the government's emphasis on capital expenditure, enhanced capacity utilization, and the resilient services sector. Furthermore, improved corporate and banking balance sheets created a favorable environment for private sector investment recovery.

The latest figures from the Central Statistics Office (CSO) reveal India's GDP surged by 7.6% in the fiscal year 2023-24, building on the upwardly revised 7.0% growth seen in the preceding year. This streak of robust growth marks the third consecutive year with GDP growth surpassing 7%, averaging 8.1% over this period. Investment, indicated by Gross Fixed Capital Formation, notably soared by 10.2% in 2023-24. Urban consumption remained resilient, as reflected in domestic air travel, household credit and vehicle sales, while rural demand saw a modest recovery. On the production side, the Gross Value Added (GVA) expanded by 6.9%, largely propelled by growth in the Industry and Services sectors.

Domestic economic activity is poised to sustain its robust momentum in the current fiscal. Projections from both the RBI and the IMF anticipate real GDP growth at 7.0% and 6.8% respectively for the year 2024-25. This buoyancy is expected to be fueled by strong investments from both the public and private sectors, alongside a resurgence in rural demand amid expectations of a normal monsoon this year, and consistent urban demand. However, persistent high real interest rates and lingering weakness in rural demand remain potential



risks to the outlook. Furthermore, globally, uncertainties in growth trajectories, ongoing geopolitical conflicts, market fluctuations, disruptions in Red Sea trade routes, and increasing geopolitical fragmentation could impact India's growth trajectory.

Headline inflation witnessed a steady drop during the year, barring bouts of occasional spikes led by surge in food prices owing to heavy rainfall and fading base effect. Core inflation, on the other hand, declined sharply on the back of easing input costs. The average headline inflation for 2023-24 was 5.4%, a notable decrease from the previous year's 6.7%. Despite this decline, the persistence of headline inflation above the RBI's 4% target led to the Monetary Policy Committee maintaining the policy repo rate at 6.5% throughout the year. In response, the RBI prioritized liquidity management, utilizing various measures to uphold financial stability.

Sustained fiscal boost by the Government more than made up for declining monetary policy support during the year. Government investment on infrastructure remained robust in 2023-24 without compromising on fiscal discipline, supported by healthy tax collections. The Interim Union Budget for 2024-25 emphasized growth, welfare, and fiscal prudence, ensuring policy continuity with a fiscal deficit target set at 5.1% of GDP. Continued investments in infrastructure aimed at enhancing capacity and fostering job creation remained the focal point. Capital expenditure, representing 3.4% of GDP in the budget estimate for the current year, reached its highest level in 26 years, with a notable emphasis on sectors such as housing, transportation, defense, and renewable energy. Overall, the budget aimed to maintain economic stability, promote growth, and uphold welfare provisions for the Indian populace.

Despite global demand deceleration and ongoing geopolitical tensions, India's external standing remained resilient in 2023-24. The current account deficit is expected to decelerate due to contraction in the trade deficit, mainly driven by a sharper decline in imports compared to exports. Furthermore, a positive global risk environment, fueled by expectations of interest rate reductions and underpinned by India's robust economic fundamentals, alongside the announcement of the inclusion of Indian sovereign bonds in global bond indices, spurred substantial foreign capital inflows into both debt and equity markets. With active intervention by the RBI, the rupee maintained stability against a strong USD and amid global uncertainty.

### **Capital market scenario and its impact on NSE**

Global equity markets in 2023-24 ended strongly, fueled by a robust US economy, impressive corporate earnings, expectations of rate cuts, and optimism surrounding Artificial Intelligence. The MSCI World Index (Developed Market Index) surged by 23.1%, marking its highest annual return in 14 years, excluding the pandemic year. However, the MSCI Emerging Market Index saw modest gains of 5.3% in US dollar terms, with a sell-off in the Chinese market due to concerns over post-pandemic recovery and property sector issues driving underperformance.

Despite experiencing volatility, Indian equities mirrored global trends and concluded the fiscal year 2023-24 with substantial gains, surpassing its emerging market counterparts by a significant margin. Despite experiencing volatility, Indian equities mirrored global trends and concluded the fiscal year 2023-24 with substantial gains, surpassing its emerging market counterparts by a significant margin. The Nifty 50 Index saw a significant 28.6% return for the fiscal year, while mid- and small-cap stocks surged even higher. With a market capitalization of US\$4.6 trillion as of March 31<sup>st</sup>, 2024, India maintained its position as the world's fourth-largest market, trailing only the US, China (including Hong Kong), and Japan.

Domestic institutional investors (DIIs) continued their streak as net buyers of Indian equities for the third consecutive year, with inflows of Rs 2.07 lakh crore in 2023-24, marking the third straight year above the Rs 2 lakh crore mark. This trend was supported by a rise in individual

investor participation through SIPs (Systematic Investment Plan), with average monthly SIP inflows more than doubling in the last four years, reaching Rs 16,600 crore in 2023-24. Foreign institutional investors (FIIs) were also strong buyers of Indian equities after a gap of two years, with net inflows during 2023-24 amounting to US\$25.3bn. Indian debt markets also saw strengthened foreign interest last year, with FIIs investing a net amount of US\$14.6bn—the highest in the last six years.

Direct participation of individuals in terms of net investments, however, remained subdued in the first three quarters, but picked up meaningfully in the last quarter. This resulted in net individual inflows of approximately Rs 47,000 crore in the NSE's secondary markets for the entire fiscal year. Activity in terms of new and active investors, however, gained significant traction during the year. The year 2023-24 saw an addition of 1.9 crore new investors, taking the registered investor base to 9.2 crore investors by the end of the fiscal. The number of active individuals—who traded at least once in the year on NSE—also crossed the 3-crore mark in 2023-24 vs. 2.5 crore in the preceding year.

In tandem with rising domestic activity, considerable steps were taken to bolster the safety, security, and transparency of capital markets. These efforts included implementing regulations and initiatives focused on investor protection and market development. Measures such as upstreaming and downstreaming of client funds, enhancing risk controls, implementing price protection mechanisms, shortening settlement cycles from T+2 to T+1, and then to T+0 for select securities, and introducing an expedited listing process and a Social Stock Exchange were undertaken during the year.

### **Outlook**

Global growth prospects over the next couple of years remain vulnerable to rising geopolitical tensions, supply chain disruptions, and financial market volatility, alongside challenges like high government debt and issues in China's property sector. On the positive side, a potential fiscal stimulus, decline in inflation and consequently lower interest rates may provide support to the global economy.

Despite global uncertainties, the Indian economy is anticipated to remain resilient, driven by strong domestic growth drivers. Factors such as faster-than-expected recovery from pandemic-related shocks, a stable financial and banking system, and government-led investments have strengthened India's economic position and reduced its vulnerability to global shocks. Steady urban consumption, coupled with an expected rebound in rural demand and sustained investment momentum, are likely to support India's growth prospects.

Looking ahead, the focus on digitization, formalization, and financial inclusion is expected to continue driving economic growth in India. Additionally, the increasing retail participation in the Indian capital markets signals a shift in investment preferences. The role of technology, effective risk management practices, and robust regulatory frameworks will remain crucial for shaping the securities market landscape.

### **Risks and concerns**

The domestic capital market, particularly foreign capital inflows, remains susceptible to global economic and financial market conditions. Deteriorating global growth prospects, geopolitical tensions, and increased financial market volatility may deter foreign portfolio investors from engaging in emerging markets. Additionally, rising crude oil and commodity prices, persistent supply disruptions, and unpredictable weather conditions pose risks to domestic growth outlook. However, India's robust economic growth drivers and strong long-term fundamentals position it well to withstand global uncertainties and shocks.

## Financials

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Companies Act 2013 (the Act). Consolidated Financial statements have also been presented in this Annual Report.

### **Financial performance –Standalone (F.Y. 2023-24)**

During the F.Y. 2023-24, the total revenue has increased by around 114.08% from Rs. 1,014.66 crores for the F.Y. 2022-23 to Rs.2,171.23 crores for the year 2023-24.

The total expenditure for the F.Y. 2023-24 was Rs.385.32 crores as compared to Rs.283.29 crores for the F.Y. 2022-23, an increase of around 36.02% over the previous year.

The total Profit Before tax for the F.Y. 2023-24 was Rs.1,764.03 crores as against Rs.731.37 crores for the F.Y. 2022-23, increased by around 141.19% over the previous year.

The total Provision for tax (including deferred tax) for the F.Y. 2023-24 was Rs.449.74 crores as against Rs. 186.11 crores for the F.Y. 2022-23.

The total Profit after tax for the F.Y. 2023-24 was Rs. 1,314.29 crores as against Rs. 545.26 crores for the F.Y. 2022-23, increase by around 141.04% over the previous year.

The total Comprehensive Income for the F.Y. 2023-24 was Rs. 1,313.54 crores as against Rs. 545.08 crores for the F.Y. 2022-23, increase by around 140.98% over the previous year.

## Operating Revenues

### **Clearing & Settlement charges**

NSE Clearing Ltd (NCL), a wholly owned subsidiary of the National Stock Exchange of India (NSE), carries out the clearing and settlement of the trades executed in the Equity Market, Future and Options, Currency Derivative and Commodity Market. NCL operates under the interoperability framework among Clearing corporations for segments/ products approved by SEBI from time to time. This framework allows market participants to consolidate their clearing and settlement functions at a single Clearing Corporation, irrespective of the stock exchanges on which the trades are executed. The clearing & settlement charges for the year 2023-24 increased by around 97.47% from Rs. 633.97 crores for the year 2022-23 to Rs.1,251.89 crores for the year 2023-24.

### **Interest & Other Investment income**

During the year 2023-24 the total investment income increased from Rs. 361.74 crores for the year 2022-23 to Rs.893.25 crores for the year 2023-24 .During the year ended March 31, 2024, the provisions of SEBI circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/84 dated June 8, 2023 pertaining to upstreaming of client funds to Clearing Corporations came into effect, resulting in increase in Margin money from members with the company and increase in investment income.

### **Other Operating Revenues**

During the year 2023-24, the other operating revenues increased from Rs.13.47 crores for the year 2022-23 to Rs.25.64 crores for the year 2023-24.

## **Expenditure**

### **Other expenses**

During the F.Y. 2023-24, other expenses were at Rs.279.33 crores as against the other expenses of Rs.203.04 for the year 2022-23 increase of Rs 76.29 is due to increase of Rs. 37.98 in technology related expenses, Royalty for NSE Logo and Trademark usage Rs.20.07crores, Employee related expenses Rs 21.79 and BG Commission 8.35 crores.

### **Employee cost**

Employee related expenses for F.Y. 2023-24 was Rs.61.32 crores which was Rs.39.53 crores for the year 2022-23. For the F.Y. 2023-24, the total employee cost as a percentage to total income was 2.82% and as a percentage of expenditure was 15.92% which is comparable to the industry standards.

### **Depreciation**

Depreciation increased by around 9.70% from Rs.40.72 crores for the F.Y. 2022-23 to Rs.44.67 crores for the F.Y. 2023-24.

### **Exceptional Item**

During the F.Y. 2023-24 the company paid the settlement amount of Rs.22.88 crores in June 2023 towards the SEBI proceedings of the show cause vide settlement order dated June 20, 2023.

### **Share Capital**

During the F.Y. 2023-24 Authorised Share Capital has increased from Rs 45 crores to Rs 5,000 crores and issued Share Capital has increased from Rs 45 crores to Rs.1,445 crores

The Company in its Letter of Offer dated March 18, 2024, offered 140,00,00,000 equity shares by way of Rights issue at a face value of Rs 10 each and at a price of Rs 10 per equity share. The issue opened on March 22, 2024. The Company allotted 140,00,00,000 equity shares on March 27, 2024, on the basis of allotment approved by the Board of Directors aggregating to Rs. 1,400 crores.

The proceeds of the said Right issue have been fully utilised towards contribution to Core Settlement Guarantee Fund as per terms of the letter of offer for rights issue.

Pursuant to the allotment of equity shares on rights basis, basic and diluted earnings per share have been adjusted for all the periods presented retrospectively for the bonus element in respect of rights issue in accordance with Ind AS 33. For the purpose of calculation of bonus element in respect of rights issue the Book Value as on March 26, 2024, has been considered as Fair Value.

### **Reserves & Surplus**

The total other Equity as on March 31, 2024, is Rs.1,702.15 crores comprising General reserve of Rs.494.71 crores, Capital Redemption Reserve of Rs 10.00 crores and balance in P&L A/c of Rs.1,197.43 crores.

During the FY 2018-19, the Company has received approval from SEBI to start clearing & settlement activities in Commodity Derivatives. As required by SEBI minimum amount of Rs.250 crores has been earmarked towards a separate fund for the purpose of augmenting

Settlement Guarantee Fund for Commodity Derivatives by way of appropriation from General Reserves.

Thus, the total Net worth of the Company as on March 31, 2024, is Rs.3,147.15 crores (excluding contribution to Core SGF) and Rs.5,618.70 crores (including contribution to Core SGF and contribution to Settlement Guarantee Fund (SGF)- Commodity derivatives) and the book value is Rs.21.78 per share (excluding contribution to Core SGF) and Rs.38.88 per share (including contribution to Core SGF and contribution to Settlement Guarantee Fund (SGF)- Commodity derivatives)

### **Core Settlement Guarantee Fund (Core SGF)**

a) SEBI, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, inter alia, has issued norms related to the computation and Minimum Required Contribution (MRC) to the Core Settlement Guarantee Fund by the Clearing Corporation (minimum 50%), Stock Exchange (minimum 25%) and members (maximum 25%). Further, SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05, 2016 advised Stock Exchange to transfer 25% of its annual profits to Core SGF. Accordingly, total Core SGF as on March 31, 2024, is Rs. 8,818.99 crores comprising of: a) Rs.1,071.55 crores contributed by NCL by appropriating reserves / profits b) Rs. 545.09 crores received from NSE towards Core SGF. c) Member's contribution to Core SGF amounting to Rs. 581.60 crores is utilised out of the amount received from NSE towards 25% of its annual profits upto August 2015 d) The balance amount of 25% of Exchange profits amounting to Rs. 1,861.72 crores is credited to Core SGF. e) Rs. 38.52 crores received from BSE Limited (BSE) f) Rs. 2.93 crores received from Metropolitan Stock Exchange of India (MSE) g) Rs.452.95 crores, Rs.174.90 crores, Rs. 207.92 crores, Rs. 0.01 and Rs 1 crores adjusted towards incremental requirement of Minimum Required Corpus (MRC) from the interest accrual on the cash contribution by NCL, NSE and NSE's Contribution on behalf of members, MSE and Financial Disincentive respectively. In addition to the above, Fines & penalties collected by NCL amounting to Rs.1,796.25 crores and an amount of Rs. 684.58 crores being Income from investments of Core SGF funds have been credited to Core SGF. An additional contribution of Rs 1,400 is also made by NCL out of the proceeds of right issue.

NCL's own contribution to Core SGF for the F.Y. ended March 24 is Rs. 1,441.00 crore (for the F.Y. ended March 2023 is Rs. 267.89 crore) have been appropriated out of profits.

Further incremental requirement of Contribution to core SGF for financial year ended March 2024 was Rs.82.58 crores (from NCL Rs.44.00 crores, NSE Rs.21.23 crores, BSE Rs. 15.75 crores and MSE 1.60).

Further, as per circular SEBI/HO/MRD2/DCAP/CIR/P/2021/03 dated January 08, 2021, SEBI has allowed transfer of excess contribution made by Stock Exchanges from Core SGF of one Clearing Corporation to the Core SGF of another Clearing Corporation in inter-operable scenario. Accordingly, Rs. 21.80 crores contribution of other stock exchanges received from respective clearing corporation and also a sum of Rs.130.47 crores pertaining to contribution of NSE has been transferred to other clearing corporations.

### **Deposits from members & Clearing Banks (Unsecured)**

The total deposits from members & Clearing Banks as on March 31, 2024, stood at Rs. 1,995.25 crores as against Rs.1,776.14 crores as on March 31, 2023.

**Fixed Assets**

Total Gross Block as on March 31, 2024, was Rs 245.98 crores. Total Accumulated depreciation up to March 31, 2024, was Rs.156.99 crores. Net fixed Assets (including Capital W.I.P) were Rs. 89.01 crores.

**Investments**

The prudential policy of the Company permits to invest both long term and short-term surplus funds into deposits of highly rated banks, bonds issued by the Central / State governments, debt-oriented schemes of high performing liquid schemes of mutual funds. As on March 31, 2024, and as on March 31, 2023, the total non-current investments were Rs. 250 crores and Rs 90 crores respectively. Current investments were Rs.696.08 crores as on March 31, 2024, as against Rs. 545.07 crores as on March 31, 2023, an increase of Rs.151.01 crores.

**Other Non-Current and Current Assets**

Total other assets (non-current and current) as on March 31, 2024, stood at Rs. 25,894.34 crores mainly comprising of cash and bank balances in current and Fixed Deposits amounting to Rs. 24,726.49 crores, interest accrued on investments and Fixed Deposits amounting to Rs.357.49 crores, trade receivables amounting to Rs.211.35 crores.

**Other Non-Current and Current Liabilities**

Total other liabilities (non-current and current) as on March 31, 2024, stood at Rs. 21,787.03 crores mainly comprising of Settlement Obligations payable Rs. 3,609.23 crores, Margins from Members Rs. 17,716.05 crores.

**Taxation**

The total Provision for tax (including deferred tax) for the F.Y. 2023-24 was Rs.449.74 (net off tax on contribution to Core SGF) crores as against Rs. 186.11 crores for the F.Y. 2022-23.

**Events occurring after the balance sheet date.**

There are no transactions of material nature that have occurred after March 31, 2024, which could have any impact on the financial performance of the Company for the F.Y. 2023-24.

**Financial performance – Consolidated (2023-24)**

During the F.Y. 2023-24, the total revenue has increased by around 53.61% from Rs. 1,015.53 crores for the F.Y. 2022-23 to Rs. 2,188.91 crores for the F.Y. 2023-24.

The total expenditure for the F.Y. 2023-24 was Rs.410.38 crores as compared to Rs. 299.92 crores for the F.Y. 2022-23, an increase of around 26.92% over the previous year.

The total Profit Before tax for the F.Y. 2023-24 was Rs.1,755.65 crores as against Rs.715.61 crores for the F.Y. 2022-23, increased by around 59.24% over the previous year.

The total Provision for tax (including deferred tax) for the F.Y. 2023-24 was Rs 449.74 crores as against Rs.186.10 crores for the F.Y. 2022-23.

The total Profit after tax for the F.Y. 2023-24 was Rs.1.305.91 crores as against Rs.529.51 crores for the year 2022-23, increase by around 59.45% over the previous year.

The total Comprehensive Income for the F.Y. 2023-24 was Rs.1,350.78 crores as against Rs. 532.87 crores for the F.Y. 2022-23, increase by around 59.19% over the previous year.

## Operating Revenues

### Clearing & Settlement charges

NCL, a wholly owned subsidiary of the NSE, carries out the clearing and settlement of the trades executed Equity Market, Future and Options, Currency Derivative and Commodity Market. NCL operates under the interoperability framework among Clearing corporations for segments/ products approved by SEBI from time to time. This framework allows market participants to consolidate their clearing and settlement functions at a single Clearing Corporation, irrespective of the stock exchanges on which the trades are executed. The clearing & settlement charges for the year 2023-24 increased by around 49.79% from Rs. 633.97 crores for the year 2022-23 to Rs.1,262.60 crores for the F.Y. 2023-24.

### Interest & Other Investment income

During the F.Y. 2023-24 the total investment income increased from Rs. 362.60 crores for the year 2022-23 to Rs. 898.47 crores for the F.Y. 2023-24. During the year ended March 31, 2024, the provisions of SEBI circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/84 dated June 8, 2023 pertaining to upstreaming of client funds to Clearing Corporations came into effect, resulting in increase in Margin money from members with the company and increase in investment income.

### Other Operating Revenues

During the F.Y. 2023-24, the other operating revenues increased from Rs.18.95 crores for the year 2022-23 to Rs.27.82 crores for the F.Y. 2023-24.

## Expenditure

### Other expenses

During the F.Y. 2023-24 other expenses were at Rs.294.18 crores as against the other expenses of Rs.213.56 for the F.Y. 2022-23.

### Employee cost

Employee related expenses for FY 2023-24 was Rs.66.88 crores which was Rs. 41.60 crores for the year 2022-23. During the year, certain employees of NSE were deputed to the Company for IT management and consultancy, accordingly, Salaries, wages and bonus of Deputed Staff pertains to amount reimbursed by the company to NSE in respect of employees made available to the company. For the F.Y. 2023-24, the total employee cost as a percentage to total income was 3.06% and as a percentage of expenditure was 16.30% which is comparable to the industry standards.

### Depreciation

Depreciation increased by around 9.23% from Rs. 44.77 crores for the F.Y. 2022-23 to Rs.49.32 crores for the F.Y. 2023-24.

### Exceptional Item

During the F.Y. 23-24 the company paid the settlement amount of Rs.22.88 crores in June 2023 towards the SEBI proceedings of the show cause vide settlement order dated June 20, 2023.

## Share Capital

During the F.Y. 2023-24 Authorised Share Capital has increased from Rs 45 crores to Rs 5,000 crores and issued Share Capital has increased from Rs 45 crores to Rs.1,445 crores

The Company in its Letter of offer dated March 18, 2024, offered 140,00,00,000 equity shares by way of Rights issue at a face value of Rs. 10 each and at a price of Rs. 10 per equity share. The issue opened on March 22, 2024. The Company allotted 140,00,00,000 equity shares on March 27, 2024, on the basis of allotment approved by the Board of Directors aggregating to Rs. 1,400 crores.

The proceeds of the said Right issue have been fully utilised towards contribution to Core Settlement Guarantee Fund as per terms of the letter of offer for rights issue.

Pursuant to the allotment of equity shares on rights basis, basic and diluted earnings per share have been adjusted for all the periods presented retrospectively for the bonus element in respect of rights issue in accordance with Ind AS 33. For the purpose of calculation of bonus element in respect of rights issue the Book Value as on March 26, 2024, has been considered as Fair Value.

## Reserves & Surplus

The total other Equity as on March 31, 2023, is Rs. 1,612.65 crores comprising General reserve of Rs.494.71 crores, Capital Redemption Reserve of Rs. 10.00 crores, Foreign Currency Translation Reserve of Rs.10.98 crores and balance in P&L A/c of Rs.1,096.97 crores.

During the F.Y. 2018-19, the Company has received approval from SEBI to start clearing & settlement activities in Commodity Derivatives. As required by SEBI minimum amount of Rs. 250 crores has been earmarked towards a separate fund for 145 the purpose of augmenting Settlement Guarantee Fund for Commodity Derivatives by way of appropriation from General Reserves

Thus, the total Net worth of the Company as on March 31, 2024 is Rs.3,0574.64 crores (excluding contribution to Core SGF) and Rs.5,542.64 crores (including contribution to Core SGF and contribution to Settlement Guarantee Fund (SGF)- Commodity derivatives) and the book value is Rs. 21.16 per share (excluding contribution to Core SGF) and Rs. 38.36 per share(including contribution to Core SGF and contribution to Settlement Guarantee Fund (SGF)- Commodity derivatives)

## Core Settlement Guarantee Fund (Core SGF)

a) SEBI, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, inter alia, has issued norms related to the computation and Minimum Required Contribution (MRC) to the Core Settlement Guarantee Fund by the Clearing Corporation (minimum 50%), Stock Exchange (minimum 25%) and members (maximum 25%). Further SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05, 2016 advised Stock Exchange to transfer 25% of its annual profits to Core SGF. Accordingly total Core SGF as on March 31, 2024, is Rs.8818.99 crores comprising of: a) Rs.1071.55 crores contributed by NCL by appropriating reserves / profits b) Rs.545.09 crores received from NSE towards Core SGF. c) Member's contribution to Core SGF amounting to Rs. 581.60 crores is utilised out of the amount received from NSE towards 25% of its annual profits d) The balance amount of 25% of Exchange profits amounting to Rs.1861.72 crores is credited to Core SGF e) Rs. 38.52 cores received from BSE Limited (BSE) f) Rs. 2.93 cores received from Metropolitan Stock Exchange of India (MSE)g) Rs.452.95 crores, Rs.174.90 crores, Rs.207.92 crores, Rs. 0.01 and Rs. 1 crore



adjusted towards incremental requirement of Minimum Required Corpus (MRC) from the interest accrual on the cash contribution by NCL, NSE, NSE's Contribution on behalf of members and MSE and Financial Disincentive respectively. In addition to the above, Fines & penalties collected by NCL amounting to Rs.1,796.24 crores and an amount of Rs. 684.54 crores being Income from investments of Core SGF funds have been credited to Core SGF. An additional contribution of Rs 1,400 is also made by NCL out of the proceeds of right issue.

NCL's own contribution to Core SGF for the F.Y. ended March 2024 is Rs. 1,441 crores (for the year ended March 2023 Rs 267.89 crores) have been appropriated out of profits.

Further incremental requirement of Contribution to core SGF for F.Y. ended March 2024 was Rs.82.58 crores (from NCL Rs.44.00 crores, NSE Rs.21.23 crores, BSE Rs. 15.75 crores and MSE 1.60).

Further, as per circular dated SEBI/HO/MRD2/DCAP/CIR/P/2021/03 January 08, 2021, SEBI has allowed transfer of excess contribution made by Stock Exchanges from Core SGF of one Clearing Corporation to the Core SGF of another Clearing Corporation in inter-operable scenario. Accordingly, Rs. 21.08 crores contribution of other stock exchanges received from respective clearing corporation and also a sum of Rs.130.47 crores pertaining to contribution of NSE has been transferred to other clearing corporations.

b) SEBI vide circular no. SEBI/HO/MRD/DSA/ CIR / P/2016/125 dated November 28, 2016 has issued norms for set up of a fund and minimum corpus of such fund to guarantee the settlement of trades executed in the stock exchanges in International Financial Service Centre (IFSC). Accordingly, total Core SGF as on March 31, 2024, of NSE IFSC Clearing Corporation Limited (NICCL), WOS of NCL was Rs.38.25 crores comprising of Rs.36.89 crores contributed by NICCL by appropriating reserves / profits and Fines & penalties collected by NICCL amounting to Rs.0.08 crores & an amount of Rs 1.29 crores being Income from investments of Core SGF funds have been credited to Core SGF. Further, NICCL Contribution for year ended March 2024 is Rs 25.03 and for the F.Y. ended March 31, 2023, NIL.

During the F.Y. 2018-19, the Company received approval from SEBI to start clearing & settlement activities in Commodity Derivatives and commenced operations w.e.f. October 12, 2018. As required by SEBI an amount of Rs.250 crores. has been earmarked towards a separate fund to augment Settlement Guarantee Fund for Commodity Derivatives by way of appropriation from General Reserves. Further, the company has also earmarked investments amounting to Rs. 250 crores. towards the same.

### **Deposits from members & Clearing Banks (Unsecured)**

The total deposits from members & Clearing Banks as on March 31, 2024, stood at Rs.2,015.89 crores as against Rs. 1,786.32 crores as on March 31, 2023.

### **Fixed Assets**

Total Gross Block as on March 31, 2024, was Rs. 276.39 crores. Total Accumulated depreciation up to March 31, 2023, was Rs. 173.52 crores. Net fixed Assets (including Capital W.I.P) were Rs 102.87 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, debt oriented schemes of high performing liquid schemes of mutual funds. Current investments were Rs. 696.08 crores as on March 31, 2024, as against Rs. 545.07 crores as on March 31, 2023.

**Other Non-Current and Current Assets**

Total other assets (non-current and current) as on March 31, 2024 stood at Rs. 26,070.21 crores mainly comprising of cash and bank balances in current and Fixed Deposits amounting to Rs. 24,894.14 crores, interest accrued on investments and Fixed Deposits amounting to Rs.360.07 crores, trade receivables amounting to Rs.212.39 crores.

**Other Non-Current and Current Liabilities**

Total other liabilities (non-current and current) as on March 31, 2024, stood at Rs. 21,795.60 crores mainly comprising of Settlement Obligations payable Rs.3,609.23 crores, Margins from Members Rs. 17,717.88 crores.

**Taxation**

The total Provision for tax (including deferred tax) for the F.Y. 2023-24 was Rs.449.74 (net off tax on contribution to Core SGF) crores as against Rs.186.10 crores for the F.Y. 2022-23.

**Events occurring after the balance sheet date.**

There are no transactions of material nature that have occurred after March 31, 2024, which could have any impact on the financial performance of the Company for the F.Y. 2023-24.

## CEO - CFO CERTIFICATION

**To,  
The Board of Directors  
NSE Clearing Limited**

We, Vikram Kothari, Managing Director & CEO and Amit Amlani, Chief Financial Officer of the NSE Clearing 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, 2024 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
  - i. significant changes, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai  
Date: April 30, 2024

Vikram Kothari  
Managing Director

Amit Amlani  
Chief Financial Officer

COMPLIANCE CERTIFICATE - DISCLOSURE REQUIREMENTS & CORPORATE  
GOVERNANCE NORMS

To,  
The Board of Directors,  
**NSE Clearing Limited**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (East), Mumbai 400051

We have examined all relevant records of NSE Clearing Limited 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 March 31, 2024.

In terms of Regulation 33(1) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the disclosure requirements and corporate governance norms as specified for listed companies have become mutatis mutandis applicable to a recognized 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 disclosure requirements and corporate governance norms. 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 *except in case of sitting fees paid by subsidiary company to its directors for attending board and committee meetings and where Company is not a party, instead prior, audit committee of the Company has post facto ratified & approved the said transactions.*

For Makarand M. Joshi & Co.  
Company Secretaries

Kumudini Bhalerao  
Partner  
FCS: 6667  
CP: 6690

Date: April 30, 2024

Place: Mumbai

PR: 640/2019

UDIN:F006667F000274418

**Head Office**

Ecstasy, 802-805, 8th Floor, Citi Of Joy, JSD, Mulund West, Mumbai-400080, Maharashtra  
**Board Number:** +91 22 2167 8100 **Nasik Branch:** 0253- 2316533, 2516455 [www.mmjc.in](http://www.mmjc.in)

## ANNEXURE 7(I) TO DIRECTORS' REPORT

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

Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (Rs.)		Experience (No.of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
1	Shri Vikram Kothari CA ICWA. # & \$	53	Managing Director & CEO	2,67,73,093	1,59,31,740	28	November 07, 2017	Executive Director J P Morgan Chase Bank
2	Ms Rana Usman M.Com, PGDBM # & \$	53	Head - Clearing & Settlement	1,81,85,666	1,13,04,422	29	December 01, 2016	Sr. Asst. Vice President National Stock Exchange of India Ltd.
3	Shri Huzefa Mahuvawala CA # & \$	46	Senior Vice President	1,84,75,010	1,19,27,373	24	December 01, 2016	Asst. Vice President National Stock Exchange of India Ltd.
4	Shri Uppili Krishnan Srinivasan MMS, Msc # &	49	Senior Vice President	1,25,73,687	80,14,313	28	November 10, 2021	Principal Consultant and Delivery Head Tata Consultancy Services Limited
5	Shri Pradeep Mukilmaridur LLB, BA #	56	Senior Vice President	73,70,989	48,57,594	28	December 05, 2022	Director OCTafx India Pvt Ltd
6	Shri Piyush Chourasia PGDM, Btech # @	40	Senior Vice President	47,76,527	34,13,473	15	December 12, 2022	Chief Risk and Regulatory Officer & Head Strategy Indian Clearing Corporation Ltd
7	Shri Nilesh Tinaikar MMS # \$ @	52	Vice President	84,14,433	57,83,905	28	June 01, 2023	Vice President National Stock Exchange of India Ltd.
8	Ms Hima Bindu Vakkalanka MBA # & \$	50	Vice President	1,18,45,328	76,74,163	28	September 01, 2017	Asst. Vice President National Stock Exchange of India Ltd.

Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (Rs.)		Experience (No. of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
9	Shri Amit Hataalkar MMS, BE #	52	Vice President	1,18,23,187	75,39,592	31	March 01, 2023	Vice President National Stock Exchange of India Ltd.
10	Shri Aniket Bhanu B.E, PGDBM # &	40	Vice President	81,71,636	52,61,303	16	July 03, 2017	Partner Giganalytics LLP
11	Shri Amit Pujara CA # &	45	Head - Compliance	68,45,578	45,54,407	21	November 01, 2021	Compliance Officer & CFO National E-Repository Ltd
12	Shri Amit Amlani MBA DBM # & \$	47	Vice President	92,00,942	60,39,435	24	September 01, 2017	Chief Manager National Stock Exchange of India Ltd.
13	Shri Sijo Eluvathingal CA #	42	Vice President	61,07,164	40,43,251	18	September 01, 2017	Senior Manager National Stock Exchange of India Ltd.
14	Shri Nirajkumar Chhangani BE #	41	Vice President	84,18,712	54,77,853	18	March 01, 2023	Vice President National Stock Exchange of India Ltd.
15	Shri Deepak Maharishi PGDM, BE #	51	Vice President	60,15,863	42,42,631	29	March 08, 2023	Senior Consultant Tata Consultancy Services Limited
16	Shri Animesh Ajit Jain BS Computer Science # @	46	Vice President	46,61,058	33,08,310	25	September 04, 2023	Associate Director Secmark Consultancy Ltd
17	Ms Mira Prafull Desai MBA, Bcom # @	51	Vice President	16,50,563	14,15,527	29	December 04, 2023	Senior Consultant Tata Consultancy Services Ltd
18	Shri Archana Upadhye MFA #	48	Associate Vice President	43,17,214	30,74,978	27	September 01, 2017	Senior Manager National Stock Exchange of India Ltd.
19	Shri Onkar Phadnavis CA #	41	Associate Vice President	68,19,155	46,46,866	18	May 20, 2019	Associate Vice President National Stock Exchange of India Ltd.

Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (Rs.)		Experience (No. of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
20	Ms Ashwini Goraksha CA #	40	Associate Vice President	41,82,547	29,24,596	17	September 01, 2017	Manager National Stock Exchange of India Ltd.
21	Shri Sachin Shetty CA #	43	Associate Vice President	46,03,011	33,68,866	20	September 01, 2017	Senior Manager National Stock Exchange of India Ltd.
22	Ms Nisha Pillai CA #	40	Associate Vice President	43,97,365	33,62,286	16	September 01, 2017	Senior Manager National Stock Exchange of India Ltd.
23	Shri Rijesh Kottungal BE #	44	Associate Vice President	70,68,473	46,04,890	18	March 01, 2023	Associate Vice President National Stock Exchange of India Ltd.
24	Ms Supriya Sachin Salian CA #	44	Associate Vice President	44,65,238	30,94,961	20	April 01, 2022	Associate Consultant Tata Consultancy Services Limited
25	Ms Irsha Kale LLM, MBA, Bcom # @	39	Associate Vice President	7,81,880	5,72,100	14	January 05, 2024	Chief Manager TJSB Sahakari Bank Ltd
26	Shri Ravin Tank CS # &	39	Company Secretary	26,01,225	19,30,611	14	August 19, 2022	Senior Manager Reliance Capital Ltd
27	Ms Sangeeta Dhir MBAP, Bcom #	59	Manager	22,87,263	18,41,306	39	September 01, 2017	Assistant Manager National Stock Exchange of India Ltd.
28	Shri Pratik Thacker ACA, Bcom #	32	Manager	16,26,970	13,93,187	6	September 04, 2019	Deputy Manager ICICI Bank Ltd
29	Ms Srinidhi Bakthula LLB #	25	Manager	12,29,692	10,71,306	1	May 25, 2022	-
30	Ms Dolly Haresh Karia CS, LLB #	28	Deputy Manager	9,56,531	8,70,764	4	March 01, 2023	Deputy Manager National Stock Exchange of India Ltd.

Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (Rs.)		Experience (No. of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
31	Ms Moushumi Mandal Suganth M.M.S # & \$ @	46	Vice President	23,57,537	15,72,366	23	December 01, 2019	Associate Vice President National Stock Exchange of India Limited
32	Shri Mangesh Mahale BE # @	51	Chief Enterprise Risk & Information Security Officer	44,76,520	32,67,559	28	February 01, 2023	Dy General Manager (IT) Union Bank of India
33	Ms Deepika Parmanand Amesar MMS, Bcom # @	36	Manager	14,33,779	12,33,317	11	April 03, 2023	Deputy Manager Crimson Interactive Pvt. Ltd

- 1 Gross Remuneration includes Salary and other benefits, Leave Encashment, Company's contribution to Provident Fund, Pension, Superannuation Fund, taxable value of perquisites etc. Net remuneration represents gross remuneration less Company's contribution to provident, Pension and superannuation funds, taxable value of perquisites, profession tax and income tax. Where applicable, the amounts also include certain allowances accrued during previous year(s) but claimed in the current year.
- 2 The above remuneration does not include interest on withheld variable pay of earlier years.
- 3 Employees, whose names are marked with # were Key Management Personnel under SCR (SECC) Regulations, 2012 of SEBI during the year / Part of the year. The remuneration of employee marked with & excludes 50% of their Variable Pay to be paid on deferred basis after 3 years. For employees marked with \$, remuneration received includes 50% variable pay pertaining to earlier period.
- 4 None of the employees mentioned above is a relative of any Director.
- 5 All Employees are in permanent employment of the company on contractual basis governed by the employment terms & conditions and service rules.
- 6 Employees whose name has been marked with @ were employed with the company for part of the year.
- 7 None of the above employees is holding any equity share in the company within the meaning of clause (iii) of sub-rule 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- 8 The Company does not have any Employees Stock Option Plan (ESOP) Scheme for its employees.



**NSE CLEARING LIMITED**  
**ANNEXURE 7 (II) TO DIRECTORS' REPORT**

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

The disclosures pertaining to remuneration in terms of Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 27 (6) of SCR (SECC) Regulations, 2018 are as per the details provided below.

**i. Ratio of Remuneration of each director to the median remuneration of the employees of the Company for the Financial year**

- Director's remuneration : Rs. 2,06,25,000
- Employees' remuneration : Rs. 63,42,92,630
- Median of employees' remuneration : Rs. 10,91,500

The ratio of remuneration of the Managing Director to the median remuneration of the employees of the Company for the financial year is 27.07 X

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

The percentage increase in remuneration of Managing Director, Company Secretary and Chief Financial Officer in the financial year is around 8%, 10.93% and 10% respectively.

**iii. The percentage increase in the median remuneration of employees in the Financial year**

There is a percentage increase in the median remuneration of employees in the financial year is around 11%.

**iv. The number of permanent employees on the rolls of the Company**

As on March 31, 2024, there are 276 employees on the rolls of the Company.

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

The average percentile increase for the employees and for the managerial personnel has been 13% in the last financial year. In F.Y. 2023-24, apart from the performance based normal increment, salary correction was also given to all junior management

employees whereas for middle management cadre, salary correction was on a case-to-case basis

Note:

- a. KMPs under Companies Act and KMPs under SECC Regulations are considered as managerial personnel.
- b. Junior management is grade Senior Manager and below

vi. **Affirmation that the remuneration is as per the remuneration policy of the Company.**

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

## ANNEXURE 8 TO DIRECTORS' REPORT

**INFORMATION REQUIRED UNDER REGULATION 27(5) & (6) OF THE SECURITIES  
CONTRACTS (REGULATION) (STOCK EXCHANGES AND CLEARING  
CORPORATIONS) REGULATIONS, 2018**

**KMP Compensation - NSE Clearing**

Sr. No.	KMP Name	KMP Compensation	Median of Compensation of all employees	Ratio of median of compensation of all employees against KMP compensation
1	Shri Vikram Kothari # & \$	2,67,73,093	10,83,000	24.72
2	Ms Rana Usman # & \$	1,81,85,666	10,83,000	16.79
3	Shri Huzefa Mahuvawala # & \$	1,84,75,010	10,83,000	17.06
4	Shri Uppili Krishnan Srinivasan # &	1,25,73,687	10,83,000	11.61
5	Shri Pradeep Mukilmaridur #	73,70,989	10,83,000	6.81
6	Shri Piyush Chourasia # @	47,76,527	10,83,000	4.41
7	Shri Nilesh Tinaikar # \$ @	84,14,433	10,83,000	7.77
8	Ms Hima Bindu Vakkalanka # & \$	1,18,45,328	10,83,000	10.94
9	Shri Amit Hatakar #	1,18,23,187	10,83,000	10.92
10	Shri Aniket Bhanu # &	81,71,636	10,83,000	7.55
11	Shri Amit Pujara # &	68,45,578	10,83,000	6.32
12	Shri Amit Amlani # & \$	92,00,942	10,83,000	8.50
13	Shri Sijo Eluvathingal #	61,07,164	10,83,000	5.64
14	Shri Nirajkumar Chhangani #	84,18,712	10,83,000	7.77
15	Shri Deepak Maharishi #	60,15,863	10,83,000	5.55
16	Shri Animesh Ajit Jain # @	46,61,058	10,83,000	4.30
17	Ms Mira Prafull Desai # @	16,50,563	10,83,000	1.52
18	Ms Archana Upadhye #	43,17,214	10,83,000	3.99
19	Shri Onkar Phadnavis #	68,19,155	10,83,000	6.30
20	Ms Ashwini Goraksha #	41,82,547	10,83,000	3.86
21	Shri Sachin Shetty #	46,03,011	10,83,000	4.25
22	Ms Nisha Pillai #	43,97,365	10,83,000	4.06
23	Shri Rijesh Kottungal #	70,68,473	10,83,000	6.53
24	Ms Supriya Sachin Salian #	44,65,238	10,83,000	4.12
25	Ms Irsha Kale # @	7,81,880	10,83,000	0.72
26	Mr Ravin Tank # &	26,01,225	10,83,000	2.40
27	Ms Sangeeta Dhir #	22,87,263	10,83,000	2.11
28	Shri Pratik Thacker #	16,26,970	10,83,000	1.50
29	Ms Srinidhi Bakthula #	12,29,692	10,83,000	1.14
30	Ms Dolly Haresh Karia #	9,56,531	10,83,000	0.88
31	Ms Moushumi Mandal Suganth # & \$ @	23,57,537	10,83,000	2.18
32	Shri Mangesh Mahale # @	44,76,520	10,83,000	4.13
33	Ms Deepika Parmanand Amesar # @	14,33,779	10,83,000	1.32

Notes :

- 1 Gross Remuneration includes Salary and other benefits, Leave Encashment, Company's contribution to Provident Fund, Pension, Superannuation Fund, taxable value of perquisites etc. Net remuneration represents gross remuneration less Company's contribution to provident, Pension and superannuation funds, taxable value of perquisites, profession tax and income tax. Where applicable, the amounts also include certain allowances accrued during previous year(s) but claimed in the current year.
- 2 The above remuneration does not include interest on withheld variable pay of earlier years.
- 3 Employees, whose names are marked with # were Key Management Personnel under SCR (SECC) Regulations, 2012 of SEBI during the year / Part of the year. The remuneration of employee marked with & excludes 50% of their Variable Pay to be paid on deferred basis after 3 years. For employees marked with \$, remuneration received includes 50% variable pay pertaining to earlier period.
- 4 Median for compensation to all employees is based on Cost to Company (CTC).
- 5 Employees whose name has been marked with @ were employed with the company for part of the year.

## ANNEXURE TO THE DIRECTORS' REPORT

**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING****SECTION A: GENERAL DISCLOSURE****I. Details of Listed Entity**

<b>1</b>	<b>Corporate Identity Number (CIN) of the Company</b>	U67120MH1995PLC092283
<b>2</b>	<b>Name of the Company</b>	NSE CLEARING LIMITED
<b>3</b>	<b>Year of Incorporation</b>	31-08-1995
<b>4</b>	<b>Registered Office address</b>	Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai – 400051
<b>5</b>	<b>Corporate Address</b>	Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
<b>6</b>	<b>Email ID</b>	<a href="mailto:secretarialdept@nse.co.in">secretarialdept@nse.co.in</a>
<b>7</b>	<b>Telephone</b>	+91 22 26598100
<b>8</b>	<b>Website</b>	<a href="https://www.nscclindia.com/">https://www.nscclindia.com/</a>
<b>9</b>	<b>Financial year of which Reporting is being done</b>	F.Y. 2023-2024
<b>10</b>	<b>Name of the Stock Exchange(s) where shares are listed</b>	Not Applicable
<b>11</b>	<b>Paid Up Capital</b>	Rs. 1,445 Crore
<b>12</b>	<b>Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:</b>	Mr. Ravin Tank, Company Secretary Telephone - +91 22 26598446 Email - secretarialdept@nse.co.in
<b>13</b>	<b>Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).</b>	Standalone
<b>14</b>	<b>Name of assurance provider</b>	TUV India Private Limited
<b>15</b>	<b>Type of assurance obtained</b>	Reasonable

## II. Products/Services

### 16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Processing & Clearing services of securities transactions	NSE Clearing Limited (NCL) carries out clearing and settlement functions as per the settlement cycles provided in the settlement schedule. The clearing function of the clearing corporation is designed to work out a) what members are due to deliver and b) what members are due to receive on the settlement date.	100

### 17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	% of Total Turnover contributed
1	Processing & Clearing services of securities transactions	6619	100

## III. Operations

### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	Not Applicable	5	5
International	Not Applicable	0	0

### 19. Markets served by the entity:

#### a. Number of locations

Location.	Number
National (No. of states)	28 states 8 union territories
International (No. of countries)	0

#### b. What is the contribution of exports as a percentage of the total turnover of the entity?

This question is not applicable to NCL as the entity is in the service industry and does not manufacture anything which needs to be exported to other nations.

### c. A brief on types of customers

- 1. Clearing Members** are members of the Clearing Corporation who clear and settle deals through the Clearing Corporation for a segment in a manner and mode and are subject to the terms, conditions, and procedures prescribed for them. Clearing Members include **Self-clearing members (SCM) and Custodians**.

**1.1 Self-clearing members (SCM)** execute, clear, and settle their own trades and those of their clients, while Clearing Members (CM) execute trades both for themselves and clients and clear and settle their own and other members' trades. The Professional Clearing Members (PCM) solely clear and settle trades for other members who opt for their services.

**1.2 Custodians** handle trade settlements on behalf of their clients. They must confirm the settlement of trades upon which the settlement obligation is assigned to them. If they do not confirm, the obligation reverts to the trading member. Custodians Clearing members are also required to request Clearing Corporation for allotment of Custodian Participant (CP) code for the clients for which they wish to clear and settle.

### 2. Stock Exchanges

NSE Clearing Limited (NCL) is a recognized Qualified Central Counterparty (QCCP) and systemically important market infrastructure institution in the securities market regulated by SEBI. NCL provides clearing and settlement services for transactions executed on recognized stock exchanges. Currently, NSE Clearing Limited provides clearing and settlement for the Capital Market (CM) Segment, Futures and Options (FO) Segment, and Currency Derivatives (CD) Segment to the National Stock Exchange of India Limited (NSE), BSE Limited (BSE), and Metropolitan Stock Exchange of India Limited (MSEI). NSE Clearing Limited also provides clearing and settlement for the Debt Segment and Commodity Derivatives (CO) Segment of NSE.

## IV. Employees

### 20. Details as at the end of Financial Year:

#### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	276	181	66	95	34
2.	Other than Permanent (E)	419	307	73	112	27
3.	<b>Total Employees (D+E)</b>	<b>695</b>	<b>488</b>	<b>70</b>	<b>207</b>	<b>30</b>

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>WORKERS*</b>						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	<b>Total workers (F + G)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*NCL does not have workers.

#### b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	<b>Total differently-abled employees (D + E)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)					
5.	Other than permanent (G)					
6.	<b>Total differently-abled workers (F + G)</b>				Not Applicable	

#### 21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14
Key Management Personnel	18	4	22



**22. Turnover rate for permanent employees and workers**

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5.71%	11.69%	7.68%	9.66%	18.95%	12.58%	19.05%	12.5%	17.06%
Permanent Workers	Not Applicable								

**V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)****23. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding/subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	National Stock Exchange of India Limited*	Holding	100	Yes
2	NSE IFSC Clearing Corporation Limited	Subsidiary	100	No

\*The National Stock Exchange of India Limited is herein referred to as 'NSE,' 'NSE group,' or 'group.'

**VI. CSR DETAILS**

- 24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes**  
(ii) Turnover (in Rs.): 2,172.23 Crores  
(iii) Net worth (in Rs.): 3,147.15 Crores

## VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

## 25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints Filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities		0	0	NA	0	0	NA
Investors (Other than shareholders)		0	0	Nil	2	1	Nil
Shareholders		0	0	NA	0	0	NA
Employees and workers	Yes <a href="https://www.nscclindia.com/">https://www.nscclindia.com/</a>	0	0	NA	0	0	NA
Customers		0	0	NA	0	0	NA
Value Chain Partners		0	0	NA	0	0	NA
Other (please specify)		0	0	NA	0	0	NA

## 26. Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Compliance	Risk & Opportunity	<p><b>Risk:</b> A Clearing House must adhere to multiple regulatory and operational compliances to safeguard investor interests and promote financial system stability. Failure to comply will lead to legal consequences and financial liabilities.</p> <p><b>Opportunity:</b> Compliance with regulatory standards further strengthens trust and confidence in the organization. This results in heightened trading activity, greater liquidity, and enhanced market efficiency, ultimately bolstering the organization's market standing.</p>	A robust compliance framework and regular audits are key tools to proactively mitigate operational and ethics-related risks. We have implemented several risk management measures, including real-time exposure monitoring through the Parallel Risk Management System (PRISM) and end-of-day monitoring of client-level exposures.	Positive & Negative
2.	Business Ethics	Opportunity	A Clearing House, as a guarantor of every trade, requires unwavering ethical conduct. This ensures the stability of the market and protects against financial risks, fostering trust with clients and safeguarding the entire financial ecosystem.	NA	Positive

3.	Data Privacy	Risk & Opportunity	<p><b>Risk:</b> A Clearing House safeguards a vast amount of critical client data. Inadequate data privacy measures can lead to breaches, causing reputational damage and legal consequences and heightening systemic risks.</p> <p><b>Opportunity:</b> Addressing data privacy concerns presents an opportunity for us to demonstrate the organization’s commitment to integrity, earn stakeholder trust, and gain a competitive advantage.</p>	<p>To effectively mitigate cybersecurity risks, the group has established a robust cybersecurity and cyber resilience policy; and detailed SOPs.</p> <p>The Standing Committee on Technology (SCOT) regularly reviews the implementation of these policies and adherence to SOPs, showcasing its commitment to maintaining robust infrastructure and safeguarding assets against evolving cyber threats.</p>	Positive & Negative
4.	Human Capital Management	Opportunity	<p>Employees serve as the driving force of an organization, and their skills, dedication, and passion significantly impact our overall success. Effective management of human capital not only maximizes talent potential but also promotes employee engagement and boosts organizational performance.</p>	NA	Positive
5.	Human Rights	Risk & Opportunity	<p><b>Risk:</b> NCL is in the service sector, but we still consider human rights risks as highly relevant. By identifying potential issues like discrimination, harassment, unfair working conditions, and privacy violations within the organization, we can</p>	<p>Adhering to regulations and the NSE group’s human rights standards enables us to proactively identify and address potential human rights issues within our organization.</p> <p>Every employee is required to</p>	Positive & Negative

			<p>mitigate reputational damage, regulatory scrutiny, and loss of investor confidence.</p> <p><b>Opportunity:</b> This commitment to responsible practices strengthens our position as a leader in the market.</p>	<p>complete mandatory e-learning modules on specific aspects of human rights, which undergo annual updates. This programme ensures that all employees are equipped to uphold human rights in their daily work.</p>	
6.	Occupational Health and Safety	Opportunity	<p>Investing in occupational health and safety measures is essential for creating a safe, productive, and sustainable work environment. Prioritizing wellness programs improves employee's physical and mental health.</p> <p>This leads to reduced absenteeism, decreased incident costs, and related legal liabilities. It also increases company effectiveness and boosts employee productivity.</p>	NA	Positive
7.	Employee Retention and Satisfaction	Opportunity	<p>Investing in talent is a strategic imperative for NCL. By prioritizing employee satisfaction, growth, and development, we cultivate a high-performing workforce, driving productivity, quality, and retention, all critical factors for securing a competitive edge.</p>	NA	Positive
8.	Diversity and Inclusion	Opportunity	<p>A diverse and inclusive workplace acknowledges individual skills, fostering broader perspectives and innovative ideas. The organization</p>	NA	Positive

			can attract a diverse pool of expertise, thereby achieving goals effectively and improving employee retention and performance.		
9.	Learning and Development	Opportunity	Enhancing workforce capabilities offers NCL a competitive edge in dynamic capital markets. Leveraging digital platforms and creating customized learning pathways for employees comprehensively enhances their behavioural, functional, and technical skills, thus contributing to our business growth and resilience.	NA	Positive
10.	GHG Emissions and Energy Management	Opportunity	Emphasizing energy management, improving efficiency, and transitioning to renewable energy sources offer cost-saving opportunities while also reducing GHG emissions.	NA	Positive
11.	Waste Management	Opportunity	Effective waste management practices reduce environmental footprint and help to align with sustainability goals.  NCL, as a part of the group, has adopted responsible waste management practices to ensure compliance and environmental accountability.	NA	Positive

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy /policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	<a href="https://www.nscclindia.com/disclosures/other-disclosures">https://www.nscclindia.com/disclosures/other-disclosures</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<p>NSE Group has the following certifications:</p> <ul style="list-style-type: none"> <li>ISO 27001:2013 - Information security management systems</li> <li>ISO 27017:2015 - Information technology security techniques</li> <li>ISO 45001:2018 - Occupational health and safety Management systems</li> <li>ISO 14001:2015 - Environmental Management Systems</li> <li>USGBC Platinum Certification for Chennai Regional Office</li> <li>IGBC Gold Certificate for Kohinoor office building</li> </ul>								

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.

NCL has internal goals and targets related to economic, environmental, social, and governance aspects aligned with NSE's ESG Policy.

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.

At NCL, we regularly monitor the progress of the established goals and targets and take necessary corrective actions.

### **Governance, leadership and oversight**

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

NCL is dedicated to Environmental, Social, and Governance (ESG) principles and actively engages in sustainability initiatives to enhance its performance. We believe that collaboration with stakeholders and the advancement of sustainability initiatives are crucial to business success. Therefore, NCL partners with both internal stakeholders (including at the group level) and external stakeholders to promote sustainability. By integrating ESG consciousness into our strategic initiatives and operations, we aim to create a sustainable business model that benefits both our stakeholders and the environment.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Regulatory Oversight Committee (ROC) is responsible for the implementation and oversight of the Business Responsibility policies.

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

NCL leverages NSE's group-wide sustainability initiatives to enhance its environmental performance and operational resilience. The Board of Directors is responsible for decision-making on sustainability-related topics.



**10. Details of Review of NGRBCs by the Company**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Annually								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Annually								

**11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Agency name: Deloitte Touche Tohmatsu India LLP

**12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)						NA			
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

**SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE****PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE****Essential Indicators****1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	8	1. Mutual Fund 2. Custody 3. Legal Framework of Bye-laws and Rules 4. Stress Testing 5. Trading supported by "Blocked Amount through UPI" and "Mandate with Single Block and Multiple Debit" 6. Commodity Derivatives Trading 7. Margins 8. Risk Management Framework	100
Key Managerial Personnel	5	1. Leadership Competencies 2. Anti-Money Laundering (AML) 3. Enterprise Risk Management 4. Code of Ethics and Conflict of Interest 5. POSH	94
Employees other than BoD and KMPs	9	1. Code of Ethics and Conflict of Interest 2. Anti Money Laundering (AML) 3. Leadership Competencies 4. Enterprise Risk Management 5. Information Security 6. Behavioural and Functional Skills 7. Fire Safety	98

8. Behavioural and Functional Skills  
9. POSH

Workers Not Applicable

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the Company's website);

Monetary					
	NGRBC Principle	Name of the Regulatory Enforcement Agencies/ Judicial Institutions	Amount (In INR)	Brief of the Case	Has an Appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding Fee	Nil	Nil	Nil	Nil	Nil

Non-Monetary				
	NGRBC Principle	Name of the Regulatory Enforcement Agencies/Judicial Institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case details	Name of the regulatory/ enforcement agencies/ judicial institutions
Nil	Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in

**brief and if available, provide a web-link to the policy.**

Yes, the anti-bribery and anti-corruption principles are embedded within NCL's Whistle Blower, HR policies, and Prevention of Money Laundering Act (PMLA) policies, providing comprehensive coverage to address unethical practices, including bribery and corruption. Additionally, we have e-learning modules on anti-money laundering (AML) for our employees, which cover a range of policies, procedures, and technologies aimed at preventing money laundering.

Please refer to the below link to access NCL's Whistle Blower policy:

<https://www.nscclindia.com/sites/default/files/disclosure-doc/2023-04/Whistle%20Blower%20Policy.pdf>

HR Manual/Policy is available on the intranet for employee access.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	Not Applicable	

**6. Details of complaints with regard to conflict of interest:**

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Nil	0	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	Nil	0	Nil

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

The question is not applicable to NCL, as there have been no instances where fines, penalties, or actions were taken by regulators, law enforcement agencies, or judicial institutions regarding cases of corruption and conflicts of interest.

**8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:**

	FY 2023-24	FY 2022-23
Number of days of accounts payal	26.65	43.25

**9. Open-ness of business**

**Provide details of concentration of purchases and sales with trading houses, dealers, and related parties, along-with loans and advances & investments with related parties, in the following format:**

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	-	-
	b. Number of dealers / distributors to whom sales are made	-	-
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	-	-
	b. Sales (Sales to related parties / Total Sales)	-	-
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	-	-
	d. Investments (Investments in related parties / Total Investments made)	10	8

## Leadership Indicators

### 1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
4	Member Conclave meetings are held in multiple regions to discuss key developments, providing members with insights into the company's progress and new initiatives.	Not Available

### 2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, NCL's Code of Conduct for Directors and Senior Management Persons outlines professional and ethical standards, ensuring compliance with all pertinent statutory laws, regulations, and internal policies. It mandates that Directors and members of all committees are prohibited from participating in decision-making or adjudication concerning any person or matter in which they have any direct or indirect concern or interest. Public Interest Directors (PIDs) in the capacity of Independent Directors also affirm their compliance with the Code of Conduct.

The Board Evaluation Policy mandates an annual assessment, which is conducted under the supervision of the Board and the Nomination and Remuneration Committee. This evaluation is critical for assessing the performance of the Board both as an individual and collective governing body, as well as the performance of its various committees as stipulated by the Companies Act, 2013 ("Board Committees"). The review focuses on compliance with the Code of Conduct and Ethics, transparency in the disclosure of personal interests, and the effective management of potential conflicts of interest.

Please refer to the below link to access the Code of Conduct for the Directors and Senior Management Personnel:

[https://www.nscclindia.com/sites/default/files/disclosure/NSCCL\\_code\\_board.pdf](https://www.nscclindia.com/sites/default/files/disclosure/NSCCL_code_board.pdf)

Please refer to the below link to access NCL's Board Evaluation Policy:

[https://www.nscclindia.com/sites/default/files/disclosure/Board\\_Evaluation\\_Policy.pdf](https://www.nscclindia.com/sites/default/files/disclosure/Board_Evaluation_Policy.pdf)

## PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

### Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	0	0	Not Applicable
Capex	0	0	Not Applicable

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**  
Yes, NCL implements sustainable procurement practices by leveraging the group's centralized onboarding system, which encourages vendors to comply with environmental regulations and responsible management practices.
- b. If yes, what percentage of inputs were sourced sustainably?**  
100% of vendors undergo the vendor empanelment program.
3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life for (a) Plastics (including packaging), (b) E-waste, (c) Hazardous waste, and (d) other waste.**  
Considering the nature of our business, there is limited scope for product reuse or recycling. However, we have the following practices for managing the various waste categories:
  - (a) Plastics**—All facilities use compostable plastic garbage bags to collect and dispose of both dry and wet waste. At Exchange Plaza, a vendor partner is engaged to compost/recycle the waste in an eco-friendly manner.
  - (b) E-waste:** Our E-waste broadly includes computers, mainframes, scanners, PCs and related peripherals, air conditioners, and similar electronic equipment, which are being disposed of through registered E-waste vendors.
  - (c) Hazardous waste:** Given the nature of our services, there is no production or disposal of hazardous waste.
  - (d) Food waste:** Food waste generated at the Exchange Plaza building is managed through a vermiculture system installed onsite. The resulting vermicompost is utilized for gardening purposes.
4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**  
EPR is not applicable to NCL as the entity is in the service industry and does not produce any goods for customers.



### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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Not Applicable

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk /concern	Action Taken
---------------------------	----------------------------------	--------------

Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23

Not Applicable

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed

Plastics

E-waste

Hazardous waste

Other waste

Not Applicable

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

<b>Indicate product category</b>	<b>Reclaimed products and their packaging materials as % of total products sold in respective category</b>
	Not Applicable

**PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS**

**Essential Indicators**

**1. a. Details of measures for the well-being of employees:**

Category	% Employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	181	181	100	181	100	0	0	181	100	0	0
Female	95	95	100	95	100	95	100	0	0	0	0
<b>Total</b>	<b>276</b>	<b>276</b>	<b>100</b>	<b>276</b>	<b>100</b>	<b>95</b>	<b>34</b>	<b>181</b>	<b>66</b>	<b>0</b>	<b>0</b>
<b>Other than Permanent employees</b>											
Male	307	0	0	0	0	0	0	0	0	0	0
Female	112	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>419</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**b. Details of measures for the well-being of workers:**

Category	% of Workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent Workers</b>											
Male											
Female	Not Applicable										
<b>Total</b>											
<b>Other than Permanent Workers</b>											
Male											
Female	Not Applicable										
<b>Total</b>											

**c. Spending on measure towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	3.88	2.49

**2. Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100		Y	100		Y
Gratuity	100		NA	100		NA
ESI	0	Not Applicable	NA	0	Not Applicable	NA
Others-Superannuation	1			2		

**3. Accessibility of workplaces**

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, the premises/ offices of NSE are accessible to differently abled employees.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

NCL is committed to providing equal opportunities for all employees through its equal opportunity policy and the group's ESG policy. These policies ensure that employment opportunities and all aspects of employment are equally accessible to all qualified individuals without discrimination. As an equal opportunity employer, NCL adheres to all applicable fair employment practices and equal opportunity laws in each state where it operates. NCL strictly prohibits any discrimination against employees or applicants based on language, race, colour, religion, gender, origin, ethnicity, age, disability, marital status, sexual orientation, gender identity, or any other protected category. NCL's commitment to equality spans the entire duration of an employee's career, from recruitment to separation.

<https://www.nscclindia.com/diversity-equal-opportunity>

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100	100		
Female	100	100	Not Applicable	
<b>Total</b>	<b>100</b>	<b>100</b>		

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	Not Applicable
Permanent Employees	<p>Yes, NCL has adopted the NSE's Grievance Redressal Policy, and the Grievance Redressal Committee is constituted of a diverse group of members to effectively address employee grievances within the organization.</p> <p>The Grievance Redressal policy ensures fair and timely resolution of grievances while maintaining confidentiality and respecting the rights of all parties involved.</p> <p>Employees can formally raise concerns and issues related to management practices or workplace dynamics involving supervisors, managers, subordinates, or peers through a dedicated HR portal and an email ID. Upon receiving the complaint, the committee investigates it thoroughly and tries to resolve it through mediation or disciplinary action. It also ensures that all concerns are appropriately addressed while maintaining sensitivity to the nature of the issues raised. This ensures a productive and supportive work environment where grievances are addressed in a structured, fair, and impartial manner.</p> <p>Further, employees have the option to report grievances through our whistleblower mechanism. The company's relevant authority comprehensively investigates all complaints submitted under this policy. The investigation findings are then presented to the appropriate committee for further action.</p>
Other than Permanent Employees	Currently, we don't have a grievance mechanism for our vendor resources.

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>						
- Male						
- Female						
<b>Total Permanent Workers</b>						
- Male						
- Female						

NCL does not have any employee associations

**8. Details of training given to employees and workers:**

Category	FY 2023-24						FY 2022-23			
	Total (A)	On Health and safety measures		On Skill Upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	181	44	24	104	57	134	5	3.73	1	0.75
Female	95	39	41	48	51	59	0	0	2	3.39
<b>Total</b>	<b>276</b>	<b>83</b>	<b>30</b>	<b>152</b>	<b>55</b>	<b>193</b>	<b>5</b>	<b>2.59</b>	<b>3</b>	<b>1.55</b>
<b>Workers</b>										
Male										
Female										Not Applicable
<b>Total</b>										

## 9. Details of performance and career development reviews of employees and workers:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	181	152	84	134	103	77
Female	95	64	67	59	48	81
<b>Total</b>	<b>276</b>	<b>216</b>	<b>78</b>	<b>193</b>	<b>151</b>	<b>78</b>
<b>Workers</b>						
Male						
Female						Not Applicable
<b>Total</b>						

## 10. Health and safety management system:

### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. NCL operations are located in NSE premises, which adhere to ISO 45001:2018 standards for occupational health and safety. In these premises, comprehensive safety measures are implemented, which include the installation of fire detection and alarm systems, fire safety equipment, emergency escape route maps, and emergency signages. The building is equipped with auto-rescue devices in elevators, sump pits, and blast-proof film at façade glass. Security is enhanced with the presence of physical security guards, bollard systems, perimeter intruder devices, and sniffer dogs. Access control systems, CCTV systems, baggage and food scanners, door frame metal detectors, and handheld metal detectors ensure continuous surveillance. Medical kits are also readily available for emergency situations. These security measures are implemented based on their applicability and necessity. Collectively, these measures contribute to ensuring the safety and security of all individuals within the premises of NCL.

### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

NCL, as part of the group protocols, ensures a safe working environment through various measures, such as fire safety measures, biannual fire safety audits, regular fire drills, floor familiarization training sessions, daily briefings for physical security staff on safety protocols, periodic audits to maintain ISO certificates, regular air quality analysis in workspaces, daily workspace cleaning routines, and the scheduled disposal of E-waste.

**c. Whether you have processes for workers to report the work- related hazards and to remove themselves from such risks. (Y/N)**

Not Applicable

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes. At NCL, employees are offered a comprehensive suite of health and wellness benefits, including group medical insurance with a family floater option, personal accident insurance, and term life insurance. Additionally, annual medical check-ups are provided to employees and their spouses. The Exchange Plaza office building has a gymnasium and yoga facility accessible to all employees. Health awareness sessions, specifically tailored for female employees, are conducted across all offices. The staff welfare committee organizes regular tournaments such as table tennis, badminton, cricket, and chess for all employees. These initiatives foster a culture of wellness, teamwork, and friendly competition among employees.

**11. Details of safety related incidents in the following format:**

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers		NA
Total recordable work-related injuries	Employees	0	0
	Workers		NA
No. of fatalities	Employees	0	0
	Workers		NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers		NA

\*Including in the contract workforce

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

We prioritize the safety and well-being of our employees through a range of proactive health and safety programs. This includes conducting safety training for all employees, with a focus on fire safety at a group level. Every employee, as part of onboarding, receives 1.5 hours of hands-on training on fire safety. All the offices have RO based drinking water systems, and an FSSAI license is required for all the canteen vendors operating within the premises. At Exchange Plaza, we have on-site medical facilities, which include an on-site doctor, a medical emergency room, and a medical kit in case of any medical emergencies. Employee Assistance Programme (EAP) is a support



system which enables employees to deal with a wide range of issues relating to stress, work-life balance, and any other challenges. Employees are offered periodic sessions on work-life balance, healthy habits, resilience building, and achieving a well-rounded lifestyle.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	NA	Nil	Nil	NA
Health & Safety	Nil	Nil	NA	Nil	Nil	NA

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety Practices	100
Working Conditions	100

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

No risks or concerns have been identified in the assessments of health and safety practices and working conditions at NCL's offices.

### Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

All NCL employees are covered by a Group Term Life Policy that insures against death from any cause, natural or accidental. It also provides coverage for permanent or partial disability.

We do not have workers; hence, it is not applicable.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

At NCL, we prioritize transparent business practices across our value chain. The NSE group's supplier empanelment process requires the vendors to share copies of all necessary documents to ensure that all statutory dues are deducted and deposited correctly. Additionally, vendors are required to submit a certificate from a practicing Chartered Accountant confirming that the company has complied with relevant statutory regulations.

3. **Provide the number of employees/workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	Not Applicable			

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?**

No, NCL does not have any transition assistance programs.

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Not Applicable

**PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

At NCL, we recognize the vital role of stakeholders in shaping our business strategy and understanding evolving risks and opportunities. The first Stakeholder Engagement and Materiality Assessment (SEMA) was conducted in FY 2022-23 with our leadership team. This initiative enabled the Company to identify key material topics influencing and impacting our operations. The SEMA assessment enabled NCL to identify its key stakeholders by evaluating their influence and interest concerning the organization’s sustainability initiatives.

The various stakeholder groups that are of importance to us are:

- Clearing Members
- Employees
- Regulatory Bodies
- Customers
- Partner Service Providers
- Investors

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement, including key topics and concerns raised during such engagement
Clearing Members	No	<ul style="list-style-type: none"> <li>• Member Help Desk - Phone Calls, E-mails</li> <li>• Periodic Compliance Filings</li> <li>• Webinars</li> </ul>	Quarterly / Regular	<ul style="list-style-type: none"> <li>• Compliance and regulatory matters</li> </ul>
Employees	No	<ul style="list-style-type: none"> <li>• Induction Programs</li> <li>• Training and Development Programs</li> <li>• Employee Engagement Programs</li> </ul>	Quarterly / Regular	<ul style="list-style-type: none"> <li>• Collecting insightful feedback from employees on their welfare and career growth</li> <li>• Employee motivation, career development, and individual wellness</li> </ul>

Regulators	No	<ul style="list-style-type: none"> <li>• Periodic Meetings with SEBI Officials</li> <li>• E-mails</li> <li>• Phone Calls</li> </ul>	Quarterly / Regular	<ul style="list-style-type: none"> <li>• Periodic engagement with SEBI officials on key regulatory matters &amp; important cases</li> <li>• Discussions on policy matters and data requirements</li> </ul>
Customers	No	<ul style="list-style-type: none"> <li>• Group Meetings</li> <li>• Member Help Desk - Phone Calls, E-mails</li> </ul>	Quarterly / Regular	<ul style="list-style-type: none"> <li>• Compliance and regulatory matters</li> <li>• Product and service-related matters</li> </ul>
Key partner service providers	No	<ul style="list-style-type: none"> <li>• Technology Conferences</li> <li>• Webinars and Training</li> <li>• Meetings and Regular Calls</li> <li>• E-mails</li> </ul>	Quarterly / Regular	<ul style="list-style-type: none"> <li>• Adherence to delivery standards and timelines</li> </ul>
Investors	No	<ul style="list-style-type: none"> <li>• NCL Website</li> <li>• Circulars</li> </ul>	Quarterly / Regular	<ul style="list-style-type: none"> <li>• Financial performance, corporate governance, strategic decisions, and feedback collection</li> </ul>

## Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

At NCL, we have set up engagement channels customized to each stakeholder group to gather their perspectives on our business activities. These channels enable stakeholders to share their concerns and suggestions with NCL's management and play a crucial role in our risk management strategy. By integrating stakeholder feedback, we mitigate risks and seize opportunities that contribute to building a more sustainable and robust business.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, stakeholder consultation at NCL is instrumental in supporting the identification and management of ESG (Environment, Social, and Governance) topics. We have established diverse channels for engagement across these dimensions. In FY-2022-23, we conducted a Materiality Assessment with the participation of our leadership team. This initiative enabled us to identify key material topics influencing and impacting our operations and stakeholders.

The NSE Foundation, the CSR arm of the NSE group, collaborates with various NSE group entities, NGOs, and communities to identify, select, and implement initiatives in social and environmental sustainability. Based on suggestions from local municipal corporations, NSE has switched to biodegradable bags. Renewable energy and rainwater harvesting initiatives have also been implemented after extensive deliberations among internal stakeholders.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

At NCL, we engage with vulnerable/ marginalized stakeholders through our NSE Foundation, a Section 8 Company and a subsidiary of the National Stock Exchange of India Limited. NSE Foundation was incorporated in March 2018 as a common CSR function to undertake CSR activities on behalf of the NSE group Companies in line with the Group CSR Policy to create consolidated impact and avoid duplication of activities among the group companies. NSE Foundation currently undertakes CSR projects in the focus areas of Health and Equitable Education for Rural and tribal Children.

**PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS****Essential Indicators****1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees workers covered (B)	% (B / A)	Total (C)	No. of employees workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	276	257	93	193	145	75
Other than permanent	419	NA	0	494	NA	0
<b>Total Employees</b>	<b>695</b>	<b>257</b>	<b>37</b>	<b>687</b>	<b>145</b>	<b>21</b>
<b>Workers</b>						
Permanent						
Other than permanent						
<b>Total Workers</b>						

Not Applicable

**2. Details of Minimum wages paid to Employees and workers in the following format**

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to minimum wages		More than Minimum Wages		Total (D)	Equal to minimum wages		More than Minimum Wages	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
<b>Permanent</b>	<b>276</b>	<b>0</b>	<b>0</b>	<b>276</b>	<b>100</b>	<b>193</b>	<b>0</b>	<b>0</b>	<b>193</b>	<b>100</b>
Male	181	0	0	181	100	134	0	0	134	100
Female	95	0	0	95	100	59	0	0	59	100
<b>Other than Permanent</b>	<b>419</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Male	307	0	0	0	0	0	0	0	0	0
Female	112	0	0	0	0	0	0	0	0	0
<b>Workers</b>										

**Permanent**

Male

Female

**Other than Permanent**

Male

Female

Not Applicable

**3. Details of remuneration/salary/wages.****a. Median remuneration/wages:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6*	41,75,000	1**	20,75,000
Key Managerial Personnel	14	98,31,498	4	95,64,810
Employees other than BoD and KMP	167	11,64,000	91	8,11,000
Workers	Not applicable			

\*Note: Mr. Vikram Kothari, Managing Director of NCL, is KMP.

As per the decision taken by the Board, NSE employees who become Directors on the Boards of its subsidiaries are not eligible for sitting fees from such companies. NCL is one of the subsidiaries of NSE. Mr. Yatrik Vin, an employee of NSE, is NSE's representative on the Board of NCL. Accordingly, he was not paid any sitting fee for the Board or committee meetings attended by him.

\*\* The calculation of Median remuneration/ salary/ wages includes two female directors of which one of the Directors ceased to be director w.e.f. May 31, 2023.

**b. Gross wages paid to females as % of total wages paid by the entity, in the following formats:**

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages.	27.18	30.52

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, our Grievance Redressal Committee serves as the focal point for addressing all human rights issues within the company. The Internal Compliance Committee (ICC) acts as a focal point for POSH complaints. All employees have access to HR policies through a dedicated HR portal. Employees are provided a comprehensive overview of HR policies during their induction and onboarding process. Employees are encouraged to raise any grievances related to human rights violations, ensuring a proactive approach to addressing such concerns.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Grievance Redressal procedure provides a structured platform for employees to formally raise grievances and discuss problems or concerns regarding discrimination, harassment, and unfair labour practices. Led by a senior member, the Grievance Redressal Committee conducts impartial investigations to ensure fairness and thoroughness in addressing filed grievances. Additionally, employees can report any instances of human rights violations through the whistle-blower mechanism. This mechanism safeguards the confidentiality of the complainant, and appropriate actions are taken based on the investigation.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the End of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	Nil	0	0	Nil
Discrimination at workplace	0	0	Nil	0	0	Nil
Child Labour	0	0	Nil	0	0	Nil
Forced Labour /Involuntary Labour	0	0	Nil	0	0	Nil
Wages	0	0	Nil	0	0	Nil
Other human rights related issues	0	0	Nil	0	0	Nil

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal)	0	0



Act,2013(POSH)		
Complaints on POSH as a % of female employees/workers	0	0
Complaints on POSH upheld	0	0

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

At NCL, we prioritize creating a workplace where everyone feels valued, respected and safe. To achieve this, we have implemented a robust Prevention of Sexual Harassment (POSH) policy. This policy outlines clear guidelines and procedures for preventing, prohibiting, and addressing any instances of sexual harassment, ensuring a work environment free from such misconduct. Our Internal Complaints Committee (ICC) plays a vital role in upholding this commitment. The ICC is responsible for conducting thorough investigations and ensuring fair and prompt resolutions. Furthermore, the ICC safeguards complainants by guaranteeing a safe space to report their experiences and prohibiting any retaliation for coming forward. By implementing these practices, NCL demonstrates its unwavering commitment to fostering a work environment where all employees feel secure, respected, and empowered to reach their full potential.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, our Supplier Code of Conduct aligns with the NSE group procurement process, which upholds human rights, encouraging vendors to adhere to ESG clauses in the Code. This process helps to establish a foundation for ethical business practices within the supply chain and cultivates a culture of respect for human rights across NCL's operations.

**10. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	NA

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

No risks/concerns had arisen from the assessments at Question 10 above.

## Leadership Indicators

**1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

No complaints regarding human rights violations have been reported across the organization, so no modifications to business processes were necessary.

**2. Details of the scope and coverage of any Human rights due diligence conducted.**

We have not conducted any human rights due diligence.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, NCL has provisions in place, such as wheelchairs, lifts, and security/housekeeping personnel assisting differently abled visitors, that make the entity's premises/office accessible to them, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

**4. Details on assessment of value chain partners:**

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual harassment	0
Discrimination at workplace	0
Child labour	0
Forced Labour/Inventory Labour	0
Wages	0
Others – please specify	0

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments in Question 4 above.**

Not Applicable

**PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT**

**Essential Indicators**

**1. Details of total energy consumption (Giga Joules) and energy intensity in the following format:**

Parameter*	FY 2023-24	FY 2022-23
<b>From renewable sources</b>		
Total electricity consumption (A)	4,956	2,853
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumption from renewable sources (A+B+C)</b>	<b>4,956</b>	<b>2,853</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	22,607	11,158
Total fuel consumption (E)	100	40
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>22,707</b>	<b>11,198</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>27,663</b>	<b>14,051</b>
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations) <b>GJ/Crores</b>	12.73	13.85
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP) <b>GJ/Crores</b>	291.37	316.84
<b>Energy intensity in terms of physical output</b>	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. TUV India Private Limited

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The question is not applicable as NCL does not fall under the PAT scheme of the Government.

3. Provide details of the following disclosures related to water in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	7,139	3,626
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>7,139</b>	<b>3,626</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>7,139</b>	<b>3,626</b>
<b>Water intensity per rupee of turnover (Total Water consumption / Revenue from operations) KL/Crores</b>	3.29	3.57
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) KL/Crores</b>	75.20	81.77
<b>Water intensity in terms of physical output</b>		
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. TUV India Private Limited

**4. Provide the following details related to water discharged:**

Parameter	FY 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
<b>(i) To Surface water</b>		
- No treatment	-	-
- With Treatment – please Specify level of treatment	-	-
<b>(ii) To Groundwater</b>		
- No treatment	-	-
- With treatment – please specify level of treatment.	-	-
<b>(iii) To Seawater</b>		
- No treatment	-	-
- With treatment – please specify level of treatment.	-	-
<b>(iv) Sent to third-parties</b>		
- No treatment	-	-
- With treatment – please specify level of treatment.	-	-
<b>(v) Others</b>		
- No treatment (municipal sewage)	4,375	2,025
- With treatment – Please specify level of treatment.	-	-
<b>Total water discharged (in kilolitres)</b>	<b>4,375</b>	<b>2,025</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. TUV India Private Limited

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

NCL adopts NSE's sustainable water management practices. The offices at the Mumbai, Exchange Plaza building and Chennai are equipped with Sewage Treatment Plant (STP), enabling the recycling of water from domestic use and flushing. Post-treatment, the water is repurposed for the cooling towers in the air conditioning system and for gardening purposes. This practice significantly reduces our freshwater consumption and contributes to water conservation efforts. This initiative enabled NSE to conserve around 21,801 kilolitres of water in FY 2023-24.

**6. Please provide details of air emissions (other than GHG emissions) by the entity in the following format:**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	-	NA	NA
SOx	-	NA	NA
Particulate matter (PM)	-	NA	NA
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	NA	NA
Hazardous air pollutants (HAP)	-	NA	NA
Others – please specify	-	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	7	3
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	4,496	2,219
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	MtCO2e/crores	2.07	2.19

<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	MtCO2e/crores	47.44	50.11
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<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	-	-	-
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<b>Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity</b>	-	-	-
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Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. TUV India Private Limited

**8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

NCL, as a part of the NSE, supports group-level initiatives to reduce GHG emission footprint. The solar power plant, with a capacity of 20 KW, has been installed in Mumbai & Chennai locations and harnesses the solar power to cater to a part of the lighting load at Exchange Plaza & BCP premises in Chennai. The Wind Plant commissioned in 2014 by NSE at Satara, Maharashtra currently has a capacity of 5 MW (4 nos. of 1.25 MW). As per the Maharashtra government's renewable energy policy, the electricity generated by this plant is supplied to the grid, which offsets NSE's power consumption.

NSE has also adopted several energy efficiency initiatives to reduce power consumption and enhance operational efficiency. This includes the installation of lighting transformers and LED lights across office areas to regulate power supply and extend luminary life. A thermal energy storage system integrated into the air-conditioning system was put in place to manage load during peak hours by using chilled water stored overnight. Occupancy sensors have been placed throughout the office to control lighting based on actual usage, a Building Management System (BMS) ensures air-conditioning units operate only as needed, and automatic power factor control units improve the overall power factor of the building, securing cost-saving incentives from the power supplier. These measures collectively enhance the building's energy efficiency and reduce its environmental footprint. Further, we use environmentally friendly gas in firefighting equipment and air conditioning systems (i.e. R134a, R407a & R410a). These measures demonstrate our commitment to reducing our environmental footprint.

**9. Provide details related to waste management by the entity in the following format:**

Parameter	FY 2023-24	FY 2022-23
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	0.003	-

E-waste <b>(B)</b>	1.77	1.68
Bio-medical waste <b>(c)</b>	-	-
Construction and demolition waste <b>(D)</b>	-	-
Battery waste <b>(E)</b>	0.74	7.80
Radioactive waste <b>(F)</b>	-	-
Other Hazardous waste. Please specify, if any. <b>(G)</b>	-	-
Other Non-hazardous waste generated <b>(H)</b> . Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1.72	0.02
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>4.24</b>	<b>9.50</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations) Tons/Crore	<b>0.002</b>	<b>0.009</b>
<b>Waste intensity per rupee of turnover adjusted Purchasing for Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP) Tons/Crore	<b>0.04</b>	<b>0.21</b>
<b>Waste intensity in terms of physical output</b>		
<b>Waste intensity</b> (optional) – the relevant metric may be selected by the entity		

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

Parameter	FY 2023-24	FY 2022-23
<b>Category of waste</b>		
(i) Recycled (Authorized vendor)	2.51	9.48
(ii) Re-used	-	-
(iii) Other recovery operations (compost)	1.72	0.02
<b>Total</b>	<b>4.23</b>	<b>9.50</b>

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-



(iii) Other disposal operations	0.003	-
<b>Total</b>	<b>0.003</b>	<b>-</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. TUV India Private Limited

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

At NCL, we are committed to the NSE group's three "R" approach— 'Reduce, Reuse, and Recycle'—in our waste management endeavours. Our systems and processes are in place to monitor waste generation effectively. Given our business nature, our main waste categories include domestic and E-waste.

E-waste from all NCL premises undergo recycling through authorized vendors approved by the Central Pollution Control Board (CPCB) /and the Maharashtra Pollution Control Board (MPCB). Further, to reduce our paper waste, we have implemented a comprehensive Document Management System (DMS) portal for storing and managing all approval notes. This digital approach eliminates the need for paper-based approvals, significantly reducing paper waste within our offices. Compostable materials such as food waste from the canteen, garden organics, and paper are processed through an in-house vermicomposting setup.

Please refer to the below link to access NCL's E-waste and Environment Policy  
[https://www.nscclindia.com/sites/default/files/disclosure/E-Waste\\_Policy.pdf](https://www.nscclindia.com/sites/default/files/disclosure/E-Waste_Policy.pdf)  
[https://www.nscclindia.com/sites/default/files/disclosure/Environment\\_Policy.pdf](https://www.nscclindia.com/sites/default/files/disclosure/Environment_Policy.pdf)

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

Sl No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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Not Applicable

**13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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Not Applicable

### Leadership Indicators

**1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):  
For each facility / plant located in areas of water stress, provide the following information:**

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Not Applicable

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in Kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>0</b>	<b>0</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>0</b>	<b>0</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	0	0
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	0	0
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) Into Groundwater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) Into Seawater		

No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(v) Others		
No treatment	0	0
With treatment – please specify level of treatment	0	0
<b>Total water discharged (in kilolitres)</b>	<b>0</b>	<b>0</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

**2. Provide the details of total Scope 3 emissions & its intensity in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	-	-
<b>Total Scope 3 emissions per rupee of turnover</b>		-	-
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not conducted

**3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

The question is not applicable to NCL as there are no offices/branches working in ecologically sensitive areas of India.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Wind Power Plant	The NSE group has a 5 MW wind power plant in Satara, Maharashtra that contributes electricity to the local grid. This offsets their power consumption at any location within the grid	The wind power plant has generated 1,08,35,683 KWh electricity units in the FY 2023-24.
2	Solar Power Plant	20 kW solar power plants have been installed at Exchange Plaza and BCP Premises in Chennai. These plants harness solar power to meet part of the buildings' lighting needs.	NSE group has diverted 21,232 KWh from the grid to solar energy in the FY 2023-24.
3	Lighting Transformer and LED Lights	Lighting transformers have been installed in the lighting feeders to regulate the incoming power supply. This reduces excess power consumption and extends the life of the luminaries. Additionally, LED lights have been installed throughout the entire office area.	These measures have saved around 34,917 KWh units in the FY 2023-24.
4	Thermal Energy Storage System	NSE implemented a thermal storage system at Exchange Plaza. AC chillers now operate at night, generating chilled water stored in tanks. During the day, this chilled water is used for air conditioning, shifting energy consumption away from peak hours. This allowed NSE to surrender excess contracted power.	NSE group has saved around 14,366 Demand KVA in the FY 2023-24.
5	Occupancy Sensors	Motion/Occupancy Sensors have been installed throughout the office to operate the lights automatically based on occupancy in the respective areas.	The value of this initiative in terms of the outcome cannot be precisely measured.

6	Building Management System	A Building Management System (BMS) was installed from the start to optimize building operations. The BMS automatically controls air conditioning units based on pre-set schedules, maintaining comfortable temperatures while conserving electricity.	The value of this initiative in terms of the outcome cannot be precisely measured.
7	Automatic Power Factor Control Units	Automatic power factor correction units improve building efficiency by balancing electrical loads, resulting in electricity bill discounts from the power supplier.	The value of this initiative in terms of the outcome cannot be precisely measured.
8	Water Recycling - Sewerage Treatment Plant	A wastewater treatment plant installed from the start reuses treated water for cooling towers and gardens.	NSE group has saved around 21,801 Kiloliters of Water in FY 2023-24.
9	Rain Water Harvesting System	Anticipating future water needs, a rainwater harvesting system was installed at Exchange Plaza to collect rainwater and replenish the building's groundwater.	The value of this initiative in terms of the outcome cannot be precisely measured.
10	Vermiculture Plant	Food scraps, garden waste, paper, and cardboard are composted in a vermiculture system, resulting in nutrient-rich compost that is used for gardening.	NSE group has generated around 165 Kg of manure in the FY 2023-24.

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

At NCL, business continuity and market stability are paramount as we recognize the criticality of maintaining uninterrupted operations and safeguarding the stability of the market in which we operate. We achieve this through a carefully crafted Business Continuity Management (BCM) policy, reinforced by a robust governance structure, detailed procedures, and thorough testing and training programs. Our commitment to business continuity is further enhanced by our infrastructural measures, which allow us to navigate and recover from disruptions effectively. Our organization has developed a comprehensive business continuity plan that effectively addresses various emergencies. Our BCM policy aligns with SEBI's 'Business Continuity Management and Disaster Recovery' guidelines. To ensure the effectiveness of our business continuity efforts, we have established a robust governance structure. This includes our Board and management-level committees, which oversee the implementation of the BCM

framework. We also have dedicated teams, such as the Crisis Management Team (CMT), responsible for managing the execution of the plan during emergencies.

**6. Disclose any significant adverse impact to the environment arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

At present no significant impact has been reported arising from value chain partners of NCL.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

NCL has not conducted any assessments for value chain partners.

**PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT.**

**Essential Indicators**

**1. a. Number of affiliations with trade and industry chambers/ associations.**

We are affiliated with the Global Association of Central Counterparties.

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	CCP Global	International

**2. Provide details of corrective action taken or underway on any issues related to anti - competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

**Leadership Indicator**

**1. Details of public policy positions advocated by the entity.**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
NCL engages with regulators and other MIs in implementing products/services for market safety.					



**PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT****Essential Indicators****1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

S. No	Name and brief details of project (Executed by NSE Foundation)	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	<b>The Remedial Education Programme, Karauli, Rajasthan</b> This programme enhanced student learning outcomes in language and numeracy. 531 government school teachers were trained in activity-based learning and the use of innovative teaching-learning materials. To counteract pandemic disruptions, 92 Village Level Learning Centres (VLLCs) were established, and children's groups were formed in 170 government schools to promote health, hygiene, and life skills. The remedial pedagogy was implemented by 116 Shikshan Mitras	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
2	<b>Rehli Shiksha Pahal Programme (RSPP), Sagar, Madhya Pradesh</b> - The initiative impacted 8,000 students and 4,900 community members. Around 36% of third grade	SIA was mandated via Rule 8(3) of the Companies	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

	students and 24% of fifth grade students achieved grade-level reading. About 91% of teachers adopted Activity-Based Learning, and community involvement increased, with 46% of panchayat members becoming aware of educational challenges. The initiative also witnessed a steady re-enrolment in the schools and introduced home-based learning during the pandemic	(CSR Policy) Rules, 2014. General Circular No. 14 /2021				
3	<b>Project EQUIP (Education Quality Improvement project), Ramanathapuram, Tamil Nadu</b> - This educational initiative in Mandapam block enhanced learning outcomes for 12,384 rural students through learning materials and videos in Math, English, and Tamil. Around 71% of students attended school and after-school centers. The programme reached 66 schools and 60 centers, involving 345 teachers and 200 tutors to support the initiative. Further, 93% of teachers and 97% of parents observed a positive impact on student engagement and understanding.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
4	<b>Girl Child Education Programme, Purulia and Bankura, West Bengal</b> – The programme was implemented in the tribal-dominated districts of Purulia and Bankura. It enrolled 3,070	SIA was mandated via Rule 8(3) of the Companies	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

	<p>girls in 100 Learning Centres despite the large distance between each hamlet. Further, the programme achieved a 70% attendance rate amongst enrolled students. Around 96% of students appreciated the customized teaching, with 33% improving academically. The programme witnessed a shift in community attitudes, with 84% of parents supporting equal education for their daughters and 80% aspiring for their professional careers.</p>	(CSR Policy) Rules, 2014. General Circular No. 14 /2021				
5	<p><b>Shikshadeep Prakalpa, Birbhum, West Bengal –</b> The initiative improved literacy and numeracy for 8,860 children. Around 70% of teachers noted enhanced student performance, with 90% seeing higher enrolment. The initiative maintained educational continuity for 1,960 students during COVID-19, with 67% of parents confirming ongoing learning at home</p>	<p>SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021</p>	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
6	<p><b>ShikshaDeep Prakalpa-Suri II: Creating sustainable community-led SLCs (Supplementary Learning Centres), Birbhum, West Bengal -</b> This programme in Suri II block improved foundational learning for children aged 5-11, with 89% achieving proficiency in Bengali, 70% in English, and 95% in Mathematics.</p>	<p>SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No.</p>	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

	Post-COVID, all students returned to school, supported by 150+ trained Shikshan Mitras. The community sustained 41 out of 75 learning centers, reflecting its commitment towards educational advancement.	14 /2021					
7	<p><b>Atikrānta-An initiative towards transformation, Birbhum, West Bengal-</b></p> <p>The initiative was designed to improve education access for 1,920 children across 27 schools to enhance their literacy and numeracy outcomes. Learning assessment indicated that grade-level proficiency of students increased from 8% at baseline to 49% by endline. Over half (51%) received personalized support, while 83.17% were trained in WASH practices. The initiative also trained 20 Shikshan Mitras and educated parents on various educational, career and safety related topics, ensuring community-wide engagement in the learning process.</p>	<p>SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021</p>	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>	
8	<p><b>NSE Foundation Urban Learning Improvement Program, Chennai, Tamil Nadu-</b></p> <p>The project was launched with a focus on improving language and numeracy across 25 schools, impacting 2,312 students. Post-intervention, 79% of students could</p>	<p>SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General</p>	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>	

	<p>subtract compared to 0% (none) at baseline. Similarly, 44% could read a paragraph or story compared to 14% at baseline. The programme's success hinged on a network of youth leaders trained in pedagogy who organised learning camps and community events, with Math and English fairs further bolstering student skills.</p>	<p>Circular No. 14 /2021</p>				
9	<p><b>Creating And Enabling A Learning Environment For Academic Excellence, New Delhi-</b>                  The education programme targeted primary students across 25 schools, enhancing Hindi reading and writing skills. Post-intervention, 95% students achieved beginner-level competency in reading and writing skills, up from 56% and 51%, respectively. Numeracy skills also improved, with 82% reaching beginner level compared to 52% at baseline. WASH facilities were upgraded in all schools, along with the formation of 25 WASH committees. Behavioral changes amongst students included doubling personal hygiene practices to 80% and increasing handwashing before meals to 90%.</p>	<p>SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021</p>	<p>25th August 2021</p>	<p>YES</p>	<p>YES</p>	<p><a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a></p>
10	<p><b>"Ankuram" Foundational Learning Enhancement in Primary Grades [I-V]</b></p>	<p>SIA was mandated via</p>	<p>25th August</p>	<p>YES</p>	<p>YES</p>	<p><a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a></p>

	<p><b>in Government Schools in Todabhim block of Karauli district Rajasthan, Karauli, Rajasthan-</b></p> <p>This foundational learning initiative was undertaken in 200 schools, reaching 11,622 children. As part of the programme, 602 teacher training sessions and 192 review meetings were organized. The initiative also developed 40 model Anganwadi Centres, benefiting 7,884 children in early education. Capacity building and training were organized for around 1,600 SMC members and 240 local educators.</p>	<p>Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021</p>	<p>2021</p>			
11	<p><b>NSE Foundation Block Educational Transformation Karauli B E T Karauli Project Gyanodaya, Rajasthan-</b></p> <p>The programme targeted 75 schools to improve student learning outcomes. The Integrated Audio Learning programme reached 10,200 students, and 227 teachers were trained to improve education delivery. Further, 10,681 students benefited from home visits. The initiative reported a 15-25% improvement in learning outcomes and conducted 249 SMC meetings across 95 schools to foster community engagement.</p>	<p>SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021</p>	<p>25th August 2021</p>	<p>YES</p>	<p>YES</p>	<p><a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a></p>
12	<p><b>Solid and Liquid Waste Management (SLWM) Strategy and Plan for Talode</b></p>	<p>SIA was mandated via</p>	<p>25th August</p>	<p>YES</p>	<p>YES</p>	<p><a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a></p>

	<p><b>(Pilot Town), and implementation of SLWM Interventions to help Talode achieve its goal of becoming ODF++, Nandurbar, Maharashtra</b></p> <p>The Solid and Liquid Waste Management (SLWM) project aimed to make the Talode town ODF, impacting 35,000 people. It involved strategy development, stakeholder meetings with local authorities and surveys to assess and improve waste management, especially faecal sludge management. Key activities included handing over project designs to local authorities, assessment of sanitation facilities, and creation of a situation assessment report. The project organised participatory planning with community consultations to address the challenges of solid waste management effectively.</p>	<p>Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021</p>	<p>2021</p>			
13	<p><b>Integrated Safe Drinking Water Project in partnership with Jal Jeevan Mission [JJM], Nandurbar, Maharashtra-</b></p> <p>The initiative was undertaken in partnership with the Jal Jeevan Mission. As a key knowledge partner, the objective of the project was to assist JJM in providing functional household tap connections to 850 habitations, focusing on drought-</p>	<p>SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021</p>	<p>25th August 2021</p>	<p>YES</p>	<p>YES</p>	<p><a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a></p>

affected areas. Around 60-70% of locals attended project-related activities regularly. The formation of Water User Groups (WUG) saw equal female participation as group members. Further, about 50-60% of members understood WUG operations, 60-70% were informed about future maintenance, and 70% were aware of the Village Water and Sanitation Committee's (VWSC) roles.

14	<p><b>Technical support to 2 Aspirational Districts for effective implementation of Jal Jeevan Mission and Swachh Bharat Mission, Karauli, Rajasthan and Ramanathapuram, Tamil Nadu</b> - This programme targeted 10 GPs in the Karauli district and 20 GPs in the Ramanathapuram district with the intent to enhance government capacity to implement JJM and SBM 2.0, benefiting underserved rural communities. Around 43% of SHG members, 34% of VWSC members, and 23% of youth collectives participated in capacity-building sessions. Findings indicate that 74% of respondents understood the importance of water quality testing, 90% were aware of VWSC roles, 50% used retrofitting services for drinking</p>	<p>SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021</p>	<p>25th August 2021</p>	<p>YES</p>	<p>YES</p>	<p><a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a></p>
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	water sources, and 63% engaged in water security training, leading to improved water governance and sustainability.					
15	<p><b>School Health Programme, Mumbai, Maharashtra</b> - The project, inspired by 'Swachh Bharat: Swachh Vidyalaya', improved WASH facilities in 9 Mumbai schools and conducted BCC activities in 30 schools, benefiting over 5,000 students. Around 97% of students found new toilets and water purifiers better and more functional, 91% adopted daily WASH practices, and 78% of teachers reported fewer absences due to water-borne illnesses.</p>	<p>SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021</p>	<p>25th August 2021</p>	<p>YES</p>	<p>YES</p>	<p><a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a></p>
16	<p><b>Integrated Solid and Liquid Waste Management, Karauli, Rajasthan</b> - The initiative aimed to improve waste management through decentralization and institutionalization of management practices through promoting public-private partnerships. About 127 stakeholder meetings were conducted to secure government support for deploying waste management measures. 420 and 510 households in municipal and gram panchayat wards, respectively, practiced waste segregation. Around 4,250 households were willing to pay</p>	<p>SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021</p>	<p>25th August 2021</p>	<p>YES</p>	<p>YES</p>	<p><a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a></p>

	for waste management, while 70 households took up home composting. The project fostered community engagement, leading to the formation of local champions and committees for sustainable waste practices.					
17	<b>Bhu-Jal Dhaara (A Livelihood Improvement Project Through Integrated Watershed Development), Karauli, Rajasthan-</b> The programme intended to enhance livelihoods and manage water resources in 60 villages, with a goal of 30% income increase. Challenges included low VWDC engagement etc. Despite this, phase 1 saw environmental awareness initiatives in 30 villages, and funding for 1,100 hectares watershed area secured, indicating progress in sustainable agriculture and watershed management efforts.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
18	<b>Scoping study for Liquid and solid waste management for rejuvenation of Bhadravati River stretch along Karauli Town, Rajasthan-</b> The scoping study was undertaken with the intent to develop a comprehensive 'River Rejuvenation Strategy and Schematic Plan' for rejuvenation of the Bhadravati River and improve waste management. Key findings include:	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

- Weekly generation of 3-6 kilolitres of faecal sludge with only 2 out of 8 drying beds functional.
- Daily wastewater flow of 3.66 million litres into the river, with high BOD and COD levels (high organic pollutants).
- 20 metric tons of solid waste are produced daily, with inefficient collection due to inadequate vehicles.
- 92% of households have toilets, yet many lack proper construction, and 60% lack desludging access. The study underscores the need for robust waste management solutions.

19	<p><b>Making Sapotra Block of Karauli district Open Defecation Free through School, AWC, Community centered WASH interventions, Karauli, Rajasthan-</b> The programme improved water, sanitation, and hygiene (WASH) facilities, impacting 5,000 households and 9,600 students. Its achievements include over 91% of schools gaining functional drinking water facilities, 95% promoting hand hygiene with improved tap-to-student ratios, and 90% of households receiving piped water. Awareness of handwashing techniques rose to 95%, reducing water-borne diseases. Functional toilets in homes reached 87%,</p>	<p>SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021</p>	<p>25th August 2021</p>	<p>YES</p>	<p>YES</p>	<p><a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a></p>
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	schools saw a rise from 19% to over 95%, and awareness of WASH committees remained at 21% among students.					
20	<p><b>Promotion of Thiruppullani as Swachh and Swasth Block, Ramanathapuram, Tamil Nadu –</b></p> <p>This WASH initiative renovated facilities in 65 schools, 51 Anganwadis, and 6 PHCs, directly aiding 34,500 people. Infrastructure improvements included 18 new wells and upgrades to 30 existing wells. Post-intervention, 81% had functional water access, 72% boiled water, and 92% practiced handwashing. Water facilities are now within 500 meters for 84% of respondents. Menstrual Hygiene Management (MHM) understanding improved for 55% of female students.</p>	<p>SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021</p>	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
21	<p><b>Sustainable Community ODF Program, Ramanathapuram, Tamil Nadu-</b></p> <p>The project renovated WASH facilities impacting 20,000 people. It retrofitted sanitation units and promoted hygiene education. Around 97% respondents reported that they had stopped open defecation, with a 79% drop in related illnesses. School sanitation satisfaction increased to 96%, boosting female attendance. Handwashing awareness reached</p>	<p>SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021</p>	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

	<p>99% among students, while active WASHMAN Committee participation stood at 44%, a positive indication for sustainable sanitation practices.</p>					
22	<p><b>Technical Support for AGRASAR groups, Pan India-</b> The initiative established a support team to integrate the elderly groups into government plans across 16 Indian states, focusing on livelihoods and engagement. It involved training and capacity building through State Rural Livelihood Mission (SRLMs) and National Rural Livelihood Mission (NRLM), with the Technical Support Unit (TSU) team working closely with Ministry of Social Justice and Empowerment (MoSJE) and Ministry of Rural Development (MoRD). Key outcomes include the formation of 7,388 new Elderly Self-Help Groups (ESHGs) post-intervention, reflecting increased acceptance of elders in livelihood activities. However, the target of 23,382 ESHGs was not met, partly due to the elderly's hesitance towards entrepreneurship.</p>	<p>SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021</p>	<p>25th August 2021</p>	<p>YES</p>	<p>YES</p>	<p><a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a></p>
23	<p><b>An initiative to support healthy ageing in the rural communities, Karauli, Rajasthan-</b> The programme targeted the elderly in about 280 villages. It established 212 ESHGs, with 85.8% engaging in savings and</p>	<p>SIA was mandated via Rule 8(3) of the Companies (CSR Policy)</p>	<p>25th August 2021</p>	<p>YES</p>	<p>YES</p>	<p><a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a></p>

	34% in inter-loaning. Further, the programme held 2,433 meetings, formed 212 youth groups, and involved 230 PRI members, enhancing community support. It also organised 120 cataract surgeries, distributed 200 walking sticks, and linked 368 elders to social security schemes.	Rules, 2014. General Circular No. 14 /2021				
24	<b>Samrakshana: Garnering Resilience through Elders for Elders Network, Ramanathapuram, Tamil Nadu-</b> This project enhanced elderly care by forming 161 ESHGs and providing healthcare access through Mobile Medical Units (MMUs), benefiting 9,192 individuals. MMU services reached over 11,000, with 90% accessing medical services, including surgeries. Financial inclusion was facilitated with 94% elders receiving seed capital, leading to 59% starting businesses. Health insurance coverage rose to 71%. The initiative also fostered respect and independence among the elderly.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
25	<b>Training of Care Givers for senior citizens with mental ailments, Bengaluru, Karnataka-</b> The initiative trained 425 caregivers in geriatric mental health, with 241 earning NIMHANS certification. An LMS portal was launched for training.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules,	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

	Further, NIMHANS' Sakalawara campus added a sound-proof lab and a skill lab for educational content and nursing demonstrations. The program, in collaboration with 12 agencies, expanded its reach, enhancing the proficiency of caregivers in addressing elderly patients' mental health challenges.	2014. General Circular No. 14 /2021					
26	<b>Strengthening primary health care services by managing Mobile Medical Unit (MMU) &amp; Government PHC, Kiphire, Nagaland-</b> The project aimed to deploy Mobile Medical Units (MMU) and establish model Primary Health Centres (PHC). The first year saw the programme surpass vehicle and outpatient service targets for 5,600 patients. Provision of local healthcare and transport to local health centre led to reduction in ambulance costs.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>	
27	<b>Rice fortification for better nutrition outcomes, Nagaland-</b> This programme combated anaemia by distributing fortified rice, aligning with national nutrition schemes and reaching 65,429 PDS, 2,30,968 ICDS, and 1,43,914 PM Poshan beneficiaries. It promoted nutrition awareness to make fortified rice a community staple. The initiative also strengthened state systems and	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>	

	encouraged fortified rice adoption through awareness campaigns, particularly among students and women, enhancing nutrition education and outcomes.					
28	<p><b>Suswasthya- Strengthening health and nutrition services for women, children and adolescents and upscaling the best practices in other 18 blocks through capacity building and advocacy, Birbhum, West Bengal-</b> The initiative enhanced maternal and child health, reaching 6,328 children. It achieved 93% early pregnancy registration, 80% access to antenatal care, and 98% institutional births. Around 74% of high-risk pregnancies resulted in newborns weighing over 2.5 kg, while 83% of infants were exclusively breastfed. The project also improved awareness of health schemes, nutritional practices, and adolescent health education, indicating a positive shift in community health behaviors.</p>	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
29	<p><b>Empower Women and Girls – for improving Maternal, Child and Adolescent Health and Nutrition, Karauli, Rajasthan-</b> The programme improved health and nutrition across 95 villages, focusing on capacity building and awareness. It covered 93 Village Organisations (VOs) and</p>	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>



	reached 5,105 adolescent girls. The programme supported 54 Godbharai ceremonies and contacted 1,497 pregnant women in its second year. Additionally, 406 Swasthya Sakhis were identified, with 180 receiving training, enhancing community health practices and engagement with public health entitlements.	Circular No. 14 /2021					
30	<b>Lifeline Express, Birbhum, West Bengal</b> - The health initiative achieved its goal by serving 7,774 patients, providing diverse medical services and free healthcare to 98.7% of them. Around 65% patients underwent surgeries, and health awareness improved post-intervention. Further, awareness campaigns reached 56% of the community, and 42% of patients benefited from post-operative transportation, with 30% traveling 5-10 km for services.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>	
31	<b>SWIFT Growth (Sustainable Water Institutions for Tangible Growth), Ramanathapuram, Tamil Nadu-</b> The environment sustainability project focused on community empowerment and agricultural enhancement, impacting 9,430 households. It established 42 Vayalagams (village-level institutions), renovated 22 water	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>	

bodies, and supported soil fertility and tree planting initiatives. The project facilitated Rs. 24.50 crores in loans for 84 farmer groups and conducted 27 insurance literacy programs. A call center was also established, offering information on government entitlements and agricultural knowledge.

32	<p><b>Water, Agriculture and Food Security (WAFS) Project, Ramanathapuram, Tamil Nadu</b> - The programme enhanced water and food security by developing water resources and resilient agriculture. It renovated 15 Ooranis (village ponds), rehabilitated 18 irrigation tanks, and constructed 100 farm ponds, improving water availability and agricultural efficiency. The project reclaimed 353 acres of land, converted 277 acres into orchards, and established an organic farmer producer company with 276 members, fostering sustainable livelihoods and community empowerment.</p>	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
33	<p><b>Sustainable springshed and agriculture development, Kiphire, Nagaland</b>- The project aspired to enhance ecological balance and agricultural prosperity with the intent to benefit 1,500 households. It focused on natural resource</p>	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules,	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

	<p>preservation, water and spring-shed development, and agricultural support. Key achievements include forming 74 producer groups, rejuvenating 11 springs aiding 434 households, and supporting 74 farmers in vegetable cultivation. Additionally, 5 field-based trainings were conducted, providing seeds to 757 farmers across two seasons, fostering sustainable community practices and agricultural enhancement.</p>	<p>2014. General Circular No. 14 /2021</p>				
34	<p><b>Rebuilding Schools Affected by Nisarga Cyclone, Ratnagiri, Maharashtra-</b> This disaster relief programme rehabilitated 10 cyclone-affected schools, enhancing WaSH facilities and classrooms. Upgrades included new water facilities, electrical fittings, and improved sanitation, with 94.4% of schools reporting clean water access. Students benefited from better lighting, ventilation, and educational wall paintings, while teachers observed a decrease in accidents due to safety improvements.</p>	<p>SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021</p>	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
35	<p><b>Assam Flood Response 2020 Restoration of WASH in Schools, Jorhat and Golaghat, Assam-</b> NSE Foundation's collaboration with district administration led to the</p>	<p>SIA was mandated via Rule 8(3) of the Companies</p>	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

	restoration of WASH facilities in 23 schools, enhancing infrastructure and hygiene practices. The initiative resulted in a 98% increase in student attendance, a 95% improvement in health behaviors, and enhancement cleanliness standards.	(CSR Policy) Rules, 2014. General Circular No. 14 /2021				
36	<b>Robotic Solutions for Cleaning Septic Tanks, Chennai, Tamil Nadu</b> - Under the project, 'HomoSEP', a robot to safely clean hard sludge from septic tanks, reducing health risks for Safai Karamcharis, was developed. The project trained 400 workers and deployed eight prototypes, with plans to clean 4,000 tanks in the first year. Adjustments were made to the robots' size for broader application, and while field trials were successful, ongoing support and financial linkages are suggested to enhance cooperatives' income and robot maintenance.	SIA was mandated via Rule 8(3) of the Companies (CSR Policy) Rules, 2014. General Circular No. 14 /2021	25th August 2021	YES	YES	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S.No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
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Not Applicable

**3. Describe the mechanisms to receive and redress grievances of the community.**

NCL's community engagement is aligned to group-level initiatives and currently, NCL does not have a mechanism to receive and redress the community's grievances.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	3.26%	2.56%
Directly from within India	99.83%	99.82%

**5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) in the following locations as % of total wage cost.**

Location	FY 2023-24	FY 2022-23
Rural	0	0
Semi-Urban	0	0
Urban	0	0
Metropolitan	100	100

\*The nature of business necessitates NCL to have its offices predominantly in metropolitan cities.

### Leadership Indicators

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
No negative social impact identified	Not Applicable

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In INR)
No CSR initiative was undertaken in any of the aspirational districts as identified by government bodies.			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?

No, NCL does not have any preferential procurement policy.

- (b) From which marginalized /vulnerable groups do you procure?

Not Applicable

- (c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year) based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
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Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
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Not Applicable

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project*	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Multispecialty OPD block with 60-bed bone marrow transplant unit	New Project	Not applicable as the project is underway
2	Equitable Education for Rural & Tribal Children	New Project	800+ students from tribal and marginalized communities

\*Executed by NSE Foundation

## PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

SEBI, vide its circulars dated October 4, 2021, and November 23, 2021, mandated that Clearing Corporations shall disclose on their website the data on complaints received against them and redressal thereof, latest by the 7th of the succeeding month. In view of the same, NCL seeks details from internal teams (Clearing, Settlement, Risk & Collaterals, and Secretarial) every month and displays data on its website.

#### 2. Turnover of products and/ services as a percentage of turnover from all products/services that carry information about:

	As a percentage of total turnover
Environmental and Social parameters relevant to the product	Not Applicable
Safe and responsible usage	Not Applicable
Recycling and/or safe disposal	Not Applicable

#### 3. Number of consumers complaints in respect of the following:

	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	Nil	0	0	Nil
Advertising	0	0	Nil	0	0	Nil
Cyber-security	0	0	Nil	0	0	Nil
Delivery of essential services	0	0	Nil	0	0	Nil
Restrictive Trade Practices	0	0	Nil	0	0	Nil
Unfair Trade Practices	0	0	Nil	0	0	Nil
Other	0	0	Nil	2	1	Complaints are related to security settlement shortage/ incorrect levy of the

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closeout  
for security  
shortages

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**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		Not Applicable

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy**

Yes, NCL has a board-approved Cyber Security and Cyber Resilience policy (internal) in place. Additionally, NCL, as a part of NSE, has its practices aligned with ISO 27001:2013 Information Security Management Systems and ISO 27017:2015 Information Technology Systems.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

Given that no such incidents have happened, the corrective actions are not applicable.

**7. Provide the following information relating to data breaches:**

**a. Number of instances of data breaches.**

Nil

**b. Percentage of data breaches involving personally identifiable information of customers**

Not Applicable

**c. Impact, if any, of the data breaches.**

Not Applicable



## Leadership Indicators

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

NCL uses its official website to communicate information on products and services of the entity. Customers can see all information about products and services at: <https://www.nscclindia.com/>

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

NCL regularly organizes quarterly Member Conclave meetings in multiple regions to discuss key developments. These meetings provide members with insights into the company's progress and new initiatives. Q&A sessions allow members to raise any queries or concerns they may have directly with NCL representatives.

Further, NCL has organized various open house sessions and webinars on topics relevant to the company. Prior to these sessions, members are invited to submit their questions, enabling NCL to effectively address their concerns and provide valuable insights during the sessions. These initiatives reflect NCL's commitment to transparent communication and engagement with its members, fostering a collaborative environment where feedback is valued and addressed promptly.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

NCL's customers are informed of disruption or breakdown in service, through SMS, e-mail, website notice, press releases, etc.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

NCL has not carried out any customer satisfaction survey.

## Independent Assurance Statement

To,  
The Board of Directors,  
NSE Clearing Limited  
Exchange Plaza, C-1, Block-G, Bandra Kurla Complex Bandra, East,  
Maharashtra – 400051

NSE Clearing Limited (NSECL) engaged TUV India Private Limited (TUVI) to conduct reasonable level independent external assurance of Business Responsibility and Sustainability Reporting (herein after abbreviated as “BRSR”) Core disclosures (*09 attributes as per Annexure I – Format of BRSR Core*) following the (*BRSR Core –Framework for assurance and ESG disclosures for value chain*) stipulated in SEBI [circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12/07/2023](#), for the reporting period April 01, 2023 to March 31, 2024. The BRSR is based on the National Guidelines on Responsible Business Conduct (NGRBC), [SEBI circular: SEBI/HO/CFD/CMD-2/P/CIR/2021/562, dated 10/05/2021](#) followed by the [notification number SEBI/LAD-NRO/GN/2023/131, dated 14/06/2023](#) pertaining to BRSR requirement. This assurance engagement was conducted in reference with BRSR, the terms of our engagement and ISAE 3000 (Revised) requirement.

### Management's Responsibility

NSECL has prepared BRSR and is responsible for the collection, analysis, authenticity of data and disclosure of the information presented in the BRSR (web-based and print), including website maintenance, integrity, and for ensuring its quality and accuracy with reference to the criteria stated in the BRSR, such that it is free of misstatements (intentional or unintentional, qualitative or quantitative, including omissions). NSECL will be responsible for providing complete and true information and data. Further NSECL is responsible for archiving and reproducing the disclosed data to the stakeholders and regulators upon request.

### Scope and Boundary

The scope of work includes the assurance of the following *09 attributes as per Annexure I – Format of BRSR Core* disclosed in the BRSR report. The BRSR core requirements encompass essential disclosures pertaining to organization’s Environmental, Social and Governance (ESG). In particular, the assurance engagement included the following:

- i. Review of *09 attributes as per Annexure I – Format of BRSR Core* submitted by NSECL
- ii. Review of the quality of information
- iii. Review of evidence (on a random samples) for all 9 attributes and its KPI desired for reasonable level of assurance

TUVI has verified the below *09 attributes as per Annexure I – Format of BRSR Core* disclosed in the BRSR

Attributes	KPI
Green-house gas (GHG) footprint  <i>Boundary:</i> <i>Scope 1 Boundary – Consumption from NSECL</i>  <i>Scope 2 Boundary – Consumption from NSECL</i>	Total Scope 1 emissions (with breakup by type) - GHG (CO <sub>2</sub> e) Emission in MT - Direct emissions from organization’s owned- or controlled sources (Estimated KPI, Reference applied is direct measurement) Total Scope 2 emissions in MT - Indirect emissions from the generation of energy that is purchased from a utility provider (Estimated KPI, Reference applied is Utility Bills) GHG Emission Intensity (Scope 1+2), Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP (Reference applied is Revenue based)
Water footprint  <i>Boundary: Consumption from NSECL</i>	Total water consumption (in kL)(Estimated KPI) (Reference is water meter Logbooks) Water consumption intensity - kL / Total Revenue from Operations adjusted for PPP Water Discharge by destination and levels of Treatment (kL) (Estimated KPI, Reference is water meter Logbooks)
Energy footprint  <i>Boundary:</i> <i>Refer attribute “Green-house gas (GHG) footprint”</i>	Total energy consumed in GJ (Estimated KPI, Reference applied is Utility Bills) % of energy consumed from renewable sources - In % terms Energy intensity -GJ/ Rupee adjusted for PPP
Embracing circularity - details related to waste management by the entity  <i>Boundary: NSECL</i>	Plastic waste (A) (MT) (Reported Nil) E-waste (B) (MT) (Reported, Reference applied is weighing records) Bio-medical waste (C) (MT) (Reported as not applicable) Battery waste (D) (MT) (Reference applied is weighing records) Engine oil (E) (Reported Nil) Oil containers (F) (Reported Nil) Engineering spares (G) (MT) (Reported as not applicable) Mixed metal (H) (MT) (Reported as not applicable)

	Mixed Organic (I) (MT) (Reported as not applicable)												
	Total waste generated (A + B + C + D + E + F+G+H+I) (MT) (Reported)												
	Waste intensity: MT / Rupee adjusted for PPP												
	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (MT) (not reported)												
	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (Intensity) ✓ kg of Waste Recycled Recovered /Total Waste generated												
	For each category of waste generated, total waste disposed by nature of disposal method (MT)												
	For each category of waste generated, total waste disposed by nature of disposal method (Intensity) ✓ kg of Waste Recycled Recovered /Total Waste generated												
Enhancing Employee Wellbeing and Safety	<p>Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the co - In % terms (Reported, Reference applied is financial records)</p> <p>Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites) (Reference applied is Incident reports)</p> <ol style="list-style-type: none"> <li>1) Number of Permanent Disabilities (Reported as Nil)</li> <li>2) Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) (Reported as Nil)</li> <li>3) No. of fatalities (Reported as Nil)</li> </ol>												
Enabling Gender Diversity in Business	<p>Gross wages paid to females as % of wages paid - In % terms (Reported, Reference applied is payroll records)</p> <table border="1"> <tr> <td>Complaints on POSH</td> <td>1) Total Complaints on Sexual Harassment (POSH) reported</td> </tr> <tr> <td></td> <td>2) Complaints on POSH as a % of female employees / workers</td> </tr> <tr> <td></td> <td>3) Complaints on POSH upheld</td> </tr> </table>	Complaints on POSH	1) Total Complaints on Sexual Harassment (POSH) reported		2) Complaints on POSH as a % of female employees / workers		3) Complaints on POSH upheld						
Complaints on POSH	1) Total Complaints on Sexual Harassment (POSH) reported												
	2) Complaints on POSH as a % of female employees / workers												
	3) Complaints on POSH upheld												
Enabling Inclusive Development	<p>Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India - In % terms – As % of total purchases by value (Reported, Reference applied is procurement records)</p> <p>Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost - In % terms – As % of total wage cost (Reported as Nil)</p>												
Fairness in Engaging with Customers and Suppliers	<p>Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events - In % terms (Reported as Nil)</p> <p>Number of days of accounts payable - (Accounts payable *365) / Cost of goods/services procured (Reported as not applicable)</p>												
Open-ness of business	<table border="1"> <tr> <td rowspan="10">Concentration of purchases &amp; sales done with trading houses, dealers, and related parties Loans and advances &amp; investments with related parties (Reported as Not applicable)</td> <td>1) Purchases from trading houses as % of total purchases</td> </tr> <tr> <td>2) Number of trading houses where purchases are made from</td> </tr> <tr> <td>3) Purchases from top 10 trading houses as % of total purchases from trading houses</td> </tr> <tr> <td>1) Sales to dealers / distributors as % of total sales</td> </tr> <tr> <td>2) Number of dealers / distributors to whom sales are made</td> </tr> <tr> <td>3) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors</td> </tr> <tr> <td>Share of RPTs (as respective %age) in -</td> </tr> <tr> <td>• Purchases</td> </tr> <tr> <td>• Sales</td> </tr> <tr> <td>• Loans &amp; advances</td> </tr> <tr> <td>• Investments</td> </tr> </table>	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties (Reported as Not applicable)	1) Purchases from trading houses as % of total purchases	2) Number of trading houses where purchases are made from	3) Purchases from top 10 trading houses as % of total purchases from trading houses	1) Sales to dealers / distributors as % of total sales	2) Number of dealers / distributors to whom sales are made	3) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Share of RPTs (as respective %age) in -	• Purchases	• Sales	• Loans & advances	• Investments
Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties (Reported as Not applicable)	1) Purchases from trading houses as % of total purchases												
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	Share of RPTs (as respective %age) in -												
	• Purchases												
	• Sales												
	• Loans & advances												
• Investments													

The reporting boundaries for the above attributes include below NSECL office locations

NSECL : National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051

An on-site verification was conducted at NSECL exchange plaza from 12 to 14 June and then 20 June 2024.

The assurance activities were carried out together with a desk review as per reporting boundary.

### Limitations

TUVI did not perform any assurance procedures on the prospective information disclosed in the Report, including targets, expectations, and ambitions. Consequently, TUVI draws no conclusion on the prospective information. During the assurance process, TUVI did not come across any limitation to the agreed scope of the assurance engagement. TUVI did not verify any ESG goals and claim through this assignment. TUVI disclaims any liability or co-responsibility 1) for any decision a person or entity would make based on this assurance statement and 2) for any damages in case of erroneous data is reported.

While TUVI verified the data with maximum sample desired for reasonable level of assurance; the responsibility for the authenticity of submitted data entirely lies with NSECL. TUVI has taken reference of the financial figures from the audited financial statements. NSECL will be responsible for the appropriate application of the financial data. The application of this assurance statement is limited w.r.t SEBI [circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12/07/2023](#)).

## Our Responsibility

TUVI's responsibility in relation to this engagement is to perform a reasonable level of assurance and to express a conclusion based on the work performed. Our engagement did not include an assessment of the adequacy or the effectiveness of NSECL's strategy, management of ESG-related issues or the sufficiency of the Report against BRSR reporting principles, other than those mentioned in the scope of the assurance. TUVI's responsibility regarding this verification is in reference to the agreed scope of work, which includes assurance of non-financial quantitative and qualitative information ([09 attributes as per Annexure I - Format of BRSR Core](#)) disclosed by NSECL. Reporting Organization is responsible for archiving the related data for a reasonable time period. TUVI is responsible for

- i. Planning to obtain the reasonable assurance for BRSR attributes so that it is free from material misstatement,
- ii. Forming an independent opinion, based on the sampled evidence,
- iii. Reporting the opinion to The Board of Directors of NSECL.

This assurance statement is prepared by considering that the data and information presented by 'NSECL' are free from material misstatement.

## Verification Methodology

During the assurance engagement, TUVI adopted a risk-based approach, focusing on verification efforts with respect to disclosures. TUVI has verified the disclosures and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

- a) TUVI examined and reviewed the documents, data, and other information made available by NSECL for [09 attributes as per Annexure I - Format of BRSR Core](#) (non-financial disclosures) followed by taking reference of the financial figures from the audited financial statement.
- b) TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of NSECL
- c) TUVI performed sample-based reviews of the mechanisms for implementing the sustainability-related policies and data management (qualitative or quantitative)
- d) TUVI reviewed the adherence to reporting requirements of BRSR Core framework

## Opportunities for Improvement

The following are the opportunities for improvement reported to NSECL. However, they are generally consistent with NSECL management's objectives and programs. NSECL already identified below topics to achieve the Sustainable Goals of organization.

- i. NSECL may develop internal review process of ESG data

## Conflict of Interest

In the context of BRSR requirements set by SEBI, addressing conflict of interest is crucial to maintain high integrity and independence of assurance engagements. As per SEBI guidelines, assurance providers need to disclose any potential conflict of interest that could compromise the independence or neutrality of their assessments. TUVI diligently identifies any relationships, affiliations, or financial interests that could potentially cause conflict of interest. We proactively implement measures to mitigate or manage these conflicts, ensuring independence and impartiality in our assurance engagements. We provide clear and transparent disclosures about any identified conflicts of interest in our assurance statement. We recognize that failure to address conflict of interest adequately could undermine the credibility of the assurance process and the reliability of the reported information. Therefore, we strictly adhere to SEBI guidelines and take necessary measures to avoid, disclose, or mitigate conflicts of interest effectively.

## Our Conclusion

In our opinion, based on the scope of this assurance engagement, the disclosures on BRSR Core KPI described in the BRSR report along with the referenced information provides a fair representation of the 9 attributes, and meets the general content and quality requirements of the BRSR. TUVI confirms its competency to conduct the assurance engagement for the BRSR as per SEBI guidelines. Our team possesses expertise in ESG verification, assurance methodologies, and regulatory frameworks. We ensure independence, employ robust methodologies, and maintain continuous improvement to deliver reliable assessments.

Disclosures: TUVI is of the opinion that the reported disclosures generally meet the BRSR requirements. NSECL refers to General Disclosure to report contextual information about NSECL, while the Management & Process disclose the management approach for each indicator ([09 attributes as per Annexure I - Format of BRSR Core](#)).

Reasonable Assurance: As per SEBI, reasonable assurance requirements including scope of Assurance, Assurance methodologies (risk-based approach and data validation techniques), mitigating conflicts of interests, documentation on evidence and communication on findings, TUVI can effectively validate the accuracy and reliability of the information

presented in the BRSR, instilling confidence in stakeholders and promoting transparency and credibility in ESG reporting practices.

## NSECL BRSR complies with the below requirements

- a) Governance, leadership and oversight: The messages of top management, the business model to promote inclusive growth and equitable development, action and strategies, focus on services, risk management, protection and restoration of environment, and priorities are disclosed appropriately.
- b) Connectivity of information: NSECL discloses [09 attributes as per Annexure I - Format of BRSR Core](#) and their inter-relatedness and dependencies with factors that affect the organization's ability to create value over time.
- c) Stakeholder responsiveness: The Report covers mechanisms of communication with key stakeholders to identify major concerns to derive and prioritize the short, medium and long-term strategies. The Report provides insights into the organization's relationships (nature and quality) with its key stakeholders. In addition, the Report provides a fair representation of the extent to which the organization understands, considers and responds to the legitimate needs and interests of key stakeholders.
- d) Materiality: The material issues within 9 attributes and corresponding KPI as per BRSR requirement are reported properly.
- e) Conciseness: The Report reproduces the requisite information and communicates clear information in as few words as possible. The disclosures are expressed briefly and to the point sentences, graphs, pictorial, tabular representation is applied. At the same time, due care is taken to maintain continuity of information flow in the BRSR.
- f) Reliability and completeness: NSECL has established internal data aggregation and evaluation systems to derive the performance. NSECL confirms that, all data provided to TUVI, has been reviewed by concern authorities. The data and information was verified by TUVI's assurance team (on sample basis) during the BRSR verification and found to be fairly accurate. All data, is reported transparently, in a neutral tone and without material error.
- g) Consistency and comparability: The information presented in the BRSR is on yearly, found reliable and complete. Thus, the principle of consistency and comparability is established.

**Independence and Code of Conduct:** TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. We recognize the importance of maintaining independence in our engagements and actively manage threats such as self-interest, self-review, advocacy, and familiarity. The assessment team was safeguarded from any type of intimidation. By adhering to these principles, we uphold the trust and confidence of our clients and stakeholders. In line with the requirements of the SEBI [circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12/07/2023](#), TUVI confirms that there is no conflict of interest with NSECL. TUVI solely focuses on delivering verification and assurance services and does not engage in the sale of service or the provision of any non-audit/non-assurance services, including consulting.

**Quality control:** The assurance team complies with quality control standards, ensuring that the engagement partner possesses requisite expertise and the assigned team collectively has the necessary competence to perform engagements in reference with standards and regulations. Assurance team follows the fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control, TUVI maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Our Assurance Team and Independence

TUVI is an independent, neutral third-party providing ESG Assurance services with qualified environmental and social specialists. TUVI states its independence and impartiality and confirms that there is "no conflict of interest" regarding this assurance engagement. In the reporting year, TUVI did not work with NSECL on any engagement that could compromise the independence or impartiality of our findings, conclusions, and observations. TUVI was not involved in the preparation of any content or data included in the BRSR, except for this assurance statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.

For and on behalf of TUV India Private Limited

Manojkumar Borekar  
Product Head – Sustainability Assurance Service  
TUV India Private Limited

Date: 10/07/2024  
Place: Mumbai, India  
Project Reference No: 8122850664

[www.tuv-nord.com/in](http://www.tuv-nord.com/in)

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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF NSE Clearing Limited**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of **NSE Clearing Limited** ("the Holding Company") and its subsidiary, (Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records, (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, of its consolidated profit, its consolidated total comprehensive income, its consolidated changes in equity and its consolidated cash flows for the year then ended.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p data-bbox="180 258 761 321"><b>Legal, Regulatory Proceedings and uncertain tax positions</b></p> <p data-bbox="180 359 761 804">As of March 31, 2024, the Holding Company has ongoing regulatory proceeding with SEBI in respect of a matter as disclosed in Note 35(c) to the Consolidated financial statements and various ongoing litigations on legal matters and proceedings with tax authorities involving uncertain direct and indirect tax positions. There are various direct and indirect tax cases against the Holding Company, including disallowance of certain expenses under income tax, applicability of service tax on certain services etc.</p> <p data-bbox="180 842 761 1031">The Holding Company has assessed the above pending matters related to litigations, regulatory proceedings and has disclosed the contingent liabilities, wherever applicable, in its consolidated financial statements.</p> <p data-bbox="180 1068 761 1131">Refer note 32, 33 and 35 to the Consolidated financial statements.</p> <p data-bbox="180 1169 761 1451">This is a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources, if any, provisions and related disclosures to be made in the Consolidated financial statements.</p>	<p data-bbox="781 258 1482 321">Our audit procedures related to legal, regulatory proceedings and uncertain tax positions included–</p> <ul data-bbox="781 359 1482 1224" style="list-style-type: none"> <li data-bbox="781 359 1482 510">• Evaluating the design and operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the consolidated financial statements in respect of these matters;</li> <li data-bbox="781 548 1482 636">• Obtaining details of litigations on legal, regulatory proceedings and uncertain direct and indirect tax positions.</li> <li data-bbox="781 674 1482 741">• Reviewing orders and management responses thereto.</li> <li data-bbox="781 779 1482 968">• Inspecting the supporting documents to evaluate management’s assessment of probability of outcome of ongoing proceedings, the magnitude of potential loss, if any, and testing related provisions and disclosures made in the consolidated financial statements;</li> <li data-bbox="781 1005 1482 1131">• Reviewing expert’s legal advice/opinion obtained by the Holding Company’s management for evaluating certain legal, regulatory proceedings and tax matters; and</li> <li data-bbox="781 1169 1482 1224">• Evaluating competence and capabilities of the experts.</li> </ul> <p data-bbox="781 1262 1482 1451">Based on the above procedure, we noted that the Holding Company has reviewed the above pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its consolidated financial statements.</p>

### **Information Other than the Financial Statements and Auditor’s Report Thereon**

The Holding Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, but does not include the consolidated financial statements and our auditor’s report thereon. The Board’s Report including Annexures is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the other information and the report of the other auditors as furnished to us [refer 'Other Matter' paragraph below], if we conclude that there is a material misstatement of this Other information, we are required to report that fact.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of Rs 228.19 Crore and net assets of Rs 160.50 Crore as at March 31, 2024, total revenue of Rs. 16.66 Crore, its loss Rs. 8.40 Crore, total comprehensive loss of Rs. 7.77 Crore and net cash inflows amounting to Rs. 8.75 Crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other information insofar as it relates to the aforesaid subsidiary is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, based on our audit we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group company incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure 'A'**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiary, as noted in the Other Matter paragraph:

- (i) The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group - refer Note 33 to the consolidated financial statements.

- (ii) The Group had long-term contracts as at March 31, 2024 for which there were no material foreseeable losses. The Group did not have any derivative contracts as at March 31, 2024 - refer Note 34 to the consolidated financial statements.

- (iii) During the year ended March 31, 2024, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India - refer Note 43 to the consolidated financial statements.

- (iv) (a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or such subsidiary to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or such subsidiary from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or such subsidiary shall, whether,

directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; – Refer Note 46(iv) to the consolidated financial statements.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act.

(vi) Based on our examination which included test checks, performed by us on the Company and its subsidiary incorporated in India have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiary company incorporated in India did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Company and based on CARO report issued by other auditors in respect of its subsidiary company incorporated in India included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For Khandelwal Jain & Co.**

Chartered Accountants  
Firm's Registration No. 105049W

**(Narendra Jain)**

**Partner**

Membership No. 048725

**UDIN: 24048725BKEZCJ4466**

Place: Mumbai

Date: April 30, 2024

## **Annexure A to the Independent Auditor's Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report on consolidated financial statements to the Members of **NSE Clearing Limited** of even date)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

In conjunction with our audit of the consolidated financial statements of **NSE Clearing Limited** (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which is company incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Holding Company and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## **Other Matter**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to a subsidiary company, which is company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of this matter.

### **For Khandelwal Jain & Co.**

Chartered Accountants

Firm's Registration No. 105049W

**(Narendra Jain)**

**Partner**

Membership No. 048725

**UDIN: 24048725BKEZCJ4466**

Place: Mumbai

Date: April 30, 2024



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

		(Rs.in Crores)	
Particulars	Notes	As at 31.03.2024	As at 31.03.2023
<b>I ASSETS</b>			
<b>1 Non-current Assets</b>			
a Property, Plant and Equipments	2	78.02	89.62
b Right-Of-Use Assets	2	0.81	0.88
c Capital work-in-progress	2	-	1.80
d Other Intangible Assets	3	24.03	28.52
e Intangible assets under development	3	0.00	2.84
f Financial assets			
i Investments	4	0.00	0.00
ii Non-current bank balances	5	1,546.00	532.70
iii Other Financial assets	6	54.17	6.60
g Income tax assets (net)	15	493.58	163.14
h Other Non-current assets	7	4.80	15.19
<b>Total Non-current Assets</b>		<b>2,201.41</b>	<b>841.29</b>
<b>2 Investments -Core Settlement Guarantee Fund</b>	11	<b>8,857.25</b>	<b>4,809.14</b>
<b>3 Investment earmarked towards SGF - Commodity derivatives</b>	5 & 8	<b>-</b>	<b>250.00</b>
<b>4 Current Assets</b>			
a Financial Assets			
i Investments	8	696.08	545.07
ii Trade Receivables	9	212.39	62.73
iii Cash and Cash equivalents*	10	22,315.38	5,166.71
iv Bank balances other than cash and cash equivalents*	5	1,032.76	757.15
* Includes Rs.21,327.11 crores (March 2023: Rs.4,053.13 crores) pertaining to Settlement obligations and margin money from members			
v Other Financial assets	6	360.07	73.55
b Other current assets	7	51.07	36.35
<b>Total Current Assets</b>		<b>24,667.75</b>	<b>6,641.56</b>
<b>TOTAL ASSETS</b>		<b>35,726.41</b>	<b>12,541.99</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
a Equity Share capital	12 (a)	1,445.00	45.00
b Other Equity	12 (b)	1,612.64	1,182.74
<b>Total Equity</b>		<b>3,057.64</b>	<b>1,227.74</b>
<b>2 Core Settlement Guarantee Fund (Core SGF )</b>	26	<b>8,857.25</b>	<b>4,809.14</b>
<b>3 Settlement Guarantee Fund (SGF)- Commodity derivatives</b>	27	<b>-</b>	<b>250.00</b>
<b>Liabilities</b>			
<b>4 Non-current liabilities</b>			
a Provisions	19	16.37	14.58
b Lease Liability	39	1.08	1.12
c Deferred tax liabilities (Net)	13(d)	12.72	8.24
<b>Total Non-current Liabilities</b>		<b>30.17</b>	<b>23.94</b>
<b>5 Current Liabilities</b>			
a Financial Liabilities			
i Deposits	16	2,015.89	1,786.32
ii Trade payable to ;	17		
Total Outstanding dues of micro enterprises and small enterprises		1.11	0.07
Total Outstanding dues of creditors other than micro enterprises and small enterprises		23.25	37.89
iii Lease Liability	39	0.05	0.04
iv Other financial liabilities	17	21,385.28	4,098.38
* Includes Rs.21,327.11 crores (March 2023: Rs.4,053.13 crores) pertaining to Settlement obligations and margin money from members			
b Provisions	19	16.46	9.99
c Income tax liabilities (net)	14	73.60	73.59
d Other current liabilities	18	265.69	224.90
<b>Total Current Liabilities</b>		<b>23,781.33</b>	<b>6,231.18</b>
<b>Total Liabilities</b>		<b>32,668.75</b>	<b>11,314.26</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>35,726.40</b>	<b>12,541.99</b>
Summary of material and other accounting policies	1		
The accompanying notes are an integral part of the financial statements.			
This is the Balance sheet referred to in our report of even date			
For Khandelwal Jain & Co.		For and on behalf of the Board of Directors	
Chartered Accountants			
Firm Registration No : 105049W			
NARENDRA JAIN		ABHAYA HOTA	PRITI SAVLA
Partner		Chairman	Director
Membership No.: 048725		[ DIN : 02593219 ]	[ DIN : 00662996 ]
Place : Mumbai		AMIT AMLANI	RAVIN TANK
Date : April 30, 2024		Chief Financial Officer Company Secretary	

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Notes	For the year ended 31.03.2024	(Rs.in Crores) For the year ended 31.03.2023
<b>Income</b>			
Revenue from operations	20	2,018.21	915.90
Other income	21	170.70	99.63
<b>Total Income</b>		<b>2,188.91</b>	1,015.53
<b>Expenses</b>			
Employee benefits expense	22	66.88	41.60
Depreciation and amortisation expense	2,3 & 39	49.32	44.77
Other expenses	23	294.18	213.56
<b>Total Expenses</b>		<b>410.38</b>	299.92
<b>Profit before exceptional item</b>		<b>1,778.53</b>	715.61
<b>Less : Exceptional Items</b>			
Settlement compensation		(22.88)	-
<b>Profit before tax</b>		<b>1,755.65</b>	715.61
Less : Tax expenses	13		
Current tax		445.00	182.78
Deferred tax		4.74	3.32
<b>Total tax expenses</b>		<b>449.74</b>	186.10
<b>Profit for the year (A)</b>		<b>1,305.91</b>	529.51
<b>Other Comprehensive Income</b>			
<b>Items that will be reclassified to profit or loss</b>			
Changes in foreign currency translation reserve		0.72	3.53
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of post-employment benefit obligations		(1.10)	(0.23)
<b>Income tax relating to items that will not be reclassified to profit or loss</b>			
Tax Remeasurements of post-employment benefit obligations		0.25	0.06
<b>Total Other Comprehensive Income for the year (B)</b>		<b>(0.13)</b>	3.36
<b>Total Comprehensive Income for the year (A+B)</b>		<b>1,305.78</b>	532.87
<b>Earnings per Equity Share ( FV Rs. 10 each ) ( before contributions to Core SGF )</b>			
Basic ( Rs.)	30	13.50	5.51
Diluted ( Rs.)	30	13.50	5.51
Summary of material and other accounting policies	1		

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

This is the Statement of Profit & loss referred to in our report of even date

For Khandelwal Jain & Co.  
Chartered Accountants  
Firm Registration No : 105049W

For and on behalf of the Board of Directors

ABHAYA HOTA  
Chairman  
[ DIN : 02593219 ]

PRITI SAVLA  
Director  
[ DIN : 00662996 ]

VIKRAM KOTHARI  
Managing Director & CEO  
[ DIN : 07898773 ]

NARENDRA JAIN  
Partner  
Membership No.: 048725

Place : Mumbai  
Date : April 30, 2024

AMIT AMLANI  
Chief Financial Officer

RAVIN TANK  
Company Secretary

NSE CLEARING LIMITED

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

	Rs. in Crores	
	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>A) CASHFLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX</b>	1,755.65	715.61
<b>Add/(Less) :- Adjustments for :</b>		
- Depreciation	49.32	44.77
- Finance Cost	0.07	0.09
- Share Issue Expenses	2.87	-
- Provision for doubtful debts	0.40	0.06
<b>Less : Adjustments for :</b>		
- Interest income on Bank deposit	(122.67)	(64.09)
- Net gain on financial assets mandatorily measured at Fair Value through Profit or Loss	(45.41)	(27.79)
- Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	(1.17)	(2.28)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,639.06</b>	<b>666.37</b>
<b>Adjustments for :</b>		
Decrease/(Increase) in Trade Receivable	(150.07)	(16.04)
Increase / (Decrease) in Trade payables	(13.60)	15.68
Decrease/(Increase) in other financial assets	(0.23)	(0.03)
Decrease/(Increase) in Other Assets	(4.33)	(28.78)
Increase / (Decrease) in Other Financial Liabilities	17,286.90	(4,505.57)
Increase / (Decrease) in Provision	7.16	4.10
Increase / (Decrease) in Other Liabilities	40.79	(13.69)
Proceed of Deposit from Trading member / applicant	353.12	720.29
Refund of deposit from trading members / applicant	(123.54)	(160.73)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>19,035.26</b>	<b>(3,318.41)</b>
Contribution to Core SGF	(1,466.03)	(267.89)
Direct Taxes paid (Net of Refunds)	(412.77)	(194.69)
<b>NET CASH FROM OPERATING ACTIVITIES - Total (A)</b>	<b>17,156.47</b>	<b>(3,781.00)</b>
<b>B) CASHFLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment's/ Capital work-in-progress	(28.51)	(41.07)
Interest received	(211.20)	48.25
(Increase)/Decrease in Fixed deposit	(1,187.49)	(76.46)
Purchases of Investment	44.14	(138.66)
<b>NET CASH USED IN INVESTING ACTIVITIES - Total (B)</b>	<b>(1,383.06)</b>	<b>(207.94)</b>
<b>C) CASHFLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid (inclusive of corporate dividend tax)	(22.50)	(180.00)
Issue of Equity Shares	1,400.00	-
Payment of Lease Liability	(0.11)	(0.10)
Share Issue Expenses	(2.87)	-
<b>NET CASH FROM FINANCING ACTIVITIES - Total (C)</b>	<b>1,374.52</b>	<b>(180.10)</b>
<b>Changes on account of conversion of balances from functional currency to presentation currency</b>	<b>0.72</b>	<b>3.53</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>17,148.66</b>	<b>(4,165.51)</b>
<b>CASH AND CASH EQUIVALENTS : OPENING BALANCE*</b>	<b>5,166.71</b>	<b>9,332.22</b>
<b>CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE*</b>	<b>22,315.38</b>	<b>5,166.71</b>
* Includes Rs.21,327.11 crores (March 2023: Rs.4,053.12 crores) pertaining to Settlement obligations and margin money from members		
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>17,148.67</b>	<b>(4,165.51)</b>

**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 the Ind-AS 7 on Statement of Cash Flow notified under Companies (Indian Accounting Standards) Rules, 2015
- The above Cash Flow excludes cash flow pertaining to Core SGF.
- Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification / disclosure.

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

This is the statement of cash flow referred to in our report of even date.

**For Khandelwal Jain & Co.**  
Chartered Accountants  
Firm Registration No : 105049W

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

**NARENDRA JAIN**  
Partner  
Membership No.: 048725

**ABHAYA HOTA**                      **PRITI SAVLA**                      **VIKRAM KOTHA**  
Chairman                              Director                              Managing Director  
[ DIN : 02593219 ]                      [ DIN : 00662996 ]                      [ DIN : 07898773 ]

Place : Mumbai  
Date : April 30, 2024

**AMIT AMLANI**                      **RAVIN TANK**  
Chief Financial Officer                      Company Secretary

**NSE Clearing Limited**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31 2024**

(A) **Equity Share Capital**

	(Rs.in Crores)
<b>Balance as at 01.04.2022</b>	<b>45.00</b>
changes in equity share capital during the Year	-
<b>Balance as at 31.03.2023</b>	<b>45.00</b>
changes in equity share capital during the Year	1,400.00
<b>Balance as at 31.03.2024</b>	<b>1,445.00</b>

(B) **Other Equity**

	Reserves and Surplus				(Rs.in Crores)
	Capital Reserve	General reserve	Foreign Currency Translation Reserve	Retained Earnings	
<b>Balance at the 01.04.2022</b>	<b>10.00</b>	<b>244.71</b>	<b>6.73</b>	<b>768.89</b>	<b>1,030.33</b>
Profit for the year				529.51	529.51
Other Comprehensive Income				(0.17)	(0.17)
Changes in Foreign Currency Translation Reserve through Other Comprehensive Income			3.53		3.53
Contribution to core SGF				(267.89)	(267.89)
Tax on contribution to Core SGF				67.42	67.42
<b>Transaction with owners in their capacity as owners</b>					-
Dividends paid				(180.00)	(180.00)
<b>Balance at the 31.03.2023</b>	<b>10.00</b>	<b>244.71</b>	<b>10.26</b>	<b>917.76</b>	<b>1,182.74</b>
Profit for the year				1,305.91	1,305.91
Other Comprehensive Income				(0.85)	(0.85)
Contribution to core SGF (Refer Note 26)				(1,466.03)	(1,466.03)
Tax on contribution to Core SGF				362.67	362.67
Settlement Guarantee Fund (SGF)- Commodity derivatives		250.00		-	250.00
Changes in Foreign Currency Translation Reserve through Other Comprehensive Income			0.72	-	0.72
<b>Transaction with owners in their capacity as owners</b>					-
Dividends paid				(22.50)	(22.50)
<b>Balance at the 31.03.2024</b>	<b>10.00</b>	<b>494.71</b>	<b>10.98</b>	<b>1,096.97</b>	<b>1,612.65</b>

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

This is the statement of changes in equity referred to in our report of even date

**For Khandelwal Jain & Co.**  
Chartered Accountants  
Firm Registration No : 105049W

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

**NARENDRA JAIN**  
Partner  
Membership No.: 048725

**ABHAYA HOTA**  
Chairman  
[ DIN : 02593219 ]

**PRITI SAVLA**  
Director  
[ DIN : 00662996 ]

**VIKRAM KOTHARI**  
Managing Director & CEO  
[ DIN : 07898773 ]

Place : Mumbai  
Date : April 30, 2024

**AMIT AMLANI**  
Chief Financial Officer

**RAVIN TANK**  
Company Secretary

## **Background and Material and other Accounting Policies**

### **Background**

The NSE Clearing Limited (NCL), a wholly owned subsidiary of NSE, was incorporated in August 1995. It was the first clearing corporation to be established in the country and also the first clearing corporation in the country to introduce settlement guarantee. It was set up to bring and sustain confidence in clearing and settlement of securities, to promote and maintain, short and consistent settlement cycles, to provide counterparty risk guarantee, and to operate a tight risk containment system.

The consolidated financial statements relate to the Parent Company NSE Clearing Limited and its wholly owned Sole subsidiary company NSE IFSC Clearing Corporation Limited. (Collectively referred to as “the Group”).

### **Note 1 (A) : Material accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these Ind AS financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **(a) Basis of preparation**

##### **(i) Compliance with Ind AS**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Amendments thereto.

The financial statements for the year ended March 31, 2024 has been approved by the Board of directors of the Company in their meeting held on April 30, 2024.

##### **(ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value, and
- defined benefit plans - plan assets measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined in such basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### **iii) Principles of consolidation and equity accounting**

#### **i) Subsidiaries**

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests, if any, in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

#### **ii) Associates**

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

#### **iii) Joint Arrangements**

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

#### **iv) Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post - acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note (i) below

#### **v) Changes in ownership interests**

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

#### **(b) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, incentives, service taxes and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised in the period when the service is provided as per arrangements/agreements with the customers. The sources of revenue are:

- (i) Clearing and Settlement charges, IT & support charges and processing 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) Income excludes applicable taxes and other levies

#### **(c) Use of Estimates**

The preparation of financial statements in conformity with Ind AS requires Management to make estimates, judgements and assumptions. These estimates, judgments and assumptions affect the

application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about the assumption and estimates could result in the outcome requiring material adjustment to the carrying amount of asset and liability.

**(d) Income taxes**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Group recognizes MAT credit available as an asset only to the extent there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Group recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the sufficient period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



**(e) Impairment of assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(f) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked/restricted for specific purposes.

Restricted cash:

Other bank balances comprise of Fixed deposits with maturity of more than three months and less than twelve months, other financial assets contains Fixed deposits with maturity of more than one year. This deposits are restricted balance and with lien for advances received from issuer of securities and advance received from defaulting members.

**(g) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**(h) Investments and other financial assets**

**(i) Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

## (ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

## (iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(iv) De-recognition of financial assets**

A financial asset is de-recognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**(v) Income recognition**

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be reliably measured.

**(i) Property, plant and equipment (including CWIP)**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

Furniture and fixture	5 to 10 years
Office equipment	4 to 5 years

Electrical equipment	10 years
Computer systems office automation	3 years
Computer systems – others	4 years
Computer software	4 years
Telecommunication systems	4 years
Clearing and Settlement Systems	4 years

The property, plant and equipment including land acquired under finance leases is depreciated over the asset's useful life or the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.

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

#### **(j) Intangible assets**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Standard packaged software products are written off in the year of purchase.

Computer software is amortised over a period of 4 years.

**(k) Provisions**

Provisions for legal claims and discounts/incentives are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for restructuring are recognised by the Group when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Group will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

**(l) Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not disclosed in case the possibility of an outflow of resources embodying economic benefits is remote.

**(m) Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in statement of profit and loss in the year in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### **(iii) Post-employment obligations**

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, and
- (b) defined contribution plans such as provident fund and superannuation.

#### Gratuity obligations

The Group 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 liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### **(iv) Defined contribution plans**

#### Provident fund

Provident Fund: The Group is registered with Regional Provident Fund Office, Bandra, Mumbai, and both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively.

#### Superannuation

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

### **(v) Bonus plans**

1. The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.
2. SEBI has 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 three years.

**(n) Core Settlement Guarantee Funds**

As per SEBI vide circular no. CIR/MRD/DRMNP/25/2014 dated August 27, 2014 every recognised clearing corporation shall establish and maintain a Fund for each segment, to guarantee the settlement of trades executed in that respective segment of a recognised stock exchange. Similarly SEBI vide circular no. SEBI/HO/MRD/DSA/ CIR / P/2016/125 dated November 28, 2016 has issued norms for set up of fund and minimum corpus of fund to guarantee the settlement of trades executed in the stock exchanges in IFSC.

The Clearing Corporation shall have a fund called Core SGF for each segment of each Recognised Stock Exchange to guarantee the settlement of trades executed in the respective segment of the Stock Exchange. In the event of a clearing member(member) failing to honour settlement commitments, the Core SGF shall be used to fulfil the obligations of that member and complete the settlement without affecting the normal settlement process. The Core SGF shall be contributed by Clearing Corporation (NCL), Stock Exchanges and the clearing members, in a manner as prescribed by SEBI. This fund is represented by earmarked Core SGF investments. The income earned on such investments is credited to the respective contributor's funds and adjusted towards incremental requirement of Minimum Required Corpus (MRC) as per SEBI letter reference no. SEBI/HO/MRD/DRMNP/OW/P/2018/4559/1 dated February 12, 2018. Penalties and fines levied by the Group are transferred to Core SGF as Other Contributions.

**(o) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**(p) Earnings per share**

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(q) Critical Accounting Estimates And Judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Estimation of current tax expense and payable Note 13, 14 and 15  
Estimated useful life of intangible asset Note 3  
Estimation of defined benefit obligation Note 25  
Estimation of fair values of contingent liabilities refer Note 32, 33 and 35  
Estimation of Variable Pay and Performance Pay

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

**(r) Operating Cycle**

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

**Note 1 (A) : Other accounting policies**

**(a) Foreign currency translation and transactions**

**(i) Functional and presentation currency**

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian currency (INR), which is the Group`s functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

**(iii) Group Companies**

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.



On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to statement of profit or loss, as part of the gain or loss on sale.

**(b) Leases**

**As a lessee**

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of the contract. Ind AS 116 defines a lease as a contract, or a part of a contract, that conveys the right of use an asset (the underlying asset) for a period of time in exchange of consideration. To assess whether as contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expenses on a straight line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the underlying assets.

**As a lessor**

Lease for which the Group is a lessor is classified as finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on straight line basis over the term of the relevant lease.

**(c) Financial liabilities**

**(i) Initial recognition and measurement**

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

**(ii) Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

**(iii) Derecognition**

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**(d) Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(e) Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

**(f) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**(g) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**(h) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

**(i) Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standard or amendments to the existing standards applicable to the Group.

**Note 2 - Property, Plant and Equipments, Right of Use Assets and Capital Work in Progress**

(Rs. in Crores)

	OFFICE EQUIPME NTS	ELECTRI CAL INSTALL ATIONS	FURNITU RE AND FIXTURE S	COMPUTE R SYS - OFF AUTOM	VEHICLE	TELECO MMUNIC ATION SYSTEMS	CLEARING AND SETTLEM ENT SYSTEM	TOTAL	CAPITAL WORK IN PROGRESS	Right-Of- Use Assets - Building
<b>As at March 31 , 2023</b>										
<b>Gross carrying amount</b>										
Opening gross carrying amount	0.14	0.10	0.51	1.81	-	39.70	89.52	131.76	20.40	1.10
Exchnage differences	0.01	0.00	0.02	0.41	-	-	-	0.44	-	0.02
Additions	-	-	-	-	-	25.34	15.61	40.95	1.80	-
Disposals	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	(20.40)	-
<b>Closing gross carrying amount</b>	<b>0.15</b>	<b>0.10</b>	<b>0.53</b>	<b>2.21</b>	<b>-</b>	<b>65.05</b>	<b>105.13</b>	<b>173.09</b>	<b>1.80</b>	<b>1.12</b>
<b>Accumulated depreciation</b>										
Opening accumulated depreciation	0.12	0.05	0.36	1.15	-	9.11	37.88	48.85	-	0.21
Depreciation for the year	0.02	0.01	0.09	0.38	-	14.48	20.01	34.99	-	0.08
Disposals	-	-	-	-	-	-	-	-	-	-
Exchange differences	(0.01)	(0.00)	(0.02)	(0.32)	-	-	-	(0.35)	-	(0.06)
<b>Closing accumulated depreciation</b>	<b>0.13</b>	<b>0.06</b>	<b>0.43</b>	<b>1.21</b>	<b>-</b>	<b>23.59</b>	<b>57.88</b>	<b>83.48</b>	<b>-</b>	<b>0.23</b>
<b>Net carrying amount</b>	<b>0.02</b>	<b>0.04</b>	<b>0.10</b>	<b>1.00</b>	<b>-</b>	<b>41.46</b>	<b>47.25</b>	<b>89.62</b>	<b>1.80</b>	<b>0.88</b>

<b>As at March 31, 2024</b>										
<b>Gross carrying amount</b>										
Opening gross carrying amount	0.15	0.10	0.53	2.21	-	65.05	105.13	173.09	1.80	1.12
Exchnage differences	0.00	(0.01)	0.01	0.02	-	-	-	0.02	-	0.01
Additions	0.06	-	0.29	0.16	0.30	7.85	18.55	27.20	-	-
Disposals	-	(0.10)	-	(0.10)	-	-	-	(0.20)	-	-
<b>Closing gross carrying amount</b>	<b>0.21</b>	<b>(0.00)</b>	<b>0.82</b>	<b>2.29</b>	<b>0.30</b>	<b>72.90</b>	<b>123.68</b>	<b>200.13</b>	<b>1.80</b>	<b>1.13</b>
<b>Accumulated depreciation</b>										
Opening accumulated depreciation	0.13	0.06	0.43	1.21	-	23.59	57.88	83.31	-	0.23
Depreciation for the year	0.01	(0.00)	0.05	0.40	0.05	15.81	22.50	38.81	-	0.08
Disposals	-	(0.06)	-	-	-	-	-	(0.06)	1.80	-
Exchange differences	-	-	-	0.05	-	-	-	0.05	-	(0.01)
<b>Closing accumulated depreciation</b>	<b>0.14</b>	<b>(0.00)</b>	<b>0.48</b>	<b>1.66</b>	<b>0.05</b>	<b>39.40</b>	<b>80.38</b>	<b>122.11</b>	<b>1.80</b>	<b>0.31</b>
<b>Net carrying amount</b>	<b>0.08</b>	<b>(0.00)</b>	<b>0.34</b>	<b>0.63</b>	<b>0.25</b>	<b>33.49</b>	<b>43.30</b>	<b>78.02</b>	<b>-</b>	<b>0.81</b>

**Capital-work-in progress ageing as on 31.03.2024 (Rs. in Crores)**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

(Rs. in Crores)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
whose completion is overdue	-	-	-	-	-
has exceeded its cost compared to its original plan	-	-	-	-	-
Total	-	-	-	-	-

**Capital-work-in progress ageing as on 31.03.2023 (Rs. in Crores)**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.80	-	-	-	1.80
projects temporarily suspended	-	-	-	-	-
Total	1.80	-	-	-	1.80

(Rs. in Crores)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
whose completion is overdue	-	-	-	-	-
has exceeded its cost compared to its original plan	-	-	-	-	-
Total	-	-	-	-	-

### Note 3: Intangible Assets

(Rs. in Crores)

	COMPUTER SOFTWARE	TOTAL	INTANGIBLE ASSETS UNDER DEVELOPMENT
<b>Year ended March 31, 2023</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	41.12	41.12	10.92
Exchnage differences	(0.30)	(0.30)	
Additions	26.57	26.57	9.84
Disposals	-	-	(0.00)
Transfers	-	-	(17.94)
<b>Closing gross carrying amount</b>	<b>67.40</b>	<b>67.40</b>	<b>2.84</b>
<b>Accumulated Amortisation and impairment</b>			
Opening accumulated Amortisation	29.20	29.20	-
Amortisation for the year	9.70	9.70	-
Exchange differences	(0.02)	(0.02)	-
<b>Closing amortization</b>	<b>38.88</b>	<b>38.88</b>	<b>-</b>
<b>Net carrying amount</b>	<b>28.52</b>	<b>28.52</b>	<b>2.84</b>
<b>Year ended March 31, 2024</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	67.71	67.71	2.84
Exchnage differences	(0.21)	(0.21)	
Additions	5.83	5.83	3.99
Disposals	-	-	(1.00)
Transfers	-	-	(5.83)
<b>Closing gross carrying amount</b>	<b>73.33</b>	<b>73.33</b>	<b>0.00</b>
<b>Accumulated Amortisation and impairment</b>			
Opening accumulated Amortisation	38.88	38.88	-
Amortisation for the year	10.42	10.42	-
<b>Closing amortization</b>	<b>49.30</b>	<b>49.30</b>	<b>-</b>
<b>Net carrying amount</b>	<b>24.03</b>	<b>24.03</b>	<b>0.00</b>

#### Significant estimate: Useful life of intangible assets under development

The Company has completed the development of software that is used to in its various business processes. As at 31 March 2024, the net carrying amount of this software was Rs.24.03 crores (31 March 2023: Rs.28.52 crore). The Company estimates the useful life of the software to be 4 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 4 years, depending on technical innovations and competitor actions.

#### Intangible assets under development ageing as on 31.03.2024

(Rs. in Crores)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.00	-	-	-	0.00
projects temporarily suspended	-	-	-	-	-
Total	0.00	-	-	-	0.00

(Rs. in Crores)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
whose completion is overdue	-	-	-	-	-
has exceeded its cost compared to its original plan	-	-	-	-	-
Total	-	-	-	-	-

#### Intangible assets under development ageing as on 31.03.2023

(Rs. in Crores)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2.60	-	-	-	2.60
projects temporarily suspended	0.24	-	-	-	0.24
Total	2.84	-	-	-	2.84

(Rs. in Crores)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
whose completion is overdue	-	-	-	-	-
has exceeded its cost compared to its original plan	-	-	-	-	-
Total	-	-	-	-	-

**Note 4 NON CURRENT INVESTMENTS**

		31.03.2024		31.03.2023	
		Number of Units/Shares	(Rs. in Crores)	Number of Units/Shares	(Rs. in Crores)
<b>I</b>	<b>Investments in equity instrument (fully paid up)</b>				
	<b>Unquoted equity instrument at cost</b>				
	<b>In Others</b>				
	NSE Foundation (Section 8 Company) [* Re.1/- (Previous Year Re.1/- )]	6,000	0.00*	6,000	0.00*
<b>II</b>	<b>Investment in government securities at amortised cost</b>				
	5.15 Government of India 9 November 2025	2,25,00,000	225.05	2,25,00,000	222.26
	5.22 GOVERNMENT OF INDIA 15 JUN 2025	5,10,00,000	507.99	5,10,00,000	499.70
	5.63 Government of India 12 April 2026	4,15,00,000	414.73	4,15,00,000	409.38
	5.74 Government of India - 15 November 2026	3,85,00,000	383.30	3,80,00,000	374.83
	6.18 GOVERNMENT OF INDIA 2024- 04 Nov 2024	-	-	85,00,000	86.52
	6.69 Government of India 27 June 2024	-	-	5,00,00,000	507.25
	6.79 GOVERNMENT OF INDIA - 15 MAY 2027	4,35,00,000	441.67	4,35,00,000	440.32
	6.97 GOVERNMENT OF INDIA - 06 SEP 2026	55,00,000	54.87	55,00,000	54.71
	7.35 Government of India 22 June 2024	-	-	1,95,00,000	200.42
	7.38 GOVERNMENT OF INDIA 20 JUNE 2027	4,30,00,000	440.39	4,30,00,000	440.78
	7.06 Government Of India 10 April 2028	5,00,00,000	516.11	-	-
	6.54 Government Of India - 17 Jan 2032	9,75,00,000	950.37	-	-
	7.26 Government Of India 14 Jan 2029	1,00,00,000	101.51	-	-
	7.17 Government Of India -17 Apr 2030	25,00,000	25.70	-	-
	7.10 Government Of India 18 April 2029	2,60,00,000	267.84	-	-
	6.10 Government Of India 12 July 2031***	5,00,00,000	479.45	-	-
	6.67 Government Of India 15 December 2035	3,15,00,000	310.26	-	-
	6.64 Government Of India 16 June 2035	1,00,00,000	98.43	-	-
	<b>Total government securities</b>		<b>5,217.67</b>		<b>3,236.17</b>
	<b>Less :</b>				
	Amount disclosed under Core SGF investments (refer Note11)		<b>(5,217.67)</b>		<b>(3,236.17)</b>
	<b>Total non-current investments</b>		<b>0.00</b>		<b>0.00</b>
	Aggregate amount of book value of quoted investments		<b>5,217.67</b>		<b>3,236.17</b>
	Aggregate amount of quoted investments and market value thereof		<b>5,229.00</b>		<b>3,227.02</b>
	Aggregate amount of book value of unquoted investments		<b>0.00</b>		<b>0.00</b>

\* Re 1/-

NSE Foundation was incorporated under section 8 of the Companies Act, 2013 and intends to apply its profits, if any, or other income in promoting its objects and any payment of dividend to its members is prohibited. Accordingly, the investment in the company had been written down to Re. 1/- . Accordingly, the Company had written off investment in NSE Foundation amounting to Rs. 59,999/- by debiting the Statement of Profit and Loss.

\*\*\*Includes Rs. 383.81 crores (Face Value Rs. 400 crores) Government Securities credited to SGL A/c on settlement date April 2, 2024 (Refer note 11)

5 **Other bank balances**

	<b>Non-current</b>		<b>Current</b>	
	<b>31.03.2024</b>	31.03.2023	<b>31.03.2024</b>	31.03.2023
	<b>(Rs. in Crores)</b>		<b>(Rs. in Crores)</b>	
Deposits with original maturity for more than 12 months #	<b>1,546.00</b>	532.70	<b>932.89</b>	521.67
Earmarked Deposits with original maturity for more than 12 months	<b>1,201.18</b>	46.28	<b>9.55</b>	532.22
Deposits with original maturity for more than 3 months but less than 12 months #	-	-	<b>79.08</b>	212.55
Earmarked Deposits with original maturity for more than 3 months but less than 12 months	-	-	<b>17.78</b>	61.83
Deposits with original maturity for less than 3 months (Earmarked towards unspent CSR Expenses)			<b>10.65</b>	
Earmarked Deposits with original maturity for less than 3 months	-	-	-	1.22
Earmarked Deposits with original maturity less than 12 months*	-	-	<b>8.25</b>	20.98
Unspent CSR Bank Balance			<b>1.89</b>	1.96
<b>Total</b>	<b>2,747.19</b>	<b>578.98</b>	<b>1,060.10</b>	<b>1,352.43</b>
<b>Less :</b>				
Amount disclosed under Core SGF Investments (note 11)	<b>1,201.18</b>	12.45	<b>27.34</b>	527.68
Amount disclosed under Investments -SGF for Commodity segment (refer Note 27)	-	33.83	-	67.60
<b>Total</b>	<b>1,546.00</b>	<b>532.70</b>	<b>1,032.76</b>	<b>757.15</b>

\* Earmarked towards withheld payouts.

# Other bank balances & Cash and cash equivalents Includes Rs. 21,327.11 crores (March 2023: Rs. 4,053.12 crores) pertaining to Settlement obligations and margin money from members

6 **Others Financial Assets**

	<b>Non-current</b>		<b>Current</b>	
	<b>31.03.2024</b>	31.03.2023	<b>31.03.2024</b>	31.03.2023
	<b>(Rs. in Crores)</b>		<b>(Rs. in Crores)</b>	
<b>Advances recoverable in cash</b>				
Unsecured, considered good#	-	-	<b>0.52</b>	0.32
<b>Other loans and advances</b>				
Security Deposits	<b>0.34</b>	0.32	-	-
<b>Others</b>				
Interest accrued on Bank deposits	<b>53.83</b>	6.28	<b>359.55</b>	73.23
<b>Total</b>	<b>54.17</b>	<b>6.60</b>	<b>360.07</b>	<b>73.55</b>

#Represent receivable from NSEIL.

7 **Others Assets**

	<b>Non-current</b>		<b>Current</b>	
	<b>31.03.2024</b>	31.03.2023	<b>31.03.2024</b>	31.03.2023
	<b>(Rs. in Crores)</b>		<b>(Rs. in Crores)</b>	
Balances with GST authorities	-	-	<b>14.20</b>	3.93
Deposits with GST authorities	-	-	<b>2.78</b>	2.78
Capital advances	<b>0.83</b>	-	-	-
Other receivable*	-	-	<b>6.19</b>	6.18
Prepaid expenses	<b>3.97</b>	15.19	<b>27.90</b>	23.46
<b>Total</b>	<b>4.80</b>	<b>15.19</b>	<b>51.07</b>	<b>36.35</b>

\* Other receivable represents Deposits with Supreme Court pursuant to its directives in a case filed by the Company with regard to sale of collateral securities with the company of a defaulter member

Note 8 CURRENT INVESTMENTS

	31.03.2024		31.03.2023	
	Number of Units/Shares	Rs. In crores	Number of Units/Shares	Rs. In crores
<b>I Investment in government securities</b>				
<b>Quoted bonds at amortised cost</b>				
8.83 Government of India - 25 Nov 2023	-	-	2,50,00,000	263.57
7.68 Government of India 2023- 15-Dec-2023	-	-	3,95,00,000	409.90
7.16 Government of India - 20 May 2023	-	-	1,00,00,000	102.93
7.35 Government of India 22 June 2024	1,95,00,000	<b>199.20</b>	-	-
6.69 Government of India 27 June 2024	5,00,00,000	<b>508.63</b>	-	-
6.18 Government of India 2024- 04 Nov 2024	85,00,000	<b>86.93</b>	-	-
091 Days Treasury Bill 16 May 2024	3,00,00,000	<b>297.36</b>	-	-
<b>Total government securities</b>		<b>1,092.12</b>		776.40
<b>II Investment in mutual funds</b>				
<b>Un-quoted investments in mutual funds at FVPL</b>				
ADITYA BIRLA SUN LIFE LIQUID FUND - DIRECT - GROWTH	22,94,990	89.43	11,97,511	43.48
AXIS LIQUID FUND -DIRECT - GROWTH	1,69,498	45.49	1,69,498	42.38
HDFC LIQUID FUND - DIRECT - GROWTH	63,923	30.32	1,31,057	57.97
HSBC CASH FUND DIRECT GROWTH	8,59,943	206.90	7,28,622	163.37
ICICI PRUDENTIAL LIQUID - DIRECT PLAN - GROWTH	34,94,969	124.91	6,92,893	23.09
INVESCO INDIA LIQUID FUND - DIRECT - GROWTH	4,88,640	161.98	3,36,244	103.90
MIRAE ASSET CASH MANAGEMENT FUND - DIRECT PLAN - GROWTH	2,87,495	73.32	2,87,495	68.33
NIPPON INDIA LIQUID FUND - DIRECT - GROWTH	-	-	57,421	31.62
SBI PREMIER LIQUID FUND - DIRECT - GROWTH	1,22,888	46.44	76,128	26.82
UTI LIQUID FUND - CASH PLAN -DIRECT- GROWTH	4,44,688	176.01	35,777	13.20
BANDHAN LIQUID FUND - DIRECT - GROWTH	2,19,141	63.93	2,19,141	59.58
LIC MF LIQUID FUND - DIRECT - GROWTH	1,68,448	73.87	1,46,557	59.91
SBI LIQUID FUND - DIRECT - GROWTH**	41,918	15.84	-	-
<b>Total mutual fund</b>		<b>1,108.44</b>		693.64
<b>Less :</b>				
Amount disclosed under Investments -SGF for Commodity segment (refer Note 27)				
Mutual fund	*	-		(148.57)
<b>Less :</b>				
Amount disclosed under Core SGF investments (refer Note11)				
Government Securities		(1,092.12)		(776.40)
Mutual Funds		(412.36)		
<b>Total current investments</b>		<b>696.08</b>		545.07
Aggregate amount of book value of quoted investments		1,092.12		776.40
Aggregate amount of quoted investments and market value thereof		1,094.16		768.26
Aggregate amount of book value of unquoted investments		1,108.44		693.65

\* De-earmarked as per approval from SEBI.

\*\* Earmarked towards withheld payouts

9 Trade receivables

		Current	
		31.03.2024	31.03.2023
		(Rs. in Crores)	
<b>Receivable from related parties (Refer to Note No. 29)</b>			
Trade Receivable- Billed		-	-
Trade Receivable-Unbilled		70.78	44.17
<b>Total</b>		<b>70.78</b>	<b>44.17</b>
<b>Others</b>			
Trade Receivable- Billed		126.56	22.01
Trade Receivable-Unbilled		21.93	3.03
<b>Total</b>		<b>148.49</b>	<b>25.04</b>
Less :			
Credit impaired		(6.88)	(6.48)
		<b>212.39</b>	<b>62.73</b>

A Break up of security details

Trade Receivables considered good - Secured		-	-
Trade Receivables considered good - Unsecured		212.39	62.73
Trade Receivables which have significant increase in credit risk		-	-
Trade Receivables - credit impaired		6.88	6.48
<b>Total</b>		<b>219.27</b>	<b>69.21</b>
Less :			
Credit impaired		(6.88)	(6.48)
<b>Trade receivables Net of provision</b>		<b>212.39</b>	<b>62.73</b>

Movement of Capital Impaired

Particulars	31.03.2023	31.03.2022
	(Rs. in Crores)	
Balance at the beginning of the year	6.48	-
Provision during the year	0.40	6.48
Reversal during the year	-	-
<b>Balance at the end of the year</b>	<b>6.88</b>	<b>6.48</b>

B Trade Receivables Ageing as on 31.03.2024

Particulars						(Rs. in Crores)
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables– considered good	116.27	1.55	1.86	-	-	119.68
Undisputed Trade Receivables– which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	6.88	6.88
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables –credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>116.27</b>	<b>1.55</b>	<b>1.86</b>	<b>-</b>	<b>6.88</b>	<b>126.57</b>
Less : Credit impaired						(6.88)
Unbilled Dues						92.71
<b>Total</b>						<b>212.39</b>

C Trade Receivables Ageing as on 31.03.2023

Particulars						(Rs. in Crores)
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables– considered good	15.16	0.14	0.23	-	-	15.53
Undisputed Trade Receivables– which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	6.48	6.48
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables –credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>15.16</b>	<b>0.14</b>	<b>0.23</b>	<b>-</b>	<b>6.48</b>	<b>22.01</b>
Less : Credit impaired						(6.48)
Unbilled Dues						47.20
<b>Total</b>						<b>62.73</b>

10 Cash and cash equivalents

		Current	
		31.03.2024	31.03.2023
		(Rs. in Crores)	
In current accounts #		1,672.26	861.16
Deposits held for the purpose of meeting short term cash commitments #		21,869.19	4,528.49
		<b>23,541.45</b>	<b>5,389.65</b>
Less :			
Amount disclosed under Core SGF Investments (note 11)		1,226.08	222.94
<b>Total</b>		<b>22,315.38</b>	<b>5,166.71</b>

# Other bank balances & Cash and cash equivalents Includes Rs. 21,327.11 crores (March 2023: Rs. 4,053.12 crores) pertaining to Settlement obligations and margin money from members



		31.03.2024	31.03.2023
		(Rs. in Crores)	
<b>11</b>	<b>Core SGF investments</b>		
	<b>Non-Current</b>		
	Fixed Deposits	1,201.18	12.45
	Government securities & Treasury Bills	5,217.67	3,236.17
	Accrued interest	36.47	0.45
	Income Tax Assets	3.92	5.73
	<b>Total Non-Current</b>	<b>6,459.23</b>	<b>3,254.80</b>
	<b>Current</b>		
	Fixed Deposits	27.34	527.68
	Government securities	1,092.12	776.40
	Mutual Fund	412.36	-
	Cash and cash equivalents	1,226.08	222.93
	Accrued interest	23.92	27.33
	<b>Total Current</b>	<b>2,781.83</b>	<b>1,554.34</b>
	Less: Payable towards unsettled investment in Govt. Sec Settled on April 2, 2024 (Refer Note 4 & 17)	(383.81)	-
	<b>Total Core-SGF investments</b>	<b>8,857.25</b>	<b>4,809.14</b>

		31.03.2024	31.03.2023
		(Rs. in Crores)	
<b>12 (a)</b>	<b>Share Capital</b>		
	Authorised 500,00,00,000 (Previous Year :4,50,00,000) Equity Shares of Rs 10 each.	5,000.00	45.00
	Issued, Subscribed and Paid-up 1,44,50,00,000 (Previous Year: 4,50,00,000) Equity Shares of Rs.10 each fully paid up. (all the above shares are held by the holding company- National Stock Exchange of India Limited and its nominees)	1,445.00	45.00
	<b>Total</b>	<b>1,445.00</b>	<b>45.00</b>

**Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date**

Particulars	Aggregate No. of Shares				
	2022-23	2021-22	2020-21	2019-20	2018-19
Equity Shares					
Fully paid up by way of Bonus Shares	-	-	-	-	-

The company has only one class of equity shares having a par value of Rs.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.

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

	31.03.2024		31.03.2023	
	Number	(Rs. in Crores)	Number	(Rs. in Crores)
At the beginning of the year	4,50,00,000	45.00	4,50,00,000	45.00
Add: Issued during the year	1,40,00,00,000	1,400.00	-	-
At the end of the year	1,44,50,00,000	1,445.00	4,50,00,000	45.00

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

	31.03.2024		31.03.2023	
	Number	% holding	Number	% holding
National Stock Exchange of India Limited (Holding Company) and its nominees	1,44,50,00,000	100%	4,50,00,000	100%

Promoter's Shareholding :	31.03.2024			31.03.2023		
	No.	% of Total Shares	% Change during the year	No.	% of Total Shares	% Change during the year
Shares held by the Promoter at the end of the Year	1,44,50,00,000	100%	-	4,50,00,000	100%	-

**Increase in Authorised Share Capital**

During the year 2023-24, the Authorised share capital has been increased from Rs. 45 crores to Rs. 5,000 crores.

**Right Issue**

The Company in its Letter of Offer dated March 18, 2024 offered 140,00,00,000 equity shares by way of Rights issue at a face value of Rs 10 each and at a price of Rs 10 per equity share. The issue opened on March 22, 2024. The Company allotted 140,00,00,000 equity shares on March 27, 2024 on the basis of allotment approved by the Board of Directors aggregating to Rs. 1,400 crores.

The proceeds of the said Right issue have been fully utilised towards contribution to Core Settlement Guarantee Fund as per terms of the letter of offer for rights issue.

Pursuant to the allotment of equity shares on rights basis, basic and diluted earnings per share have been adjusted retrospectively for the bonus element in respect of rights issue in accordance with Ind AS 33 (Refer Note 30)

**Capital management**

The Group considers the following components of its Balance Sheet to be managed capital:  
Total equity (as shown in the balance sheet). – retained profit, other reserves, share capital

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group aims to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company is not subject to financial covenants in any of its significant financing agreements.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods. Refer note 12(b) for the final and interim dividends declared and paid.

**Compliance with externally imposed capital requirements:**

NSE Clearing Ltd.

Compliance with externally imposed capital requirements:

Capital requirement of Company is regulated by Securities and Exchange Board of India (SEBI), SEBI vide Regulation 14(3) of SECC Regulations 2018 adopted risk-based approach towards computation of capital and net worth requirement for Clearing Corporations(CC) to adequately cover counterparty credit risk, business risk, orderly Wind-down and operational & legal risk. As per Regulation 14(3) (c) of SECC Regulations 2018 every CC shall have a minimum net worth of Rs.100 crores or networth Computed as per the risk-based approach as may specified by SEBI from time to time, whichever is higher. Accordingly, SEBI vide circular Ref No: SEBI/HO/MRD/DRMP/CIR/P/2019/55 dated April 10, 2019 issued granular norms related to computation of risk based capital and net worth requirement for CCs effective from FY2019-20. The networth requirement for the Company calculated as per the above SEBI circular is Rs.2,043.36 crores. Minimum requirement of Net worth is maintained throughout the year ended March 31, 2024.

NSE IFSC Clearing Corporation Ltd:

International Financial Services Centres Authority has issued International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 on April 12, 2021. Regulation 14 of International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 requires the company to have net worth of at least USD 3 million at all times. Post enactment of the said regulation the Company is required to maintain net worth of USD 3 million and the company is in compliance of the same.

## 12(b) Other Equity

Other Equity	Reserves and Surplus				(Rs.in Crores)
	Capital Reserve	General reserve	Foreign Currency Translation Reserve	Retained Earnings	Total
<b>Balance at the 01.04.2022</b>	<b>10.00</b>	<b>244.71</b>	<b>6.73</b>	<b>768.89</b>	<b>1,030.33</b>
Profit for the year				529.51	529.51
Other Comprehensive Income				(0.17)	(0.17)
Contribution to core SGF				(267.89)	(267.89)
Tax on contribution to Core SGF				67.42	67.42
Changes in Foreign Currency Translation Reserve through Other Comprehensive Income			3.53		3.53
<b>Transaction with owners in their capacity as owners</b>					-
Dividends paid *				(180.00)	(180.00)
<b>Balance at the 31.03.2023</b>	<b>10.00</b>	<b>244.71</b>	<b>10.26</b>	<b>917.76</b>	<b>1,182.74</b>
Profit for the year.				1,305.91	1,305.91
Other Comprehensive Income				(0.85)	(0.85)
Contribution to core SGF (Refer Note 26)				(1,466.03)	(1,466.03)
Tax on contribution to Core SGF				362.67	362.67
Settlement Guarantee Fund (SGF)- Commodity derivatives (Refer Note 27)		250.00			250.00
Changes in Foreign Currency Translation Reserve through Other Comprehensive Income			0.72		0.72
<b>Transaction with owners in their capacity as owners</b>					
Dividend paid #				(22.50)	(22.50)
<b>Balance at the 31.03.2024</b>	<b>10.00</b>	<b>494.71</b>	<b>10.98</b>	<b>1,096.97</b>	<b>1,612.65</b>

The Holding Company's Board of directors, in their meeting on April 30, 2024 proposed a dividend of Rs. 0.20 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend proposed for the year ended March 31, 2024 amounted to Rs. 28.90 crores.

# During the year ended March 31, 2024, the amount of per share dividend recognized as distribution to equity shareholders was Rs.5/- per equity share. The dividend paid during the year ended March 31, 2024 amounted to Rs.22.50 crore.

\* During the year ended March 31, 2023, the amount of per share dividend recognized as distribution to equity shareholders was Rs.40/- per equity share. The dividend paid during the year ended March 31, 2023 amounted to Rs.180.00 crore.

	31.03.2024	31.03.2023
	(Rs. in Crores)	
<b>a) The major components of income tax expense statement of profit and loss</b>		
<u>Statement of profit and loss</u>		
<u>Current Tax</u>		
Current tax on profit for the year	445.00	182.78
Adjustment for current tax of prior periods	-	-
<b>Total current tax expense</b>	<b>445.00</b>	<b>182.78</b>
<u>Deferred tax expense (income)</u>		
Decrease (increase) in deferred tax assets	(1.83)	(0.62)
(Decrease) increase in deferred tax liabilities	6.57	3.95
<b>Total deferred tax expense (benefit)</b>	<b>4.74</b>	<b>3.32</b>
<b>Total for statement of profit and loss</b>	<b>449.74</b>	<b>186.10</b>
<u>OCI section</u>		
Related to items recognised in OCI during in the year:		
Re-measurement of the defined benefit( liability) / asset	(0.25)	(0.06)
Income tax charged to Other Comprehensive Income	(0.25)	(0.06)

- b) As per section 115BAA of the Income Tax Act, 1961, existing domestic companies can exercise the option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The reduced tax rates come with the consequential surrender of specified deductions/incentives. Once exercised, such an option cannot be withdrawn for the same or subsequent Assessment Years. The provision for current and deferred taxes w.e.f. 01.04.2021 have been recognised on the basis of the Company availing such option to pay income tax at lower rate as per section 115BAA.

**c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate**

	31.03.2024	31.03.2023
	(Rs. in Crores)	
Profit before income tax expense	1,755.65	715.61
Tax rate (%)	25.168%	25.168%
Tax at the Indian Tax Rate	441.86	180.10
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income</b>		
(Profit) / Loss on sale of investments taxed at other than Statutory rate	(3.58)	0.15
Contribution to NSE Foundation towards CSR	2.68	1.97
Impact of tax rate reduction	-	-
Provision / (Reversal of Provision) for Impairment of Intangible assets	0.76	-
Short Provision for previous years	5.76	-
MAT credit Entitlement	-	-
MTM realized on sale of investments	-	-
Profits/(Loss) of Subsidiaries taxed at different rate	2.11	3.96
Others	0.16	(0.09)
<b>Income Tax Expense</b>	<b>449.74</b>	<b>186.10</b>

**d) Deferred tax liabilities (net)**

The balance comprises temporary differences attributable to:		
Particulars	31.03.2024	31.03.2023
	(Rs. in Crores)	
<b>Deferred income tax assets</b>		
Property, plant and equipment and investment property		
Provision for leave encashment		
Financial Assets at Fair Value through OCI	-	-
Financial Assets at Fair Value through profit and Loss	-	-
Contribution to Core Settlement Guarantee Fund		
Others	7.42	5.33
<b>Total deferred tax assets (a)</b>	<b>7.42</b>	<b>5.33</b>
<b>Deferred income tax liabilities</b>		
Property, plant and equipment and investment property	(2.02)	0.39
Financial Assets at Fair Value through OCI	-	-
Financial Assets at Fair Value through profit and Loss	22.16	13.18
Contribution to Core Settlement Guarantee Fund		
Others		
<b>Total deferred tax liabilities (b)</b>	<b>20.14</b>	<b>13.57</b>
<b>Net Deferred Tax Assets / (Liabilities) (a)-(b)</b>	<b>(12.72)</b>	<b>(8.24)</b>

e) Movement in Deferred Tax Assets						(Rs. in Crores)
Particulars	Property, plant and equipment	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	Others (Gratuity, PBVP, LE)	Total	
<b>At 01 April 2022</b>	-	-	-	4.65	4.65	
(Charged) / Credited						
- to profit or loss	-	-	-	0.62	0.62	
- to other comprehensive income	-	-	-	0.06	0.06	
<b>At 31st March 2023</b>	-	-	-	5.33	5.33	
(Charged) / Credited						
- to profit or loss	-	-	-	1.83	1.83	
- to other comprehensive income	-	-	-	0.25	0.25	
<b>At 31st March 2024</b>	-	-	-	7.42	7.42	

f) Movement in Deferred Tax liabilities						(Rs. in Crores)
Particulars	Property, plant and equipment	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	Others	Total	
<b>At 01 April 2022</b>	1.49	8.13	-	-	9.62	
Charged / (Credited)						
- to profit or loss	(1.10)	5.05	-	-	3.95	
- to other comprehensive income	-	-	-	-	-	
<b>At 31st March 2023</b>	0.39	13.18	-	-	13.57	
Charged / (Credited)						
- to profit or loss	(2.41)	8.98	-	-	6.57	
- to other comprehensive income	-	-	-	-	-	
<b>At 31st March 2024</b>	(2.02)	22.16	-	-	20.14	

g) The company recognizes MAT credit available as an asset only to the extent there is reasonable certainty that the company will pay normal income tax during the specified period. Accordingly, MAT credit entitlement not recognized in books of accounts till March 31, 2023 is Rs.119.29 crore out of which MAT credit entitlement to be carried forward is Rs.NIL. Further, if even the MAT credit will be recognised the same will be directly credited to reserves and not the statement to profit & loss account as the same is arising out of contribution to Core SGF.

		<b>31.03.2024</b>	31.03.2023
		<b>(Rs. in Crores)</b>	
14	<b>Income tax liabilities (net)</b>	<b>73.60</b>	73.59
	Income Tax (Net of Advances)	-	-
	Fringe Benefit Tax (Net of Advances)	<b>73.60</b>	73.59
		<b>31.03.2024</b>	31.03.2023
15	<b>Income tax assets (net)</b>	<b>493.58</b>	163.14
	Income Tax paid including TDS (Net of Provisions)	-	-
	Fringe Benefit Tax (Net of Provisions)	<b>493.58</b>	163.14
16	<b>Deposits (Unsecured)</b>		
		<b>Current</b>	
		<b>31.03.2024</b>	31.03.2023
		<b>(Rs. in Crores)</b>	
	Security Deposit from Clearing Members	<b>361.67</b>	354.61
	Security Deposit in lieu of Bank Guarantee/securities	<b>106.72</b>	94.05
	Deposits from applicants for membership	<b>2.08</b>	2.08
	Deposits from Clearing Banks	<b>1,545.41</b>	1,335.58
	<b>Total</b>	<b>2,015.89</b>	1,786.32

## 17 Other financial liabilities

	Current	
	31.03.2024	31.03.2023
	(Rs. in Crores)	
<b>Trade payables</b>		
Trade Payable to Micro and Small Enterprises	1.11	0.07
Trade Payable to other than Micro and Small Enterprises	13.68	30.49
Trade payables to related parties (ref to Note No.29)	9.57	7.40
	<b>23.25</b>	<b>37.89</b>
<b>Others</b>		
Margins From Members	17,717.88	3,870.41
Settlement Obligations payable	3,609.23	182.71
Creditor for Capital Expenditure	0.54	2.32
Payable towards investment	383.81	
Other liabilities	57.63	42.94
Less: Amount disclosed under Core SGF (Refer Note 11)	(383.81)	
	<b>21,385.28</b>	<b>4,098.38</b>
	<b>21,408.52</b>	<b>4,136.27</b>

Trade payables include outstanding amounts of Rs. 1.11 Crores (Previous Year: Rs. 0.07 Crores) (including interest of Rs. Nil, (Previous Year Rs. Nil) payable to Micro Enterprises & Small Enterprises. Total outstanding dues to Micro Enterprises & Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

## A Trade payables Ageing as on 31.03.2024

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	1.11					1.11
Others	1.43		-			1.43
Disputed dues (MSMEs)						-
Disputed dues (Others)						-
<b>Total</b>	<b>2.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.54</b>
Unbilled Dues						21.82
<b>Total</b>						<b>24.36</b>

## B Trade payables Ageing as on 31.03.2023

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	0.07					0.07
Others	9.91		0.27			10.18
Disputed dues (MSMEs)						-
Disputed dues (Others)						-
<b>Total</b>	<b>9.98</b>	<b>-</b>	<b>0.27</b>	<b>-</b>	<b>-</b>	<b>10.25</b>
Unbilled Dues						27.71
<b>Total</b>						<b>37.96</b>

## 18 Other current liabilities

	Current	
	31.03.2024	31.03.2023
	(Rs. in Crores)	
Statutory payments	49.35	20.07
Stamp Duty Payable	146.16	170.29
Unspent CSR Expenditure	12.54	1.96
Amount payable into Core SGF	49.81	25.03
Income received in advance	0.02	
Advances from debtors	7.82	7.55
	<b>265.69</b>	<b>224.90</b>

## 19 Provision employee benefits

	Non-current		Current	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	(Rs. in Crores)		(Rs. in Crores)	
Provisions for Leave encashments	-	-	2.85	2.05
Provision for Gratuity	10.92	7.80	1.31	0.86
Provision for variable pay and other allowances	5.46	6.78	12.31	7.08
	<b>16.37</b>	<b>14.58</b>	<b>16.46</b>	<b>9.99</b>

	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>Sale of Services</b>		
Clearing & Settlement Charges	1,262.60	633.97
<b>Other operating revenues</b>		
Connect to NSE Services	1.31	1.47
Interest received	729.23	268.45
Voluntary Auction Charges	15.11	4.42
Fines and penalties-SLB segment	0.02	0.26
Processing Charges	1.73	1.93
Income from Usage Charges	1.41	1.41
Stamp Duty Facilitation charges	5.54	3.98
MFSS Facilitation Charges	0.51	
Annual Membership Fees and Application Fees	0.73	-
<b>Total</b>	<b>2,018.21</b>	<b>915.90</b>

**Major Customer**

Revenue from one major customer (related party) is Rs.1,117.22 crores (previous year Rs 604.60 crores) which is more than 10% of the total revenue of the Company.

Particulars	(Rs. in Crores)	
	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>Revenue Recognised</b>		
Point in time	1,286.27	644.57
Over the time	731.95	271.33
<b>Total</b>	<b>2,018.21</b>	<b>915.90</b>

21 **Other income and other gains/(losses)**

**Other income**

Interest Income :

On Bank Deposits	122.66	64.09
On Others	0.01	(0.01)
	122.67	64.08
Miscellaneous Income	1.45	5.48
	124.12	69.56

**Other gains/(losses)**

Net gain on financial assets mandatorily measured at Fair Value through Profit or Loss	45.41	27.79
Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	1.17	2.28
	46.58	30.07
<b>Total</b>	<b>170.70</b>	<b>99.63</b>

22 **Employee benefits expenses**

Salaries, wages and bonus	61.43	30.12
Salaries, wages and bonus of Deputed Staff ( Refer Note 24)	0.20	8.72
Contribution to provident and other fund	1.88	0.92
Employees welfare expenses	3.37	1.84
<b>Total</b>	<b>66.88</b>	<b>41.60</b>

**Other expenses**

Space & Infrastructure Usage Charges	5.77	3.77
Common Usage Expenses	21.27	21.29
Insurance Premium	0.61	0.69
Printing, Stationery & Consumables	1.01	1.30
Auditors' Remuneration (refer note below)	0.61	0.48
Legal and Professional fees	9.07	8.68
Repairs & Maintenance :		
- On Building	0.58	0.36
- On Computer systems	108.52	77.83
IT Management & Consultancy Charges	6.18	1.78
Software Expenses	36.18	32.19
Leased Line Charges	17.05	21.93
Directors' Sitting fees	1.56	0.97
Bank Chages & BG Charges	27.97	18.78
Electricity expenses	3.33	2.33
Interest on Lease Liability	0.09	0.09
Logo and Trademark Usage Charges	20.07	-
Share Issue Expenses	2.87	-
Provision for doubtful debts	0.40	0.06
Contribution to NSE foundation towards CSR (Refer to Note 38)	10.65	7.84
Financial Disincentive	-	0.25
Other expenses	20.40	12.94
<b>Total</b>	<b>294.18</b>	<b>213.56</b>
<b>Note :</b>		
<b>Payment to auditor</b>		
<b>As auditor :</b>		
Audit fees	0.27	0.20
Limited review	0.12	0.11
Tax audit fee	0.06	0.06
<b>In other capacity</b>		
Taxation matters	0.09	0.07
Certification matters	0.06	0.03
Out of pocket	0.01	0.01
<b>Total</b>	<b>0.61</b>	<b>0.48</b>

24 Employee Benefits expenses for the previous year includes the amount reimbursed by the Company to The National Stock Exchange of India Limited (NSEIL) in respect of employees made available to the company upto February 2023. Accordingly, necessary provisions as required for all retirement benefits and other long term employee benefits as per Ind AS 19 - Employee Benefits as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended, was carried out by NSEIL in respect of employees made available to the Company upto March 2022.

25 Disclosure under Indian Accounting Standard 19 (Ind As 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

i) Defined Benefit Plan :

**Provident & Pension Fund:** Group has contributed Rs. 1.84 Crores (previous year : Rs.0.90 crores) towards Provident & Pension Fund during the year ended March 31, 2024 to Employee Provident Fund Organisation.

**Gratuity:** The company provides for gratuity for employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of Gratuity is payable on retirement/termination of the employee's last drawn basic salary per month multiplied for the number of years of service. The gratuity plan is a non funded plan and the company makes provision on the basis of Actuarial Valuation.

#### A Balance Sheet

(i) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the period are as follows:

	(Rs. in Crores)	
	31.03.2024	31.03.2023
<b>Liability at the beginning of the year</b>	8.64	6.62
Interest cost	0.64	0.45
Current service Cost	0.93	0.55
Transfers	1.29	2.09
Benefits paid	(0.37)	(1.30)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	0.15	(0.30)
Actuarial (gains)/losses on obligations - due to experience	0.95	0.54
<b>Liability at the end of the year</b>	<b>12.23</b>	<b>8.66</b>

(ii) The net liability disclosed above relates to funded plans are as follows:

	(Rs. in Crores)	
	31.03.2024	31.03.2023
Fair value of plan assets as at the end of the year	-	-
Liability as at the end of the year	(12.23)	(8.66)
<b>Net (liability) / asset</b>	<b>(12.23)</b>	<b>(8.66)</b>

(iii) Balance sheet reconciliation

	(Rs. in Crores)	
	31.03.2024	31.03.2023
<b>Opening net liability</b>	8.64	6.62
Expenses recognized in Statement of Profit or Loss	1.57	1.00
Expenses recognized in OCI	1.09	0.24
Net (liability)/asset transfer in	1.29	2.09
Benefit paid by the Company	-	(0.10)
Employers contribution	(0.37)	(1.20)
<b>Amount recognised in the Balance Sheet</b>	<b>12.23</b>	<b>8.66</b>

#### B Statement of Profit & Loss

	(Rs. in Crores)	
	31.03.2024	31.03.2023
(i) <b>Net interest cost for current period</b>		
Interest cost	0.64	0.45
Interest income	-	-
<b>Net interest cost for current period</b>	<b>0.64</b>	<b>0.45</b>

	(Rs. in Crores)	
	31.03.2024	31.03.2023
(ii) <b>Expenses recognised in the Statement of Profit &amp; Loss</b>		
Current service cost	0.93	0.55
Net interest cost	0.64	0.45
<b>Expenses recognised in the Statement of Profit &amp; Loss</b>	<b>1.57</b>	<b>1.00</b>

	(Rs. in Crores)	
	31.03.2024	31.03.2023
(iii) <b>Expenses recognised in the Other Comprehensive Income</b>		
<b>Re-measurement</b>		
Expected return on plan assets	-	-
Actuarial (gain) or loss	1.10	0.23
<b>Net (income)/expense for the period recognized in OCI</b>	<b>1.10</b>	<b>0.23</b>

#### C Sensitivity Analysis

	(Rs. in Crores)	
	31.03.2024	31.03.2023
Projected Benefit Obligation on Current Assumptions	12.23	8.66
Delta Effect of +1% Change in Rate of Discounting	(0.70)	(0.51)
Delta Effect of -1% Change in Rate of Discounting	0.79	0.57
Delta Effect of +1% Change in Rate of Salary Increase	0.75	0.55
Delta Effect of -1% Change in Rate of Salary Increase	(0.69)	(0.50)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.14)	(0.09)
Delta Effect of +1% Change in Rate of Employee Turnover	0.16	0.10

D Significant actuarial assumptions are as follows:

	31.03.2024	31.03.2023
Discount rate	7.19%	7.39%
Rate of return on plan assets	N.A.	N.A.
Salary escalation	10.00%	10.00%
Attrition rate	12.00%	12.00%

E Maturity Analysis of Projected Benefit Obligation: From the Employer

	31.03.2024	31.03.2023
<b>Projected Benefits Payable in Future Years From the Date of Reporting</b>		
1st Following Year	1.32	0.86
2nd Following Year	1.18	0.86
3rd Following Year	1.15	0.93
4th Following Year	1.15	0.81
5th Following Year	1.15	0.80
Sum of Years 6 To 10	6.50	4.47



26 (a) Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, inter alia, has issued norms related to the computation and contribution to the Core Settlement Guarantee Fund by the Clearing Corporation (minimum 50%), Stock Exchange (minimum 25%) and members (maximum 25%) and also norms issued under Interoperability Framework. Further, SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05, 2016 advised Stock Exchange to transfer 25% of its annual profits to Core SGF.

I Details of Core SGF as on March 31, 2024 are as follows :

							(Rs. in Crores )	
Details of MRC of Core SGF	CM	FO	CD	Debt	TRI Party	Commodity	Total	
NCL own contribution	119.96	846.00	89.09	3.00	8.50	5.00	1,071.55	
Interest Adjusted towards NCL's Contribution	54.04	366.00	32.91	-	-	-	452.95	
Contribution by NSE on behalf of Member	67.70	471.45	39.95	-	-	2.50	581.60	
Interest Adjusted towards member's Contribution	19.30	134.55	21.05	-	-	-	174.90	
Contribution by NSE	65.36	428.81	38.91	1.00	8.50	2.50	545.09	
Interest Adjusted towards NSE's Contribution	21.64	177.19	9.09	-	-	-	207.92	
Contribution by BSE Limited (BSE )	7.56	14.64	16.32	-	-	-	38.52	
Contribution by Metropolitan Stock Exchange of India (MSE)	-	-	2.93	-	-	-	2.93	
Interest Adjusted towards MSE's Contribution	-	-	0.01	-	-	-	0.01	
Others (Financials Disincentives )	1.00	-	-	-	-	-	1.00	
<b>Total</b>	<b>356.56</b>	<b>2,438.64</b>	<b>250.27</b>	<b>4.00</b>	<b>17.00</b>	<b>10.00</b>	<b>3,076.47</b>	
Previous Year	356.56	2,336.05	247.50	4.00	17.00	10.00	2,971.11	

II Details of Core SGF as on March 31, 2023 are as follows :

(Rs. in Crores )

	CM	FO	CD	Debt	TRI Party	Commodity	Other	Total
<b>Contribution to Corpus of Core SGF</b>								
a NCL own contribution	174.00	1,168.00	122.00	3.00	8.50	5.00	-	1,480.50
b Contribution by NSE on behalf of Member	87.00	584.00	61.00	-	-	2.50	-	734.50
c Contribution by NSE	87.00	584.00	48.00	1.00	8.50	2.50	0.77	731.77
Contribution by BSE	7.56	0.05	15.16	-	-	-	-	22.77
Contribution by MSE	0.00	-	1.34	-	-	-	-	1.34
Others (Financials Disincentives)	1.00	-	-	-	-	-	-	1.00
<b>1 Total (a+b+c+d)</b>	<b>356.56</b>	<b>2,336.05</b>	<b>247.50</b>	<b>4.00</b>	<b>17.00</b>	<b>10.00</b>	<b>0.77</b>	<b>2,971.88</b>
2 Penalty*	267.86	1,186.26	51.44	-	-	0.16	-	1,505.72
3 Income on Investments*	46.32	239.50	23.91	1.02	5.36	2.27	1.23	319.62
<b>Grand Total (1+2+3)</b>	<b>670.74</b>	<b>3,761.81</b>	<b>322.85</b>	<b>5.02</b>	<b>22.36</b>	<b>12.43</b>	<b>2.00</b>	<b>4,797.22</b>

III Contribution made during the year 2023-24

(Rs. in Crores )

Contribution during the year	CM	FO	CD	Debt	TRI Party	Commodity	Other # \$	Total
<b>NCL own contribution</b>								
Direct Contribution\$	-	41.00	-	-	-	-	1,400.00	1,441.00
Adjusted from Interest Income **	-	3.00	-	-	-	-	-	3.00
Others (Financials Disincentives )	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>44.00</b>	-	-	-	-	<b>1,400.00</b>	<b>1,444.00</b>
<b>Contribution by NSE on behalf of Member</b>								
Direct Contribution	-	17.00	-	-	-	-	-	17.00
Contribution adjusted from NSE Other Contribution #	-	-	-	-	-	-	-	-
Adjusted from Interest Income **	-	5.00	-	-	-	-	-	5.00
<b>Total</b>	-	<b>22.00</b>	-	-	-	-	-	<b>22.00</b>
<b>Contribution by NSE</b>								
Direct Contribution	-	19.00	-	-	-	-	1,901.25	1,920.25
Adjusted against NSE's Own and member's contribution	-	-	-	-	-	-	-	-
Contribution adjusted from NSE Other Contribution #	-	-	-	-	-	-	-	-
Adjusted from Interest Income **	-	3.00	-	-	-	-	-	3.00
Excess Contribution transfer to Other Clearing Corporation***	-	-	-	-	-	-	(40.28)	(40.28)
<b>Total</b>	-	<b>22.00</b>	-	-	-	-	<b>1,860.97</b>	<b>1,882.97</b>
<b>Contribution by BSE</b>								
Direct Contribution	-	14.59	1.16	-	-	-	-	15.74
Adjusted from Interest Income **	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>14.59</b>	<b>1.16</b>	-	-	-	-	<b>15.74</b>
<b>Contribution by MSEI</b>								
Direct Contribution	-	-	1.52	-	-	-	-	1.52
Adjusted from Interest Income **	-	-	0.06	-	-	-	-	0.06
<b>Total</b>	-	-	<b>1.58</b>	-	-	-	-	<b>1.58</b>

Income during the period ( Net Off adjustment towards MRC) \*\*

	Current year	Previous year
Penalty	65.42	290.52
Income on : Investments/Tax Refunds^	44.23	376.03
Less : Income adjusted against MRC**	-	11.06
Less : Income adjusted towards transfer of contribution to Other Clearing Corporation***	-	7.00
<b>Income on Investments (Net Off adjustment towards MRC)</b>	<b>44.23</b>	<b>364.98</b>
		(322.13)

^ Includes Interest on Income Tax refund of Rs. 0.13 crores less income tax thereon of Rs. 0.04 crores.

IV Details of Core SGF as on March 31, 2024 are as follows :

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

(Rs. in Crores )

Contribution to Corpus of Core SGF	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
a NCL own contribution	174.00	1,212.00	122.00	3.00	8.50	5.00	1,400.00	2,924.50
b Contribution by NSE on behalf of Member	87.00	606.00	61.00	-	-	2.50	-	756.50
c Contribution by NSE	87.00	606.00	48.00	1.00	8.50	2.50	1,861.72	2,614.72
d Contribution by BSE	7.56	14.64	16.32	-	-	-	-	38.52
e Contribution by MSE	0.00	-	2.93	-	-	-	-	2.93
f Others (Financials Disincentives) \$	1.00	-	-	-	-	-	-	1.00
<b>1 Total</b>	<b>356.56</b>	<b>2,438.64</b>	<b>250.26</b>	<b>4.00</b>	<b>17.00</b>	<b>10.00</b>	<b>3,261.72</b>	<b>6,338.18</b>
2 Penalty*	333.28	1,406.00	56.64	-	-	0.32	-	1,796.24
3 Income on Investments ( After allocation towards MRC)*	90.55	489.46	42.36	1.09	6.72	3.13	51.27	684.59
<b>Grand Total (1+2+3)</b>	<b>780.39</b>	<b>4,334.09</b>	<b>349.26</b>	<b>5.09</b>	<b>23.72</b>	<b>13.45</b>	<b>3,312.99</b>	<b>8,818.99</b>
<b>II Details of Investment</b>								
1 Mutual Funds	14.76	90.14	2.56	-	-	-	304.91	412.36
2 Fixed Deposit with Banks	75.48	441.67	19.83	-	-	-	655.48	1,192.45
3 Government securities*	559.87	3,013.60	214.00	1.02	21.68	12.12	2,487.49	6,309.78
4 Flexi Fixed Deposits	90.08	742.32	109.09	0.08	1.98	1.03	234.38	1,178.96
5 Balance in Bank Accounts	35.49	4.35	2.14	3.98	-	0.30	-	46.26
6 Accrued interest	4.17	39.03	1.36	-	-	-	14.54	59.10
7 Prepaid taxes	0.55	2.98	0.28	0.01	0.06	-	-	3.89
Less: Payable towards unsettled investment in Govt. Sec, Settled on April 2, 2024 (Refer note 4)	-	-	-	-	-	-	(383.81)	(383.81)
<b>Grand Total (1+2+3+4+5+6)</b>	<b>780.40</b>	<b>4,334.09</b>	<b>349.25</b>	<b>5.09</b>	<b>23.72</b>	<b>13.45</b>	<b>3,312.99</b>	<b>8,818.99</b>
Previous year	670.74	3,761.81	322.85	5.02	22.36	12.43	2.00	4,797.22

\* Aggregate amount of quoted investments and market value Rs.6,323.18 crores.

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

# Other contribution is balance amount of transfer from NSE pertain to 25% of NSE's Annual profits as contribution to Core SGF . SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05, 2016 advised Stock Exchange to transfer 25% of its annual profits upto August 2015 to Core SGF and utilise the same for contribution required by Members and NSE.

\*\* SEBI vide its letter reference no. SEBI/HO/MRD/DRMNP/OW/P/2018/4559/1 dated February 12, 2018 has clarified that "Clearing Corporations may adjust incremental requirement of Minimum Required Corpus (MRC) against the interest accrual on the cash contribution of respective contributors before taking additional contribution from them.

\*\*\* Further, as per circular dated SEBI/HO/MRD2/DCAP/CIR/P/2021/03 January 08, 2021, SEBI has allowed transfer of excess contribution made by Stock Exchanges from Core SGF of one Clearing Corporation to the Core SGF of another Clearing Corporation in inter-operable scenario. Accordingly, Rs.21.08 crores contribution of other stock exchanges received from respective clearing corporation and also a sum of Rs.130.47 crores of NSE contribution transferred to other clearing corporation.

\$ Debited to retained earnings (refer to Note 12(b))

During the year ended March 2024, an amount of Rs.1,901.25 crores has been received from NSE to further augment the Core SGF out of which an amount of Rs. 40.28 crores has been utilised towards Core SGF requirement of NCL/ICCL. The balance amount of Rs. 1,860.97 crores has been included under 'Other' above.

During the year ended March 31, 2024, the Company has contributed Rs. 41 crores to Core Settlement Guarantee Fund (Core SGF) based on minimum required corpus (MRC). Further, with the objective to augment the Core SGF as desired by SEBI, the Company has also made additional contributed of Rs.1,400 crores to Core SGF. The said contribution to Core SGF aggregating to Rs.1,441 crores has been appropriated from balance in retained earnings.

(b) As per International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 notified on 12th April 2021 Regulation-31 on Settlement Guarantee Fund:

- (1) A recognised clearing corporation shall establish and maintain a Settlement Guarantee Fund to guarantee the settlement of trades executed on a stock exchange.
- (2) The fund shall have a corpus equivalent to at least the minimum required corpus as arrived at from the monthly stress test value or USD 1 million, whichever is higher.
- (3) In the event of a recognised clearing member failing to honour its settlement obligations, the fund shall be utilized to complete such settlement.
- (4) The corpus of the fund shall be adequate to meet the settlement obligations arising on account of failure of clearing member(s).
- (5) The sufficiency of the corpus of the fund shall be tested by way of periodic stress tests, in the manner specified by the Authority.
- (6) A recognised clearing corporation shall evolve a detailed framework for the settlement guarantee fund, subject to approval of the Authority.

	(Rs. in Crores)	
	As at 31.03.2024	As at 31.03.2023
Company's Own contribution & Interest received on Investments*	36.89	11.59
Penalty collected from members	0.08	0.05
Accrued interest on CSGF FD	1.29	0.27
	<b>38.25</b>	<b>11.91</b>

\* During the year, Company's own contribution includes contributions of Rs. 25.03 crores made during current year Rs. Nil made during previous year 2022-23, Interest received on Core SGF Fixed Deposites of Rs. 1.29 crores (Rs. 0.27 crores in previous year 2022-23) and balance movement in INR amounts is on account of currency fluctuation.

27 The Holding Company had received approval from SEBI to start clearing & settlement activities in Commodity Derivatives and commenced operations w.e.f. October 12, 2018. As required by SEBI an amount of Rs.250 crores had been earmarked towards a separate fund to augment Settlement Guarantee Fund for Commodity Derivatives by way of appropriation from General Reserves and the Company had also earmarked investments amounting to Rs. 250 crores towards the same. During the year ended March 31, 2024, based on approval received from SEBI vide its letter dated January 31, 2024 the same has been de-earmarked and General Reserve has been reinstated by Rs.250 crores.

28 Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Group. The Group operates only in one Business Segment i.e. facilitating Clearing & Settlement in securities and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

29 In compliance with Indian Accounting Standard ( Ind AS )-24 - "Related Party Disclosures" notified under section 133 of the Act read with Companies (Accounting Standards) Rules 2015 , 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	Holding Company
2	NSE Investments Limited	Fellow Subsidiary
3	NSE Foundation	Fellow Subsidiary
4	NSE IFSC Limited	Fellow Subsidiary
5	NSE Academy Limited	Fellow Subsidiary
6	NSEIT Limited	Fellow Subsidiary's Subsidiary
7	NSE Data & Analytics Limited	Fellow Subsidiary's Subsidiary
8	Nse Indices Limited (formerly India Index Services & Products Limited)	Fellow Subsidiary's Subsidiary
9	NSE Infotech Services Limited	Fellow Subsidiary's Subsidiary
10	NSE.IT (US) Inc.	Fellow Subsidiary's Subsidiary's
11	Aujas Cybersecurity Limited (Formerly known as Aujas Networks Limited /Aujas Networks Private Limited.)	Fellow Subsidiary's Subsidiary's Subsidiary
12	Talentsprint Private Limited (w.e.f. 10.11.2020)	Fellow Subsidiary's Subsidiary's
13	TalentSprint Inc. (w.e.f. 29-11-2021)	Fellow Subsidiary's Subsidiary's
14	Cogencis Information Services Limited (w.e.f. 21.01.2021)	Fellow Subsidiary's Subsidiary's Subsidiary
15	CXIO Technologies Private Limited (w.e.f July 08, 2021)	Fellow Subsidiary's Subsidiary's
16	National Securities Depository Limited	Holding Company's Associate
17	NSDL Database Management Limited	Holding Company's Associate
18	NSE Administration & Supervision Limited (w.e.f January 9, 2024)	Fellow Subsidiary
19	NSE Sustainability Ratings & Analytics Limited (w.e.f March 30, 2024)	Fellow Subsidiary's Subsidiary Company
20	BFSI Sector Skill Council of India	Holding Company's Associate
21	India International Bullion Holding IFSC Limited (w.e.f. June 04, 2021)	Holding Company's Associate
22	India International Bullion Exchange IFSC Limited (w.e.f. August 17, 2021)	Holding Company's Associate's
23	Power Exchange India Limited	Associate of Fellow Subsidiary
24	Protean eGov Technologies Ltd.(Formerly known as NSDL e-Governance Infrastructure Limited)	Associate of Fellow Subsidiary
25	Market Simplified India Limited (formerly known as INXS Technologies Limited)	Associate of Fellow Subsidiary
27	Receivables Exchange Of India Limited	Associate of Fellow Subsidiary
28	Indian Gas Exchange Limited	Associate of Fellow Subsidiary
29	Capital Quant Solutions Private Limited	Associate of Fellow Subsidiary's
31	Mr. Vikram kothari (Managing Director)	Key Managerial Personnel
32	Mrs. Priti Savla (w.e.f 05.04.2023)	Key Managerial Personnel
33	Mr. Abhaya Hota (w.e.f 06.04.2023)	Key Managerial Personnel
34	Ms.Bhagyam Raman( Director) (upto 31.05.2023)	Key Managerial Personnel
35	Mr. C VR Rajendran( Director) (upto 16.06.2022)	Key Managerial Personnel
36	Mr. Harun R Khan (Director) (upto 07.09.2022)	Key Managerial Personnel
37	Mr. Salim Gangadharan( Director) (upto 16.06.2022)	Key Managerial Personnel
38	Mr.N K Maini ( Director) (upto 16.06.2022)	Key Managerial Personnel
39	Mr. Yatrik Vin	Key Managerial Personnel
40	Prof. Samir K Barua (up to November 7, 2022)	Key Managerial Personnel
41	Mr. Mukesh Agarwal	Key Managerial Personnel
42	Mr. Jayant Ramaswamy Haritsa (w.e.f. 17.06.2022)	Key Managerial Personnel
43	Mr. Ananth Narayan Gopalkrishnan (upto 27.09.2022)	Key Managerial Personnel
44	Mr. Golaka Nath (w.e.f 17.11.2022)	Key Managerial Personnel
45	Mr. Kapil Seth	Key Managerial Personnel
46	Mr. Vivek Singhvi - Chief Executive Officer	Key Managerial Personnel
47	Mr. K Kumar (w.e.f. October 14, 2022)	Key Managerial Personnel
48	Mr. Kamalakar Karlapalem (w.e.f. October 7, 2022)	Key Managerial Personnel
49	Mr. Gopalkrishna Hedge (w.e.f 17.06.2022)	Key Managerial Personnel

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

Name of the Related Party	Nature of Transactions	(Rs. in Crores )	
		Year ended 31.03.2024	Year ended 31.03.2023
National Stock Exchange of India Ltd.	• Clearing and Settlement charges received	1,315.80	710.92
	• Usage charges Received	1.66	1.66
	• Usage charges paid	25.18	25.13
	• EBP Platform Usage charges Received	0.85	0.84
	• Contribution received towards Core SGF	1,937.25	4.00
	• Reimbursement paid for expenses on staff on deputation	2.29	10.65
	• Reimbursement paid for other expenses incurred	81.47	70.51
	• Share Capital	1,400.00	-
	• Royalty for Usage of Brand/Logo	23.68	-
	• Reimbursement received for services Rendered/Asset transferred	2.59	0.09
	• Space & Infrastructure usage Charges paid	6.81	4.45
	• Dividend paid	22.50	180.00
• Outstanding balance – (Credit) / Debit	69.80	44.13	

NSEIT Ltd.	• Repairs & Maintenance – Clearing & Computer systems	<b>33.38</b>	26.60
	• Payment for software support services	<b>3.08</b>	4.25
	• Payment for ADM services	<b>3.23</b>	6.04
	• Outstanding balance – (Credit) / Debit	<b>(9.31)</b>	(7.24)
Aujas Cybersecurity Limited	• Repairs & Maintenance – Clearing & Computer systems	<b>0.15</b>	0.52
	• Outstanding balance – (Credit) / Debit	-	-
NSDL Database Management Limited	• Payment for services	<b>0.00</b>	-
	• Outstanding balance – (Credit) / Debit	-	-
NSE Foundation	• Contribution towards CSR	<b>0.07</b>	5.88
NSE IFSC Limited	• Reimbursement paid for other expenses incurred	<b>0.24</b>	0.18
	• Clearing & Settlement Income	<b>10.70</b>	0.00
	• SEBI turnover fees collected on behalf of NSE IFSC Limited	<b>0.00</b>	0.00
	• SEBI turnover fees payable (closing balance)	-	0.00
	• Outstanding balance – (Credit) / Debit	<b>1.04</b>	(0.00)
National Securities Depository Limited	• Depository operation fees	<b>0.18</b>	0.19
	• Outstanding balance – (Credit) / Debit	<b>0.00</b>	-
NSE Indices Limited	• Reimbursement of 50% of the one-time cost and annual subscription fees.	<b>0.21</b>	-
	• Reimbursement paid for expenses on staff on deputation	<b>0.05</b>	-
	• Reimbursement paid for other expenses incurred	<b>0.01</b>	-
	• Outstanding balance – (Credit) / Debit	<b>(0.03)</b>	-
Cogencis Information Services Limited	• Payment for Terminal subscription fees	<b>0.07</b>	0.07
	• Payment for Terminal subscription fees	<b>0.02</b>	0.02
	• Outstanding balance – (Credit) / Debit	-	-
Key Management Personnel (Mr. Vikram Kothari- Managing Director ( From 07.11.2017)	Short term employee Benefits *	<b>2.59</b>	2.29
	Post - employment Benefits **	<b>0.08</b>	0.07
	Long term employee Benefits	<b>0.37</b>	0.31
Directors	Sitting fees/Committee sitting fees :		
	Ms. Priti Savla	<b>0.33</b>	-
	Mr. Abhay Hota	<b>0.43</b>	-
	Mr.N K Maini	-	0.10
	Mr. C VR Rajendran	-	0.09
	Ms.Bhagyam Ramani	<b>0.09</b>	0.36
	Prof. Samir K Barua	-	0.10
	Mr. Kapil Seth	<b>0.31</b>	0.21
	Mr. K Kumar	<b>0.27</b>	0.09
	Mr. Kamalakar Karlapalem	<b>0.26</b>	0.10
	Mr. Gopalkrishna Hegde	<b>0.37</b>	0.21
	Mr. Jayant Ramaswamy Haritsa	<b>0.41</b>	0.25
	Mr. Ananth Narayan Gopalkrishnan	-	0.04
	Mr. Harun R. Khan	-	0.15
Mr. Salim Ganagadharan	-	0.08	
Mr. Golaka Nath	<b>0.44</b>	0.08	

\* Includes amount paid towards Leave encashment, Medical allowance & Leave Travel allowance and 50% of the variable pay payable after 3 years subject to certain conditions.

\*\* As the liabilities for define benefits plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial person are not included.

No commitments made during the years to associate concerns and vice versa

30 In accordance with Indian Accounting Standard (Ind AS) 33 - "Earning per Share" issued by the Institute of Chartered Accountants of India, the required disclosure is given below.

Basic and diluted earnings 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.

	Year ended 31.03.2024	Year ended 31.03.2023
Net Profit attributable to Shareholders (Rs. In Crores)*	1,305.91	529.51
Weighted Average number of equity shares issued	96,72,81,072	96,06,64,001
Earnings per share of Rs. 10/- each (in Rs.) (Basic)	13.50	5.51
Earnings per share of Rs. 10/- each (in Rs.) (Diluted)	13.50	5.51

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.

There are no instruments (including contingently issuable shares) issued that could potentially dilute basic earnings per share in the future.

\* Basic and Diluted earnings per share presented above have been adjusted retrospectively for the bonus element in respect of Rights issue made during the year ended March 31, 2024 in accordance with Ind AS 33, "Earnings per Share" (Refer note 12 (a))

\*The Book Value per share as on 31.03.2024 before rights issue is considered as Fair Value for the purpose of calculation of EPS. For the purpose of calculation of bonus element in respect of rights issue the Book Value has been considered as Fair Value.

31 **Capital and other commitments :**

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs.4.79 crores (Previous Year :Rs.0.07 crores) and other Commitments Rs.5.46 crores (Previous Year :Rs.31.01 Crores)

32 **Contingent liabilities and Commitments :**

- (i) Claims against Group Company not acknowledged as debts (excluding interest) : Rs. 6.34 Crores (Previous Year : Rs. 6.34 Crores)
- (ii) A suit filed against the Group Company for damages / compensation amounting to Rs.NIL (Previous Year : Rs. Nil).
- (iii) In respect of Holding company on account of disputed demand of Income tax of Rs.397.46 Crores (Previous Year : Rs.197.40 crores).The said amount includes Rs. 173.36 crores and Rs 76.90 crores demand raised for AY 2022-23 and AY 2020-21 respectively, the assessment order has been passed u/s 143(3) of the Income Tax Act, 1961, wherein credit for Advance Tax /TDS /TCS of Rs.146.23 crores and Rs 91.47 crores respectively was not considered in the computation resulting to levy of interest u/s 234B Rs.30.39 Crores and Rs 19.51 crores respectively.

And on account of demand of Dividend Distribution Tax (DDT) for AY 2020-21 including interest thereon amounting to Rs. 22.98 crores (previous year: Rs. 22.98 crores). Further, credit of dividend distribution tax of Rs. 16.65 crores was not considered in the computation resulting levy of interest of Rs. 6.33 Crore.

The Company has filed an appeal to Commissioner of Income Tax (Appeals), National Faceless Appeal Center, New Delhi.

- iv) In respect of Holding company on account of disputed demand of Service tax Rs.74.20 Crores plus interest as applicable the Company has filed appeal before CESTAT. (Previous Year :Rs.74.20 crores plus interest and penalty, as applicable)
- v) Holding Company Bank Guarantee Rs.8000 Crores (Previous year Rs.4000 Crores). (Also refer to Note 40)

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

33 The Group's pending litigations comprise of claims against the Group and proceedings pending with Statutory, Regulatory and Tax Authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, whenever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial position. (Refer Note 32 & 35)

34 In accordance with the relevant provisions of the Companies Act, 2013, the Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as of March 31, 2024 and March 31, 2023.

35 a) On February 24, 2021 the Storage Area Network (SAN) system of the Holding Company was impacted due to certain issues in the links with telecom service providers, resulting in the primary SAN becoming inaccessible to the host servers. This also resulted in the risk management system and clearing and settlement system of the Holding Company and other systems such as index and surveillance systems of National Stock Exchange of India (NSE) becoming unavailable leading to a decision to halt the Trading at NSE. The Holding Company had submitted a root cause analysis of the incident to SEBI. SEBI vide its letter dated July 2, 2021 directed the Holding Company to pay financial disincentive of Rs. 0.25 crores for not restoring its operations within the Recovery Time Objective (RTO). The Holding Company paid the same on July 14, 2021. Further, in this regard, SEBI had issued a show cause notice on August 11, 2021 to the Holding Company and an employee alleging non-compliance with certain paragraphs of SEBI circular dated October 8, 2015, September 13, 2017, March 26, 2019 and Regulation 12(6) read with Regulation 7(4)(g) of SECC Regulation 2018 for which detail response is filed. In this regard, the Holding Company has taken necessary remedial actions and also filed consent application with SEBI on September 03, 2021, against this, preliminary hearing on maintainability of the said consent application had taken place and the holding Company had also filed revised settlement terms on March 19, 2023. SEBI accepted the revised terms for settlement of the same on payment of Rs.22.88 crores. The Holding Company paid the settlement amount of Rs.22.88 crores in June 2023 and SEBI disposed of the proceedings of the show cause vide settlement order dated June 20, 2023. The same is disclosed as exceptional item in the financial statements for the year ended March 31, 2024.

b) During the year ended March 31, 2022, SEBI had issued a show cause notice to the Holding Company alleging non-compliance with certain paragraphs of SEBI circular dated December 17, 2018 for failure to share alerts with other exchange post interoperability. During the year ended March 31, 2023, SEBI levied penalty of Rs.0.25 crores to the Holding Company, the same is included in other expenses for the previous year ended March 31, 2023. The same has been paid on February 9, 2023.

c) During the year ended March 31, 2024, SEBI issued a show cause notice to the Holding Company alleging non-compliance with certain regulations of SECC 2018 and certain paragraphs of SEBI circular dated November 27, 2018 regarding Inter-CCP collateral under interoperability among clearing corporation framework. In this regard, the Holding Company has taken necessary remedial actions, filed detailed response and consent application with SEBI. On March 19, 2024, revised settlement terms were also filed with SEBI. The Holding Company is of the view that pending conclusion of this matter with SEBI, a reliable estimate of any obligations in respect of this matter cannot be presently made and therefore no provision / adjustment to this effect has been made in the financial statements as of and for the year ended March 31, 2024.

**(i) Fair Value Hierarchy:**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value and are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three level prescribed under the accounting standard. An explanation of each level follows underneath the table.

**(Rs. In crores)**

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At March 31, 2024	Notes	Level 1	Level 2	Level 3	Total March 31, 2024
<b>Financial Assets</b>					
<b>Financial Investments at FVPL</b>					
Mutual Fund - Growth Plan	8	696.08	-	-	696.08
<b>Total Financial Assets</b>		696.08	-	-	696.08
<b>Financial Liabilities</b>					
<b>Total Financial Liabilities</b>			-	-	-

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At March 31, 2023	Notes	Level 1	Level 2	Level 3	Total March 31, 2023
<b>Financial Assets</b>					
<b>Financial Investments at FVPL</b>					
Mutual Fund - Growth Plan	8	545.07	-	-	545.07
<b>Total Financial Assets</b>		545.07	-	-	545.07
<b>Financial Liabilities</b>					
<b>Total Financial Liabilities</b>			-	-	-

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

- Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

- Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, debentures, government securities and commercial papers) is determined using FIMMDA valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

There are no transfers between levels 1 and 2 during the period. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

**ii) Valuation technique used to determine fair value :**

Specific valuation techniques used to value financial instruments include:

- 1) The use of quoted market prices or dealer quotes for similar instruments in case of quoted equity shares, exchange traded funds and mutual funds.
- 2) The fair value of the unlisted equity instruments is determined using the price / book multiple (P/B) multiple approach.
- 3) All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, where the fair values have been determined as per 2 above.

**(iii) Fair value measurements using significant unobservable inputs (level 3)**

No item falling in level 3 during the restated period .

**(iv) Valuation processes :**

The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO).

**B Financial Instruments by category****(Rs. In crores)**

	31-Mar-24		31-Mar-23	
	FVPL	Amortised Cost	FVPL	Amortised Cost
<b>Financial Assets</b>				
<b>Investments</b>				
Fixed Deposits	-	2,578.76	-	1,289.85
Mutual Funds	696.08	-	545.07	-
Trade receivables	-	212.39	-	62.73
Cash and Cash equivalents	-	22,315.38	-	5,166.71
Other financial assets	-	414.24	-	80.15
<b>Total financial assets</b>	<b>696.08</b>	<b>25,520.76</b>	<b>545.07</b>	<b>6,599.44</b>
<b>Core SGF</b>				
Fixed Deposits	-	1,228.52	-	540.13
Government securities & Treasury Bills	-	6,309.78	-	4,012.57
Mutual Funds	412.36	-	-	-
Other financial assets	-	60.39	-	27.78
Cash and Cash equivalents	-	1,226.08	-	222.93
<b>Total financial assets</b>	<b>412.36</b>	<b>8,824.78</b>	<b>-</b>	<b>4,803.41</b>
<b>Financial Liabilities</b>				
Deposits	-	2,015.89	-	1,786.32
Trade payable	-	24.35	-	37.96
Other financial liabilities	-	21,385.28	-	4,098.38
Lease Liability	-	1.13	-	1.16
<b>Total financial Liabilities</b>	<b>-</b>	<b>23,426.65</b>	<b>-</b>	<b>5,923.81</b>

### 37 FINANCIAL RISK MANAGEMENT

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Assessment & Review Committee (RARC), which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The RARC is supported by Treasury department among others, that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Treasury department activities are designed to:

- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

The Treasury department is responsible to maximise the return on companies internally generated funds.

#### A MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintains a conservative funding and investment strategy, with a positive cash balance throughout the year ended 31st March, 2024 and 31st March, 2023. This was the result of cash generated from operating activities and investing activities to provide the funds to service the financial liabilities on a day-to-day basis.

The Company's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, is retained as cash equivalents (to the extent required), other highly liquid investments and excess is invested in interest bearing term deposits and other highly marketable debt investments including the government securities with appropriate maturities to optimise the returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

	Carrying amount	Payable on demand	Less than 3 months	3-6 months	6-12 months	More than 12 months	Total
<b>As at March 31, 2024</b>							
Trade payables	24.35	-	24.35	-	-	-	24.35
Deposits	2,015.89	2,015.89	-	-	-	-	2,015.89
Creditor for Capital Expenditure	0.54	-	0.54	-	-	-	0.54
Margins From Members	17,717.88	17,717.88	-	-	-	-	17,717.88
Settlement Obligations payable	3,609.23	3,609.23	-	-	-	-	3,609.23
Lease Liability	1.13	-	0.01	0.01	0.03	1.08	1.13
Other liabilities	57.63	-	57.63	-	-	-	57.63
<b>As at March 31, 2023</b>							
Trade payables	37.96	-	37.96	-	-	-	37.96
Deposits	1,786.32	1,786.32	-	-	-	-	1,786.32
Creditor for Capital Expenditure	2.32	-	2.32	-	-	-	2.32
Margins From Members	3,870.41	3,870.41	-	-	-	-	3,870.41
Settlement Obligations payable	182.71	182.71	-	-	-	-	182.71
Lease Liability	1.16	-	0.01	0.01	0.02	1.12	1.16
Other liabilities	42.94	-	42.94	-	-	-	42.94

#### B MANAGEMENT OF MARKET RISK

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
<b>1. PRICE RISK</b>		
The Company is mainly exposed to the price risk due to its investment in mutual funds and exchange traded funds. The price risk arises due to uncertainties about the future market values of these investments.	In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.	As an estimation of the approximate impact of price risk, with respect to mutual funds and exchange traded funds, the Company has calculated the impact as follows.
At 31st March, 2024, the exposure to price risk due to investment in mutual funds amounted to Rs. 1,108.44 crores (March 31, 2023: Rs. 693.65 crores).	The Treasury department maintains a list of approved financial instruments. The use of any new investment must be approved by the Chief Financial Officer.	For mutual funds, a 0.25% increase in prices would have led to approximately an additional Rs. 2.77 crores gain in the Statement of Profit and Loss (FY 2022-23: Rs. 1.73 crores gain). A 0.25% decrease in prices would have led to an equal but opposite effect.

#### C MANAGEMENT OF CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations.

Trade and other receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse and also on account of member's deposits kept by the Group as collateral which can be utilised in case of member default. Further, amount lying in Core settlement Guarantee fund (CSGF) is available for utilisation in case of settlement default by member. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

Revenue from top customer is account for 89.07% (Previous Year 95.37%)

##### Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in commercial papers, government securities, investments in mutual funds and exchange traded funds. The Company has diversified portfolio of investment with various number of counter-parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Treasury department.

The Group's maximum exposure to credit risk as at March 31, 2024 and March 31, 2023 is the carrying value of each class of financial assets as disclosed in note no. 5,6,8,10 and 11.

- 38 a) As per Section 135 of the Act, every Company having net worth of Rs. 500 crores or more or a Turnover of Rs. 1000 crores or more or a Net Profit of Rs. 5 crores or more during any financial year is required to spend at least 2% of its Average Net Profit made during the immediately 3 preceding financial years on the Corporate Social Responsibility (CSR) activities. The details of spending is as given below:

Particulars	(Rs. In crores)	
	Current Year	Previous Year
i Amount required to be spent by the company during the year	10.65	7.84
ii Amount of expenditure incurred	-	5.88
iii Amount unspent*	10.65	1.96
iv Shortfall at the end of the year	-	-
v Total of previous years shortfall	-	-
vi Reason for shortfall	NA	NA
vii Provision for Contractual obligation	-	-

\* The unspent amount of Rs. 1.96 Crores is towards ongoing project and same has been transferred to special account on 31st March 2023 in compliance with section 135(6) of the Companies Act 2013.

\* The unspent amount of Rs. 10.65 Crores is towards ongoing project and same has been transferred to special account on 27th March 2024 in compliance with section 135(6) of the Companies Act 2013, a fixed deposit have been placed out of the same and interest on the same will be utilised towards CSR project.

- viii Nature of CSR activities :

NSE Foundation, a Section 8 Company and a subsidiary of National Stock Exchange of India Limited was incorporated in March 2018, as a common CSR function to undertake the CSR activities on behalf of the NSE Group Companies in line with the Group CSR Policy to create consolidated impact and avoid replication/ duplication of activities among the Group Companies. NSE Foundation currently undertakes CSR projects in the focus areas of Primary Education, Safe Drinking Water and Sanitation, Elder Care, Environment Sustainability, Skill Development, Health & Nutrition, Funding to Incubators and Disaster Relief & Rehabilitation.

- ix Details of related party transactions :

	Current Year	Previous Year
Contribution To NSE Foundation :	0.07	5.88

NSE Group incorporated NSE Foundation to undertake CSR activities for the Group. Accordingly, the Holding Company has contributed to NSE Foundation to be spent on CSR activities as stated in the Group CSR policy which has been adopted by the Company as Company's CSR policy.

- b) Amount spent / contribution to NSE Foundation towards CSR during the year on:

(Rs. In crores)				
Particulars		In Cash	Yet to be paid in Cash	Total
i Construction / acquisition of any asset	Current Year	-	-	-
	Previous Year	-	-	-
ii On purposes other than (i) above (through Contribution to NSE Foundation)	Current Year	-	10.65	10.65
	Previous Year *	5.88	1.96	7.84

\* The unspent amount of Rs. 1.96 Crores is towards ongoing project and same has been transferred to special account on 31st March 2023 in compliance with section 135(6) of the Companies Act 2013. During the year 2023-24 an amount of Rs. 0.07 crores has been spent out of same and balance amount of Rs. 1.89 crores.

\* The unspent amount of Rs. 10.65 Crores is towards ongoing project and same has been transferred to special account on 27th March 2024 in compliance with section 135(6) of the Companies Act 2013, a fixed deposit have been placed out of the same and interest on the same will be utilised towards CSR project.

- 39 The Subsidiary company has measured the right of use of assets and lease liability based on remaining lease period and payment discounted using the incremental borrowing rate as on date of application of Ind As 116 Leases.

(i) Amount recognised in balance sheet

Particulars	Rs. In crores	
	Amount (Rs.) 31.12.2024	Amount (Rs.) 31.03.2023
Right-Of-Use Assets		
Building	0.81	0.88
<b>Total</b>	<b>0.81</b>	<b>0.88</b>

Particulars	Year ended 31.12.2024	Year ended 31.03.2023
	Lease liability	
Current	0.05	0.04
Non Current	1.08	1.12
<b>Total</b>	<b>1.13</b>	<b>1.16</b>

(ii) Amount recognised in Statement of Profit and Loss

Particulars	Year ended 31.12.2024	Year ended 31.03.2023
	Depreciation Charge of Right-Of-Use Assets	
Building	0.08	0.08
<b>Total</b>	<b>0.08</b>	<b>0.08</b>

Particulars	Year ended 31.12.2024	Year ended 31.03.2023
	Interest Expenses ( Included in Other Expenses)	0.09
<b>Total</b>	<b>0.09</b>	<b>0.09</b>



40 During the year, total bank guarantee provided by the Holding Company in favour of ICCL towards Inter CCP collateral under interoperability framework as prescribed by SEBI as on March 31, 2024 Rs.8,000 crores (March 31, 2023 R.4,000 crores)

41 **Interests in Other Entities**

Subsidiary:

The Group's subsidiary is set out below. Share capital consisting solely of equity shares that are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also its principal place of business.

Name of Entity	With effect from	Principal Place of business / country of incorporation	Ownership interest held by the Group		Principal activities
			March 31, 2024	March 31, 2023	
NSE IFSC Clearing Corporation Limited	02-Dec-16	India	100%	100%	Clearing and Settlement of Securities.

42 **Additional information required by Schedule III**

(Rs. In crores)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent Company</b>								
<b>NSE CLEARING LTD</b>								
31st March, 2024	94.75%	2,897.15	100.64%	1,314.31	590.43%	(0.76)	100.59%	1,313.55
31st March, 2023	97.29%	1,194.44	102.98%	545.26	(5.48%)	(0.18)	102.29%	545.07
<b>Subsidiary (group's share)</b>								
<b>NSE IFSC Clearing Corporation Limited</b>								
31st March, 2024	5.25%	160.50	(0.64%)	(8.40)	(490.43%)	0.63	(0.59%)	(7.77)
31st March, 2023	2.71%	33.30	(2.97%)	(15.75)	105.48%	3.54	(2.29%)	(12.20)
<b>Adjustment arising out of consolidation</b>								
31st March, 2024	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31st March, 2023	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Total</b>								
31st March, 2024	100.00%	3,057.64	100.00%	1,305.91	100.00%	(0.13)	100.00%	1,305.78
31st March, 2023	100.00%	1,227.74	100.00%	529.51	100.00%	3.36	100.00%	532.87

43 For the year ended March 31, 2024 and March 31, 2023, the Group is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of the Companies Act, 2013.

44 The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

45 In respect of Holding Company during the year ended March 31, 2024, the provisions of SEBI circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/84 dated June 8, 2023 pertaining to upstreaming of client funds to Clearing Corporations came into effect, resulting in increase in Margin money from members with the company and increase in other operating revenue.

46 **Additional Regulatory Information required by Schedule III :**

(i) **Willful Defaulter**

The Group has not been declared willful defaulter by any bank or financial institutions or government or any government authority.

(ii) **Relationship with struck off Companies**

The Group has no transactions with the companies struck off under the Companies Act, 2013.

(iii) **Compliance with approved scheme(s) of arrangements**

The Group has not entered into any scheme of arrangement which has an accounting impact on current of previous financial year.

(iv) **Utilisation of Borrowed funds and Share premium**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds by the Group to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) **Undisclosed Income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vi) **Details of crypto currency of virtual currency**

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vii) **Valuation of PP&E, intangible asset and investment property**

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

(viii) **Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(ix) **Details of Benami Property held**

No proceedings have been initiated on or are pending against the group for holding benami under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and Rule made thereunder.

(x) **Title deeds of immovable properties not held in name of the group**

There are no immovable properties held in name of the group.

(xi) **Borrowing secured against current assets**

The Group Company doesn't have any borrowings from banks and / or financial institutions.

(xii) **Compliance with number of layer of Companies**

The Group Company has complied with the number of layers prescribed under the Companies Act, 2013.

(xiii) **Core Investment Company (CIC)**

The Group has one subsidiary company namely NSE Investments Ltd which is a deemed CIC and is not required to be registered with RBI as per the directions laid down in Core Investment Companies (Reserve Bank) Directions, 2016. There are no other CIC in the group.

(xiv) **Loans or advances to specified persons**

The Group Company has not granted any loans or advances to promoters, directors, KMPs and related parties either severally or jointly with any other person, that are:

- repayable on demand or
- without specifying any terms or period for repayment

- 47 The Subsidiary Company's tax jurisdiction is India .The Subsidiary Company is eligible for deduction u/s 80LA of the Income Tax Act, 1961 from its business income of an amount equal to 100% of such income for any 10 consecutive assessment years out of 15 years, beginning with the assessment year relevant to the previous year in which SEBI permission was granted Accordingly, the benefit u/s 80LA of the Act of 100% deduction of business profit is available for any 10 consecutive years from the AY 2017-18 to AY 2031-32. Deferred tax asset is recognised based on reasonable certainty.
- 48 In case of Subsidiary Company pursuant to MCA Notification dated January 04, 2017, Section 135 - Corporate Social Responsibility of Companies Act 2013, shall not apply for a period of five years from the commencement of business of a specified IFSC public company. Subsidiary Company is making losses in current year and also incurred losses in the previous years. Accordingly, Section 135 is not applicable to the subsidiary company for the financial year 2023-24.
- 49 In respect of NSE IFSC CC Limited, during the FY 2020-21, National Stock Exchange (NSE) and Singapore Stock Exchange (SGX) had entered into a collaboration agreement to cement the key terms for operationalising the NSE IFSC-SGX Connect which will bring together international and Gujarat International Finance Tec City (GIFT) participants to create a bigger liquidity pool for Nifty Products in Gift City and to develop the infrastructure for the connect and ensure member readiness prior to its implementation. Further the Company on March 28, 2022 has entered into an operational agreement with SGX India Connect IFSC Private Limited, Singapore Exchange Derivatives Clearing Limited (SGX DC) and NSE IFSC Limited to operationalise the NSE IFSC-SGX Connect. As per this operational agreement, Company is required to provide collateral to SGX-DC for the due performance by the Company of its clearing obligations in respect of the trades placed by SGX-SPV on NSE IFSC. For this Company has availed Bank Guarantee facility from Standard Chartered Bank to the tune of USD 50 million Rs. 416.87 crores upto March 31, 2024. NSE IFSC-SGX Connect has been launched on July 29, 2022. Further SGX has informed its members on April 17, 2023 that full-scale operation of the NSE IFSC-SGX Connect ("Connect") with the transition of SGX Nifty derivatives to NSE IFSC all US dollar denominated Nifty derivatives contracts started exclusively trading on NSE IFSC w.e.f. July 03, 2023
- 50 The Subsidiary Company received Show Cause Notice (SCN) on 21.10.2022 for non-achievement of positive Net Foreign Exchange (NFE) during the first block of five years as one on the condition for Letter of Approval (LOA) issued by SEZ Authority. The Development Commissioner after considering the Company's submissions and personal hearing, passed an order dated 22.05.2023 levying a nominal penalty of Rs.10,000/-.(USD 121.32) SEZ (Second Amendment) Rules, 2023 dated 27.04.2023 has now exempted entities in IFSC from applicability of provisions of positive NFE and the Development Commissioner has taken cognizance of the same while passing the said order. Based, on the above facts and circumstances and in view of expiring of LOA on June 01, 2023, the Company has made a payment of Rs. 10,000/- (USD 121.32) towards penalty and filed an appeal with the office of Director General of Foreign Trade (New Delhi) on May 27, 2023. The same was intimated to the Sr. Development Commissioner on May 29, 2023. Basis the intimation about the appeal against the order, the SEZ authority has extended LOA for continued operation under the SEZ-scheme for a period of four years till June 01, 2027.
- 51 Previous year figures have been regrouped / reclassified wherever necessary.

**For Khandelwal Jain & Co.**  
**Chartered Accountants**  
**Firm Registration No : 105049W**

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

<b>ABHAYA HOTA</b> Chairman [ DIN : 02593219 ]	<b>PRITI SAVLA</b> Director [ DIN : 00662996 ]	<b>VIKRAM KOTHARI</b> Managing Director & CEO [ DIN : 07898773 ]
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**NARENDRA JAIN**  
**Partner**  
**Membership No.: 048725**

**Place : Mumbai**  
**Date : April 30, 2024**

<b>AMIT AMLANI</b> Chief Financial Officer	<b>RAVIN TANK</b> Company Secretary
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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF NSE Clearing Limited**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying Standalone financial statements of **NSE Clearing Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive loss), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the statement financial statements.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Legal, Regulatory Proceedings and uncertain tax positions</b></p> <p>As of March 31, 2024, the Company has ongoing regulatory proceeding with SEBI in respect of a matter as disclosed in note 35(c) to the standalone financial statements and various ongoing litigations on legal matters and proceedings with tax authorities involving uncertain direct and indirect tax positions. There are various direct and indirect tax cases against the Company, including disallowance of certain expenses under income tax, applicability of service tax on certain services etc.</p> <p>The Company has assessed the above pending matters related to litigations, regulatory proceedings and has disclosed the contingent liabilities, wherever applicable, in its standalone financial statements.</p> <p>Refer note 32, 33 and 35 to the standalone financial statements.</p> <p>This is a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources, if any, provisions and related disclosures to be made in the standalone financial statements.</p>	<p>Our audit procedures related to legal, regulatory proceedings and uncertain tax positions included–</p> <ul style="list-style-type: none"> <li>• Evaluating the design and operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the standalone financial statements in respect of these matters;</li> <li>• Obtaining details of litigations on legal, regulatory proceedings and uncertain direct and indirect tax positions.</li> <li>• Reviewing orders and management responses thereto.</li> <li>• Inspecting the supporting documents to evaluate management’s assessment of probability of outcome of ongoing proceedings, the magnitude of potential loss, if any, and testing related provisions and disclosures made in the standalone financial statements;</li> <li>• Reviewing expert’s legal advice/opinion obtained by the Company’s management for evaluating certain legal, regulatory and tax matters; and</li> <li>• Evaluating competence and capabilities of the experts.</li> </ul> <p>Based on the above procedure, we noted that the Company has reviewed the above pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its standalone financial statements.</p>

**Information Other than the Financial Statements and Auditor’s Report Thereon**

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in Board’s Report including Annexures to Board’s Report, but does not include the Standalone financial statements and our auditor’s report thereon. The Board’s Report including Annexures is expected to be made available to us after the date of this auditor’s report.

Our opinion on the Standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement of this other information, we are required to report that fact.

## **Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure 'A'**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations as at March 31, 2024, on its financial position in its standalone financial statements – Refer Note 33 to the standalone financial statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 34 to the standalone financial Statements.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024 – Refer Note 41 to the standalone financial statements.
  - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; – Refer Note 44(iv) to the standalone financial statements.
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; – Refer Note 44(iv) to the standalone financial statements.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- (vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2024 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For Khandelwal Jain & Co.**

Chartered Accountants

Firm's Registration No. 105049W

**(Narendra Jain)**

**Partner**

Membership No. 048725

**UDIN: 24048725BKEZCI2967**

Place: Mumbai

Date: April 30, 2024



## **Annexure 'A' to the Independent Auditor's Report**

(Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirement's section of our report to the Members of **NSE Clearing Limited** of even date for the year ended March 31, 2024)

- i) a) A) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.  
B) The Company has maintained proper records showing full particulars of intangible assets.
- b) The Property, Plant and Equipment are physically verified by the management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable property in its name. Hence, provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) a) The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii) of Companies (Auditor's Report) Order, 2020 are not applicable to the Company.
- b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made investments, but has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. In view of thereof, reporting under clause 3(iii)(a), (c), (d), (e) and (f) of the Order is not applicable. The Investments made during the year are, in our opinion, prima facie, not Prejudicial to the Company's interest.
- iv) According to information and explanations given to us, the Company has not granted loans or provided any guarantees or security to parties covered under Section 185 of the Act. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 186 of the Act in respect of the Investments made.

- v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are considered to be deemed deposits during the year, hence directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder are not applicable to the Company. According to information and explanations provided to us, no order has been passed by Company Law Board of National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi) The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii) a) According to the information and explanations given to us and on the basis of records examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax (GST) and other material statutory dues, as applicable. According to the records of the Company, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, the dues of Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Custom, Duty of Excise and Value Added Tax which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

<b>Sr. No.</b>	<b>Name of Statute</b>	<b>Nature of the Dues</b>	<b>Period to which the amount relates (Financial Year)</b>	<b>Amount (in crores)</b>	<b>Forum where the dispute is pending</b>
1	Income Tax Act, 1961	Income Tax and Interest thereon	1996-97	0.06	Joint Commissioner of Income Tax
2	Income Tax Act, 1961	Income Tax and Interest thereon	2011-12	0.44	Commissioner of Income Tax (Appeals)
3	Income Tax Act, 1961	Income Tax and Interest thereon	2014-15	46.55	Commissioner of Income Tax (Appeals)
4	Income Tax Act, 1961	Income Tax and Interest thereon	2016-17	8.62	Commissioner of Income Tax (Appeals)
5	Income Tax Act, 1961	Income Tax and Interest thereon	2017-18	44.90	Commissioner of Income Tax (Appeals)
6	Income Tax Act, 1961	Income Tax and Interest thereon	2019-20	76.89	Commissioner of Income Tax (Appeals), National
7	Income Tax Act, 1961	DDT and Interest thereon	2019-20	22.98	Faceless Appeal Center, New Delhi

<b>Sr. No.</b>	<b>Name of Statute</b>	<b>Nature of the Dues</b>	<b>Period to which the amount relates (Financial Year)</b>	<b>Amount (in crores)</b>	<b>Forum where the dispute is pending</b>
8	Income Tax Act, 1961	Income Tax and Interest thereon	2021-22	173.36	Commissioner of Income Tax (Appeals), National Faceless Appeal Center, New Delhi
9	Chapter V of Finance Act, 1944	Service Tax (including penalty)	July 2012 to June 2017	71.42*	Customs, Central Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai

\* plus applicable Interest

- viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company and hence, reporting on clause 3(ix)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and hence, reporting on clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary and hence, reporting on clause 3(ix)(f) of the Order is not applicable.
- x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provision of clause 3(x)(a) of Companies (Auditor's Report) Order, 2020 are not applicable to the Company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

- xi) (a) We hereby confirm that to the best of our knowledge and belief, there are no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management there are no whistle blower complaints received by the Company during the year.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and section 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- xiv) (a) In our opinion and based on our examination the Company has an internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports of the company issued till date, for the year under audit.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) As per the information and explanation, given to us there is only one core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx) (a) According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred Rs. 10.65 Crore, being unspent amount, to a special account on March 31, 2024 in compliance with section 135(6) of the said Act.

**For Khandelwal Jain & Co.**  
Chartered Accountants  
Firm's Registration No. 105049W

**(Narendra Jain)**  
**Partner**  
Membership No. 048725  
**UDIN: 24048725BKEZCI2967**

Place: Mumbai  
Date: April 30, 2024

## **Annexure 'B' to the Independent Auditor's Report**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirement's section of our report to the Members of **NSE Clearing Limited** of even date for the year ended March 31, 2024)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of **NSE Clearing Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

## **Meaning of Internal Financial Controls Over Financial Reporting**

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

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## **For Khandelwal Jain & Co.**

Chartered Accountants

Firm's Registration No. 105049W

## **(Narendra Jain)**

**Partner**

Membership No. 048725

UDIN: **24048725BKEZCI2967**

Place: Mumbai

Date: April 30, 2024

**NSE CLEARING LIMITED**  
CIN: U67120MH1995PLC092283

**STANDALONE BALANCE SHEET AS AT MARCH 31, 2024**

(Rs.in Crores)

Particulars	Notes	As at 31.03.2024	As at 31.03.2023
<b>I ASSETS</b>			
<b>1 Non-current Assets</b>			
a Property, Plant and Equipments	2	76.85	88.73
b Capital work-in-progress	2	-	1.80
c Other Intangible Assets	3	12.16	18.20
d Intangible assets under development	3	-	0.32
e Financial assets			
i Investments	4	250.00	90.00
ii Non-current bank balances	5	1,474.26	506.23
iii Other Financial assets	6	50.72	5.85
f Income tax assets (net)	15	492.71	162.84
g Other Non-current assets	7	4.80	15.19
<b>Total Non-current Assets</b>		<b>2,361.50</b>	<b>889.16</b>
<b>2 Investments -Core Settlement Guarantee Fund</b>	11	<b>8,818.99</b>	<b>4,797.23</b>
<b>3 Investment earmarked towards SGF - Commodity derivatives</b>	5, 8 & 27	-	250.00
<b>4 Current Assets</b>			
a Financial Assets			
i Investments	8	696.08	545.07
ii Trade Receivables	9	211.35	62.73
iii Cash and Cash equivalents*	10	22,298.54	5,158.62
iv Bank balances other than cash and cash equivalents*	5	953.69	750.74
* Includes Rs.21,325.28 crores (March 2023: Rs.4,050.04 crores) pertaining to Settlement obligations and margin money from members.			
v Other Financial assets	6	357.49	73.52
b Other current assets	7	50.78	35.89
<b>Total Current Assets</b>		<b>24,567.93</b>	<b>6,626.58</b>
<b>TOTAL ASSETS</b>		<b>35,748.42</b>	<b>12,562.97</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
a Equity Share capital	12 (a)	1,445.00	45.00
b Other Equity	12 (b)	1,702.15	1,239.44
<b>Total Equity</b>		<b>3,147.15</b>	<b>1,284.44</b>
<b>2 Core Settlement Guarantee Fund (Core SGF)</b>	26	<b>8,818.99</b>	<b>4,797.23</b>
<b>3 Settlement Guarantee Fund (SGF)- Commodity derivatives Liabilities</b>	27	-	250.00
<b>4 Non-current liabilities</b>			
a Provisions	19	15.90	14.47
b Deferred tax liabilities (Net)	13 (d)	12.73	8.24
<b>Total Non-current Liabilities</b>		<b>28.63</b>	<b>22.71</b>
<b>5 Current Liabilities</b>			
a Financial Liabilities			
i Deposits	16	1,995.25	1,776.14
ii Trade payable to ;	17		
Total Outstanding dues of micro enterprises and small enterprises		1.00	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises		20.55	29.96
iii Other financial liabilities*	17	21,383.42	4,095.31
* Includes Rs.21,325.28 crores (March 2023: Rs.4,050.04 crores) pertaining to Settlement obligations and margin money from members.			
b Provisions	19	15.05	9.73
c Income tax liabilities (net)	14	73.60	73.59
d Other current liabilities	18	264.79	223.86
<b>Total Current Liabilities</b>		<b>23,753.64</b>	<b>6,208.59</b>
<b>Total Liabilities</b>		<b>32,601.26</b>	<b>11,278.53</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>35,748.42</b>	<b>12,562.97</b>

Summary of material and other accounting policies 1

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

This is the Balance sheet referred to in our report of even date

For Khandelwal Jain & Co.

Chartered Accountants

Firm Registration No : 105049W

For and on behalf of the Board of Directors

ABHAYA HOTA      PRITI SALVA      VIKRAM KOTHARI  
Chairman      Director      Managing Director & CEO  
[ DIN : 02593219 ]      [ DIN : 00662996 ]      [ DIN : 07898773 ]

NARENDRA JAIN  
Partner  
Membership No.: 048725

Place : Mumbai  
Date : April 30, 2024

AMIT AMLANI      RAVIN TANK  
Chief Financial Officer      Company Secretary



**NSE CLEARING LIMITED**

CIN: U67120MH1995PLC092283

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024**

**(Rs.in Crores)**

Particulars	Notes	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>Income</b>			
Revenue from operations	20	2,006.76	915.89
Other income	21	165.47	98.77
<b>Total Income</b>		<b>2,172.23</b>	1,014.66
<b>Expenses</b>			
Employee benefits expense	22	61.32	39.53
Depreciation and amortisation expense	2 & 3	44.67	40.72
Other expenses	23	279.32	203.04
<b>Total Expenses</b>		<b>385.31</b>	283.29
<b>Profit before exceptional item</b>		<b>1,786.92</b>	731.37
<b>Add/(Less) : Exceptional Items</b>			
Settlement - SEBI	35a	<b>(22.88)</b>	-
<b>Profit before tax</b>		<b>1,764.03</b>	731.37
Less : Tax expenses			
Current tax	13	445.00	182.78
Deferred tax		4.74	3.32
<b>Total tax expenses</b>		<b>449.74</b>	186.11
<b>Profit for the year (A)</b>		<b>1,314.30</b>	545.26
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of post-employment benefit obligations		(1.01)	(0.24)
<b>Income tax relating to items that will not be reclassified to profit or loss</b>			
Tax Remeasurements of post-employment benefit obligations		0.25	0.06
<b>Total Other Comprehensive Income for the year (B)</b>		<b>(0.76)</b>	(0.18)
<b>Total Comprehensive Income for the year (A+B)</b>		<b>1,313.54</b>	545.08
<b>Earnings per Equity Share ( FV Rs. 10 each) ( before contributions to Core SGF )</b>			
Basic ( Rs.)	30	13.59	5.68
Diluted ( Rs.)	30	13.59	5.68
Summary of material and other accounting policies	1		

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

This is the Statement of Profit & loss referred to in our report of even date

**For Khandelwal Jain & Co.**  
Chartered Accountants  
Firm Registration No : 105049W

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

ABHAYA HOTA  
Chairman  
[ DIN : 02593219 ]

PRITI SAVLA  
Director  
[ DIN : 00662996 ]

VIKRAM KOTHARI  
Managing Director & CEO  
[ DIN : 07898773 ]

**NARENDRA JAIN**  
Partner  
Membership No.: 048725

Place : Mumbai  
Date : April 30, 2024

AMIT AMLANI  
Chief Financial Officer

RAVIN TANK  
Company Secretary

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

	(Rs. in Crores) For the year ended 31.03.2024	For the year ended 31.03.2023
<b>A) CASHFLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX</b>	<b>1,764.03</b>	731.37
<b>Add/(Less) :- Adjustments for :</b>		
- Depreciation	44.67	40.72
- Net gain on financial assets mandatorily measured at Fair Value through Profit or Loss	(45.41)	(27.79)
- Share Issue Expenses	2.87	-
- Provision for doubtful debts	0.40	0.06
<b>Less : Adjustments for :</b>		
- Interest income on Bank deposit	(117.43)	(63.23)
- Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	(1.17)	(2.28)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,647.96</b>	678.85
<b>Adjustments for :</b>		
Decrease/(Increase) in Trade Receivable	(149.03)	(16.04)
Increase / (Decrease) in Trade payables	(8.40)	9.13
Decrease/(Increase) in other financial assets	0.05	0.20
Decrease/(Increase) in Other Assets	(4.49)	(28.75)
Increase / (Decrease) in Other Financial Liabilities	17,289.89	(4,501.55)
Increase / (Decrease) in Provision	5.74	4.12
Increase /(Decrease) in Other Liabilities	40.92	(14.24)
Proceed of Deposit from Trading member / applicant	342.64	716.93
Refund of deposit from trading members / applicant	(123.54)	(160.73)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>19,041.75</b>	(3,312.08)
Contribution to Core SGF	(1,441.00)	(267.89)
Direct Taxes paid (Net of Refunds)	(412.20)	(194.64)
<b>NET CASH FROM OPERATING ACTIVITIES - Total (A)</b>	<b>17,188.55</b>	(3,774.61)
<b>B) CASHFLOW FROM INVESTING ACTIVITIES</b>		
Investment in Equity Share Capital of Subsidiary	(160.00)	-
Purchase of Property, Plant and Equipment's/ Capital work-in-progress	(26.42)	(29.77)
Interest received	(211.46)	48.14
(Increase)/Decrease in Fixed deposit	(1,069.55)	(86.79)
Purchases of Investment	44.14	(138.67)
<b>NET CASH USED IN INVESTING ACTIVITIES - Total (B)</b>	<b>(1,423.29)</b>	(207.09)
<b>C) CASHFLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid (inclusive of corporate dividend tax)	(22.50)	(180.00)
Issue of Equity Shares	1,400.00	-
Share Issue Expenses	(2.87)	-
<b>NET CASH FROM FINANCING ACTIVITIES - Total (C)</b>	<b>1,374.63</b>	(180.00)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>17,139.91</b>	(4,161.72)
<b>CASH AND CASH EQUIVALENTS : OPENING BALANCE*</b>	<b>5,158.62</b>	9,320.34
<b>CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE*</b>	<b>22,298.54</b>	5,158.62
* Includes amount received from Settlement obligations and margin money from members (Refer to note 10 & 17)		
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>17,139.92</b>	(4,161.72)

**Notes to Cash Flow Statement :**

- 1 Cash and Cash equivalent represent bank balances and balances in fixed deposit accounts.
- 2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind-AS 7 on Statement of Cash Flow notified under Companies (Indian Accounting Standards) Rules, 2015
- 3 The above Cash Flow excludes cash flow pertaining to Core SGF.
- 4 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification / disclosure.

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

This is the statement of cash flow referred to in our report of even date.

**For Khandelwal Jain & Co.**  
Chartered Accountants  
Firm Registration No : 105049W

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

**NARENDRA JAIN**  
Partner  
Membership No.: 048725

**ABHAYA HOTA**  
Chairman  
[ DIN : 02593219 ]

**PRITI SAVLA**  
Director  
[ DIN : 00662996 ]

**VIKRAM KOTHARI**  
Managing Director & CEO  
[ DIN : 07898773 ]

Place : Mumbai  
Date : April 30, 2024

**AMIT AMLANI**  
Chief Financial Officer

**RAVIN TANK**  
Company Secretary

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024**

**(A) Equity Share Capital**

	(Rs.in Crores)
<b>Balance as at 01.04.2022</b>	<b>45.00</b>
Changes in equity share capital during the year	-
<b>Balance as at 31.03.2023</b>	<b>45.00</b>
Changes in equity share capital during the year	1,400.00
<b>Balance as at 31.03.2024</b>	<b>1,445.00</b>

**(B) Other Equity**

	Reserves and Surplus			(Rs.in Crores)
	Capital Reserve	General reserve	Retained Earnings	Total
<b>Balance at the 01.04.2022</b>	10.00	244.71	820.12	1,074.83
Profit for the year			545.26	545.26
Other Comprehensive Income			(0.18)	(0.18)
Contribution to core SGF			(267.89)	(267.89)
Tax on contribution to Core SGF			67.42	67.42
<b>Transaction with owners in their capacity as owners</b>				
Dividend paid			(180.00)	(180.00)
<b>Balance at the 01.04.2023</b>	<b>10.00</b>	<b>244.71</b>	<b>984.73</b>	<b>1,239.44</b>
Profit for the year			1,314.29	1,314.29
Other Comprehensive Income			(0.76)	(0.76)
Contribution to core SGF (Refer Note 26)			(1,441.00)	(1,441.00)
Tax on contribution to Core SGF			362.67	362.67
Transfer from Settlement Guarantee Fund (SGF) - Commodity derivatives (Refer Note 27)		250.00	-	250.00
<b>Transaction with owners in their capacity as owners</b>				
Dividends paid			(22.50)	(22.50)
<b>Balance at the 31.03.2024</b>	<b>10.00</b>	<b>494.71</b>	<b>1,197.43</b>	<b>1,702.15</b>

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

This is the statement of changes in equity referred to in our report of even date

**For Khandelwal Jain & Co.**  
**Chartered Accountants**  
Firm Registration No : 105049W

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

**NARENDRA JAIN**  
Partner  
Membership No.: 048725

<b>ABHAYA HOTA</b> Chairman [ DIN : 02593219 ]	<b>PRITI SAVLA</b> Director [ DIN : 00662996 ]	<b>VIKRAM KOTHARI</b> Managing Director & CEO [ DIN : 07898773 ]
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Place : Mumbai  
Date : April 30, 2024

<b>AMIT AMLANI</b> Chief Financial Officer	<b>RAVIN TANK</b> Company Secretary
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## **Background and Material and other Accounting Policies**

### **Background**

The NSE Clearing Limited (NCL) (formerly known as National Securities Clearing Corporation Limited), a wholly owned subsidiary of NSE, was incorporated in August 1995. It was the first clearing corporation to be established in the country and also the first clearing corporation in the country to introduce settlement guarantee. It was set up to bring and sustain confidence in clearing and settlement of securities, to promote and maintain, short and consistent settlement cycles, to provide counter-party risk guarantee, and to operate a tight risk containment system.

### **Note 1 (A) : Material accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these Ind As financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **(a) Basis of preparation**

##### *(i) Compliance with Ind AS*

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Amendments thereto.

The financial statements for the year ended March 31, 2024 has been approved by the Board of directors of the Company in their meeting held on April 30, 2024.

##### *(ii) Historical cost convention*

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value, and
- defined benefit plans - plan assets measured at fair

#### **(b) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, incentives, service taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised in the period when the service is provided as per arrangements/agreements with the customers. The sources of revenue are:

- (i) Clearing and Settlement charges, IT & support charges and processing 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) Income excludes applicable taxes and other levies

**(c) Income taxes**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(d) Impairment of assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(e) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked/restricted for specific purposes.

Restricted cash:

Other bank balances comprise of Fixed deposits with maturity of more than three months and less than twelve months, other financial assets contains Fixed deposits with maturity of more than one year. This deposits are restricted balance and with lien for advances received from issuer of securities and advance received from defaulting members.

**(f) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**(g) Investments and other financial assets**

**(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) De-recognition of financial assets

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be reliably measured.

**(h) Property, plant and equipment (including CWIP)**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value



Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

Furniture and fixture	5 to 10 years
Office equipment	4 to 5 years
Electrical equipment	10 years
Computer systems office automation	3 years
Computer systems – others	4 years
Computer software	4 years
Telecommunication systems	4 years
Clearing and Settlement Systems	4 years

The property, plant and equipment including land acquired under finance leases is depreciated over the asset's useful life or the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.

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

**(i) Intangible assets**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Standard packaged software products are written off in the year of purchase.

Computer software is amortised over a period of 4 years.

**(j) Provisions**

Provisions for legal claims and discounts/incentives are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

**(k) Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not disclosed in case the possibility of an outflow of resources embodying economic benefits is remote.

**(l) Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in statement of profit and loss in the year in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating

to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, and
- (b) defined contribution plans such as provident fund and superannuation.

Gratuity obligations

The Holding company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iv) Defined contribution plans

Provident fund

Provident Fund: The company is registered with Regional Provident Fund Office, Bandra, Mumbai, and both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively.

Superannuation

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

(v) Bonus plans

1. The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.
2. SEBI has 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 three years.

**(m) Core Settlement Guarantee Funds**

As per SEBI vide circular no. CIR/MRD/DRMNP/25/2014 dated August 27,2014 every recognised clearing corporation shall establish and maintain a Fund for each segment, to guarantee the settlement of trades executed in that respective segment of a recognised stock exchange. The Clearing Corporation shall have a fund called Core SGF for each segment of each Recognised Stock Exchange to guarantee the settlement of trades executed in the respective segment of the Stock Exchange. In the event of a clearing member(member) failing to honour settlement commitments, the Core SGF shall be used to fulfil the obligations of that member and complete the settlement without affecting the normal settlement process. The Core SGF shall be contributed by Clearing Corporation, Stock Exchanges and the clearing members, in a manner as prescribed by SEBI. This fund is represented by earmarked Core SGF investments. The income earned on such investments is credited to the respective contributor's funds and adjusted towards incremental requirement of Minimum Required Corpus (MRC) as per SEBI letter reference no. SEBI/HO/MRD/DRMNP/OW/P/2018/4559/1 dated February 12, 2018. Penalties and fines levied by the Company are transferred to Core SGF as Other Contributions.

**(n) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**(o) Earnings per share**

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(p) Critical Accounting Estimates And Judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher

degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**The areas involving critical estimates or judgements are:**

Estimation of current tax expense and payable Note 13, 14 and 15  
Estimated useful life of intangible asset Note 3  
Estimation of defined benefit obligation Note 25  
Estimation of fair values of contingent liabilities refer Note 32, 33 and 35  
Estimation of Variable and Performance Pay

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

**(q) Operating Cycle**

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

**Note 1 (B) : Other accounting policies**

**(a) Foreign currency translation and transactions**

*(i) Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian currency (INR), which is the Company's functional and presentation currency.

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

Effective April 1, 2018 the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income

when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

**(b) Leases**

**As a lessee**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of the contract. Ind AS 116 defines a lease as a contract, or a part of a contract, that convey as the right of use an asset (the underlying asset) for a period of time in exchange of consideration. To assess whether as contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expenses on a straight line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the underlying assets.

**As a lessor**

Lease for which the Company is a lessor is classified as finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on straight line basis over the term of the relevant lease.

**(c) Financial liabilities**

*(i)* Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

*(ii)* Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

*(iii)* Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**(d) Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(e) Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

**(f) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**(g) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**(h) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

**(i) Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standard or amendments to the existing standards applicable to the Company.

**Note 2 - Property, Plant and Equipments**

(Rs. in Crores)

	OFFICE EQUIPMENTS	FURNITURE AND FIXTURES	COMPUTER SYS - OFF AUTOM	TELECOM MUNICATI ON SYSTEMS	CLEARING AND SETTLEME NT SYSTEM	Total	Capital Work in Progress
<b>As at March 31, 2023</b>							
<b>Gross carrying amount</b>							
Opening gross carrying amount	-	0.06	0.26	39.71	89.52	129.56	20.40
Additions	-	-	-	25.34	15.61	40.95	1.80
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	(20.40)
<b>Closing gross carrying amount</b>	<b>-</b>	<b>0.06</b>	<b>0.26</b>	<b>65.06</b>	<b>105.13</b>	<b>170.51</b>	<b>1.80</b>
<b>Accumulated depreciation</b>							
Opening accumulated depreciation	0.00	0.06	0.23	9.11	37.88	47.28	-
Depreciation for the year	-	-	0.01	14.48	20.01	34.50	-
Disposals	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>0.00</b>	<b>0.06</b>	<b>0.24</b>	<b>23.59</b>	<b>57.89</b>	<b>81.78</b>	<b>-</b>
<b>Net carrying amount</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>0.02</b>	<b>41.47</b>	<b>47.25</b>	<b>88.73</b>	<b>1.80</b>
<b>As at March 31, 2024</b>							
<b>Gross carrying amount</b>							
Opening gross carrying amount	-	0.06	0.26	65.06	105.13	170.51	1.80
Additions	-	-	-	7.85	18.55	26.40	-
Disposals	-	-	-	-	-	-	(1.80)
Transfers	-	-	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>-</b>	<b>0.06</b>	<b>0.26</b>	<b>72.91</b>	<b>123.68</b>	<b>196.92</b>	<b>0.00</b>
<b>Accumulated depreciation</b>							
Opening accumulated depreciation	0.00	0.06	0.24	23.59	57.89	81.78	-
Depreciation for the year	-	-	0.01	15.81	22.50	38.32	-
Disposals	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>0.00</b>	<b>0.06</b>	<b>0.24</b>	<b>39.40</b>	<b>80.39</b>	<b>120.09</b>	<b>-</b>
<b>Net carrying amount</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>0.02</b>	<b>33.50</b>	<b>43.29</b>	<b>76.85</b>	<b>0.00</b>

**Capital-work-in progress ageing as on 31.03.2024**

(Rs. in Crores)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Rs. in Crores)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
whose completion is overdue	-	-	-	-	-
has exceeded its cost compared to its original plan	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Capital-work-in progress ageing as on 31.03.2023**

(Rs. in Crores)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.80	-	-	-	1.80
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.80</b>

(Rs. in Crores)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Whose completion is overdue	-	-	-	-	-
Has exceeded its cost compared to its original plan	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Note 3: Intangible Assets** (Rs. in Crores)

	<b>COMPUTER SOFTWARE</b>	<b>Intangible assets under development</b>
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**As at March 31 , 2023**

**Gross carrying amount**

Opening gross carrying amount	31.99	8.12
Additions	16.75	0.32
Disposals	-	-
Transfers	-	(8.12)
<b>Closing gross carrying amount</b>	<b>48.74</b>	<b>0.32</b>

**Accumulated Amortisation and impairment**

Opening accumulated Amortisation	24.31	-
Amortisation for the year	6.23	-
Disposals	-	-
<b>Closing amortization</b>	<b>30.54</b>	<b>-</b>

<b>Net carrying amount</b>	<b>18.20</b>	<b>0.32</b>
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**As at March 31, 2024**

**Gross carrying amount**

Opening gross carrying amount	48.74	0.32
Additions	0.32	-
Disposals	-	-
Transfers	-	(0.32)
<b>Closing gross carrying amount</b>	<b>49.06</b>	<b>-</b>

**Accumulated Amortisation and impairment**

Opening accumulated Amortisation	30.54	-
Amortisation for the year	6.36	-
<b>Closing amortization</b>	<b>36.90</b>	<b>-</b>

<b>Net carrying amount</b>	<b>12.16</b>	<b>-</b>
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**Significant estimate: Useful life of intangible assets under development**

The Company has completed the development of software that is used to in its various business processes. As at 31 March 2024, the net carrying amount of this software was Rs.12.16 crores (31 March 2023: Rs.18.20 crore). The Company estimates the useful life of the software to be 4 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 4 years, depending on technical innovations and competitor actions.

**Intangible assets under development ageing as on 31.03.2024** (Rs. in Crores)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Rs. in Crores)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Whose completion is overdue	-	-	-	-	-
Has exceeded its cost compared to its original plan	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Intangible assets under development ageing as on 31.03.2023** (Rs. in Crores)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.32	-	-	-	0.32
projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>0.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.32</b>

(Rs. in Crores)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Whose completion is overdue	-	-	-	-	-
Has exceeded its cost compared to its original plan	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 4 NON CURRENT INVESTMENTS**

		31.03.2024		31.03.2023	
		Number of Units/Shares	(Rs. in Crores)	Number of Units/Shares	(Rs. in Crores)
<b>I</b>	<b>Investment in equity instruments (fully paid up)</b>				
	<b>Unquoted equity instruments at cost</b>				
	<b>In subsidiary companies</b>				
	NSE IFSC Clearing Corporation Limited **	25,00,00,000	250.00	9,00,00,000	90.00
	<b>In Others</b>				
	NSE Foundation (Section 8 Company) [* Re.1/- (Previous Year Re.1/- )]	6,000	-*	6,000.00	-*
	<b>Total equity instruments</b>		250.00		90.00
<b>II</b>	<b>Investment in government securities</b>				
	<b>at amortised cost</b>				
	5.15 Government of India 9 November 2025	2,25,00,000	225.05	2,25,00,000	222.26
	5.22 GOVERNMENT OF INDIA 15 JUN 2025	5,10,00,000	507.99	5,10,00,000	499.70
	5.63 Government of India 12 April 2026	4,15,00,000	414.73	4,15,00,000	409.38
	5.74 Government of India - 15 November 2026	3,85,00,000	383.30	3,80,00,000	374.83
	6.18 GOVERNMENT OF INDIA 2024- 04 Nov 2024	-	-	85,00,000	86.52
	6.69 Government of India 27 June 2024	-	-	5,00,00,000	507.25
	6.79 GOVERNMENT OF INDIA - 15 MAY 2027	4,35,00,000	441.67	4,35,00,000	440.32
	6.97 GOVERNMENT OF INDIA - 06 SEP 2026	55,00,000	54.87	55,00,000	54.71
	7.35 Government of India 22 June 2024	-	-	1,95,00,000	200.42
	7.38 GOVERNMENT OF INDIA 20 JUNE 2027	4,30,00,000	440.39	4,30,00,000	440.78
	7.06 Government Of India 10 April 2028	5,00,00,000	516.11	-	-
	6.54 Government Of India - 17 Jan 2032	9,75,00,000	950.37	-	-
	7.26 Government Of India 14 Jan 2029	1,00,00,000	101.51	-	-
	7.17 Government Of India -17 Apr 2030	25,00,000	25.70	-	-
	7.10 Government Of India 18 April 2029	2,60,00,000	267.84	-	-
	6.10 Government Of India 12 July 2031***	5,00,00,000	479.45	-	-
	6.67 Government Of India 15 December 2035	3,15,00,000	310.26	-	-
	6.64 Government Of India 16 June 2035	1,00,00,000	98.43	-	-
	<b>Total government securities</b>		5,217.67		3,236.17
	<b>Less :</b>				
	Amount disclosed under Core SGF investments (refer Note11)		(5,217.67)		(3,236.17)
	<b>Total non-current investments</b>		250.00		90.00
	Aggregate amount of book value of quoted investments		5,217.67		3,236.17
	Aggregate amount of quoted investments and market value thereof		5,229.00		3,227.02
	Aggregate amount of book value of unquoted investments		250.00		90.00

\* Re 1/-

NSE Foundation was incorporated under section 8 of the Companies Act, 2013 and intends to apply its profits, if any, or other income in promoting its objects and any payment of dividend to its members is prohibited. Accordingly, the investment in the company had been written down to Re. 1/-. Accordingly, the Company had written off investment in NSE Foundation amounting to Rs. 59,999/- by debiting the Statement of Profit and Loss.

\*\*Investment during the year in Right issue of subsidiary company Rs.160 crores ( Previous year Rs. Nil )

\*\*\*Includes Rs. 383.81 crores (Face Value Rs. 400 crores) Government Securities credited to SGL A/c on settlement date April 2, 2024 (Refer note 11)

5 **Other bank balances**

	<b>Non-current</b>		<b>Current</b>	
	<b>31.03.2024</b>	<b>31.03.2023</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
	<b>(Rs. in Crores)</b>		<b>(Rs. in Crores)</b>	
Deposits with original maturity for more than 12 months #	<b>1,474.26</b>	506.23	<b>932.89</b>	521.67
Earmarked Deposits with original maturity for more than 12 months	<b>1,165.12</b>	35.13	<b>9.55</b>	532.22
Deposits with original maturity for more than 3 months but less than 12 months #	-	-	-	206.14
Earmarked Deposits with original maturity for more than 3 months but less than 12 months #	-	-	<b>17.78</b>	61.83
Deposits with original maturity for less than 3 months (Earmarked towards unspent CSR Expenses)	-	-	<b>10.65</b>	-
Earmarked Deposits with original maturity for less than 3 months	-	-	-	1.22
Earmarked Deposits with original maturity less than 12 months*	-	-	<b>8.25</b>	20.98
Unspent CSR Bank Balance	-	-	<b>1.89</b>	1.96
<b>Total</b>	<b>2,639.37</b>	<b>541.36</b>	<b>981.02</b>	<b>1,346.02</b>
<b>Less :</b>				
Amount disclosed under Core SGF Investments (note 11)	<b>1,165.12</b>	1.30	<b>27.33</b>	527.68
Amount disclosed under Investments -SGF for Commodity segment (refer Note 27)	-	33.83	-	67.60
<b>Total</b>	<b>1,474.26</b>	<b>506.23</b>	<b>953.69</b>	<b>750.74</b>

\* Earmarked towards withheld payouts.

# Other bank balances & Cash and cash equivalents Includes Rs. 21,325.28 crores (March 2023: Rs.4,050.04 crores) pertaining to Settlement obligations and margin money from members

6 **Others Financial Assets**

	<b>Non-current</b>		<b>Current</b>	
	<b>31.03.2024</b>	<b>31.03.2023</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
	<b>(Rs. in Crores)</b>		<b>(Rs. in Crores)</b>	
<b>Advances recoverable in cash</b>				
Unsecured, considered good	-	-	<b>0.34</b>	0.28
<b>Other loans and advances</b>				
Security Deposits	<b>0.25</b>	0.22	-	-
<b>Others</b>				
Interest accrued on Bank deposits	<b>50.48</b>	5.63	<b>357.15</b>	73.10
Other receivable - from related party (refer note 29)	-	-	-	0.14
<b>Total</b>	<b>50.72</b>	<b>5.85</b>	<b>357.49</b>	<b>73.52</b>

7 **Others Assets**

	<b>Non-current</b>		<b>Current</b>	
	<b>31.03.2024</b>	<b>31.03.2023</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
	<b>(Rs. in Crores)</b>		<b>(Rs. in Crores)</b>	
Balances with GST authorities	-	-	<b>13.99</b>	3.70
Deposits with GST authorities	-	-	<b>2.78</b>	2.78
Capital Advance	<b>0.83</b>	-	-	-
Other receivable*	-	-	<b>6.19</b>	6.18
Prepaid expenses	<b>3.97</b>	15.19	<b>27.81</b>	23.23
<b>Total</b>	<b>4.80</b>	<b>15.19</b>	<b>50.78</b>	<b>35.89</b>

\* Other receivable is Deposits with Supreme Court pursuant to its directives in a case filed by the Company with regard to sale of collateral securities with the company of a defaulter member.

Note 8 CURRENT INVESTMENTS

	31.03.2024		31.03.2023	
	Number of Units	Rs. In crores	Number of Units	Rs. In crores
<b>B) Investment in government securities</b>				
<b>Quoted bonds at amortised cost</b>				
8.83 Government of India - 25 Nov 2023	-	-	2,50,00,000.00	263.57
7.68 Government of India 2023- 15-Dec-2023	-	-	3,95,00,000.00	409.90
7.16 Government of India - 20 May 2023	-	-	1,00,00,000.00	102.93
7.35 Government of India 22 June 2024	1,95,00,000	199.20	-	-
6.69 Government of India 27 June 2024	5,00,00,000	508.63	-	-
6.18 Government of India 2024- 04 Nov 2024	85,00,000	86.93	-	-
091 Days Treasury Bill 16 May 2024	3,00,00,000	297.36	-	-
<b>Total government securities</b>		<b>1,092.12</b>		<b>776.40</b>
<b>II Investment in mutual funds</b>				
<b>Un-quoted investments in mutual funds at FVPL</b>				
ADITYA BIRLA SUN LIFE LIQUID FUND - DIRECT - GROWTH	22,94,990	89.43	11,97,511	43.47
AXIS LIQUID FUND -DIRECT - GROWTH	1,69,498	45.49	1,69,498	42.38
HDFC LIQUID FUND - DIRECT - GROWTH	63,923	30.32	1,31,057	57.97
HSBC CASH FUND DIRECT GROWTH	8,59,943	206.90	7,28,622	163.37
ICICI PRUDENTIAL LIQUID - DIRECT PLAN - GROWTH	34,94,969	124.91	6,92,893	23.09
INVESCO INDIA LIQUID FUND - DIRECT - GROWTH	4,88,640	161.98	3,36,244	103.90
MIRAE ASSET CASH MANAGEMENT FUND - DIRECT PLAN - GROWTH	2,87,495	73.32	2,87,495	68.33
NIPPON INDIA LIQUID FUND - DIRECT - GROWTH	-	-	57,421	31.62
SBI PREMIER LIQUID FUND - DIRECT - GROWTH	1,22,888	46.44	76,128	26.82
UTI LIQUID FUND - CASH PLAN -DIRECT- GROWTH	4,44,688	176.01	35,777	13.20
BANDHAN LIQUID FUND - DIRECT - GROWTH	2,19,141	63.93	2,19,141	59.58
LIC MF LIQUID FUND - DIRECT - GROWTH	1,68,448	73.87	1,46,557	59.91
SBI LIQUID FUND - DIRECT - GROWTH**	41,918	15.84	-	-
<b>Total mutual fund</b>		<b>1,108.44</b>		<b>693.64</b>
<b>Less :</b>				
Amount disclosed under Investments -SGF for Commodity segment (refer Note 27)				
Mutual Funds	*	-		(148.57)
<b>Less :</b>				
<b>Amount disclosed under Core SGF investments (refer Note11 )</b>				
Government Securities		(1,092.12)		(776.40)
Mutual Funds		(412.36)		
<b>Total current investments</b>		<b>696.08</b>		<b>545.07</b>
Aggregate amount of book value of quoted investments		1,092.12		776.40
Aggregate amount of quoted investments and market value thereof		1,094.16		768.26
Aggregate amount of book value of unquoted investments		1,108.44		693.64

\* De-earmarked as per approval from SEBI.

\*\* Earmarked towards withheld payouts

9 Trade receivables

		Current	
		31.03.2024	31.03.2023
		(Rs. in Crores)	
<b>Receivable from related parties (Refer Note 29)</b>			
Trade Receivable- Billed		-	-
Trade Receivable-Unbilled		69.74	44.17
<b>Total</b>		<b>69.74</b>	<b>44.17</b>
<b>Others</b>			
Trade Receivable- Billed		126.56	22.01
Trade Receivable-Unbilled		21.93	3.03
<b>Total</b>		<b>148.49</b>	<b>25.04</b>
Less :			
Credit impaired		(6.88)	(6.48)
<b>Total</b>		<b>211.35</b>	<b>62.73</b>

A Break up of security details

Trade Receivables considered good - Secured		-	-
Trade Receivables considered good - Unsecured		211.35	62.73
Trade Receivables which have significant increase in credit risk		-	-
Trade Receivables - credit impaired		6.88	6.48
<b>Total</b>		<b>218.23</b>	<b>69.21</b>
Less :			
Credit impaired		(6.88)	(6.48)
<b>Trade receivables Net of provision</b>		<b>211.35</b>	<b>62.73</b>

**Movement of Credit Impaired**

Particulars	31.03.2024	31.03.2023
	(Rs. in Crores)	
Balance at the beginning of the year	6.48	-
Provision during the year	0.40	6.48
Reversal during the year	-	-
Balance at the end of the year	<b>6.88</b>	<b>6.48</b>

B Trade Receivables Ageing as on 31.03.2024

Particulars	Outstanding for the following from the due date					Rs. in crs Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables– considered good	116.27	1.55	1.86	-	-	119.68
Undisputed Trade Receivables– which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	6.88	6.88
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables –credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>116.27</b>	<b>1.55</b>	<b>1.86</b>	<b>-</b>	<b>6.88</b>	<b>126.57</b>
Less : Credit impaired						(6.88)
Unbilled Dues						91.67
<b>Total</b>						<b>211.35</b>

C Trade Receivables Ageing as on 31.03.2023

Particulars	Outstanding for the following from the due date					Rs. in crs Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables– considered good	15.16	0.14	0.23	-	-	15.53
Undisputed Trade Receivables– which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	6.48	6.48
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables –credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>15.16</b>	<b>0.14</b>	<b>0.23</b>	<b>-</b>	<b>6.48</b>	<b>22.01</b>
Less : Credit impaired						(6.48)
Unbilled Dues						47.20
<b>Total</b>						<b>62.73</b>

10 Cash and cash equivalents

		Current	
		31.03.2024	31.03.2023
		(Rs. in Crores)	
In current accounts #		1,667.07	852.60
Deposits held for the purpose of meeting short term cash commitments #		21,856.69	4,528.49
		<b>23,523.75</b>	<b>5,381.09</b>
Less :			
Amount disclosed under Core SGF Investments (note 11)		1,225.21	222.47
<b>Total</b>		<b>22,298.54</b>	<b>5,158.62</b>

# Other bank balances & Cash and cash equivalents Includes Rs. 21,325.28 crores (March 2023: Rs.4,050.04 crores) pertaining to Settlement obligations and margin money from members

	31.03.2024	31.03.2023
	(Rs. in Crores)	
<b>Core SGF investments</b>		
<b>Non-Current</b>		
Fixed Deposits	1,165.12	1.30
Government securities & Treasury Bills	5,217.67	3,236.17
Accrued interest	36.47	0.19
Income Tax Assets	3.89	5.70
<b>Total Non-Current</b>	<b>6,423.14</b>	<b>3,243.36</b>
<b>Current</b>		
Fixed Deposits	27.33	527.68
Government securities & Treasury Bills	1,092.12	776.40
Mutual Fund	412.36	-
Cash and cash equivalents	1,225.21	222.47
Accrued interest	22.64	27.32
<b>Total Current</b>	<b>2,779.66</b>	<b>1,553.87</b>
<b>Less:</b>		
Payable towards unsettled investment in Govt. Sec Settled on April 2, 2024 (Refer Note 4 & 17)	383.81	-
<b>Total Core-SGF Investments</b>	<b>8,818.99</b>	<b>4,797.23</b>

	31.03.2024	31.03.2023
	(Rs. in Crores)	
<b>Share Capital</b>		
Authorised 500,00,00,000 (Previous Year :4,50,00,000) Equity Shares of Rs 10 each.	5,000.00	45.00
Issued, Subscribed and Paid-up 1,44,50,00,000 (Previous Year: 4,50,00,000) Equity Shares of Rs.10 each fully paid up. (all the above shares are held by the holding company- National Stock Exchange of India Limited and its nominees)	1,445.00	45.00
<b>Total</b>	<b>1,445.00</b>	<b>45.00</b>

**Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date**

Particulars	Aggregate No. of Shares				
	2022-23	2021-22	2020-21	2019-20	2018-19
Fully paid up by way of Bonus Shares	-	-	-	-	-

The company has only one class of equity shares having a par value of Rs.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.

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

	31.03.2024		31.03.2023	
	Number	(Rs. in Crores)	Number	(Rs. In Crores)
At the beginning of the year	4,50,00,000	45.00	4,50,00,000	45.00
Add: Issued during the year	1,40,00,00,000	1,400.00	-	-
At the end of the year	1,44,50,00,000	1,445.00	4,50,00,000	45.00

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

	31.03.2024		31.03.2023	
	Number	% holding	Number	% holding
National Stock Exchange of India Limited (Holding Company) and its nominees	1,44,50,00,000	100%	4,50,00,000	100%

Particulars	31.03.2024			31.03.2023		
	Number	% of Total Shares	% Change during the year	Number	% of Total Shares	% Change during the year
Shares held by the Promoter at the end of the Year	1,44,50,00,000	100%	-	4,50,00,000	100%	-

**Increase in Authorised Share Capital**

During the year 2023-24, the Authorised share capital has been increased from Rs. 45 crores to Rs. 5,000 crores.

**Right Issue**

The Company in its Letter of Offer dated March 18, 2024 offered 140,00,00,000 equity shares by way of Rights issue at a face value of Rs 10 each and at a price of Rs 10 per equity share. The issue opened on March 22, 2024. The Company allotted 140,00,00,000 equity shares on March 27, 2024 on the basis of allotment approved by the Board of Directors aggregating to Rs. 1,400 crores.

The proceeds of the said Right issue have been fully utilised towards contribution to Core Settlement Guarantee Fund as per terms of the letter of offer for rights issue.

Pursuant to the allotment of equity shares on rights basis, basic and diluted earnings per share have been adjusted retrospectively for the bonus element in respect of rights issue in accordance with Ind AS 33 (Refer Note 30)

**Capital management**

The Company considers the following components of its Balance Sheet to be managed capital:  
Total equity (as shown in the balance sheet), – retained profit, other reserves, share capital

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company aims to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company is not subject to financial covenants in any of its significant financing agreements.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods. Refer note 12(b) for the final dividends declared and paid.

**Compliance with externally imposed capital requirements:**

Compliance with externally imposed capital requirements:

Capital requirement of Company is regulated by Securities and Exchange Board of India (SEBI). SEBI vide Regulation 14(3) of SECC Regulations 2018 adopted risk-based approach towards computation of capital and net worth requirement for Clearing Corporations(CC) to adequately cover counterparty credit risk, business risk, orderly Wind-down and operational & legal risk. As per Regulation 14(3) (c) of SECC Regulations 2018 every CC shall have a minimum net worth of Rs.100 crores or networth Computed as per the risk-based approach as may specified by SEBI from time to time, whichever is higher.

Accordingly, SEBI vide circular Ref No: SEBI/HO/MRD/DRMP/CIR/P/2019/55 dated April 10, 2019 issued granular norms related to computation of risk based capital and net worth requirement for CCs effective from FY2019-20. The networth requirement for the Company calculated as per the above SEBI circular is Rs.2,043.36 crores. Minimum requirement of Net worth is maintained throughout the year ended March 31, 2024.

Note 12 (b): Other equity

Other Equity	Reserves and Surplus			(Rs.in Crores)
	Capital Reserve	General reserve	Retained Earnings	Total
<b>Balance at the 01.04.2022</b>	10.00	244.71	820.12	1,074.83
Profit for the year			545.26	545.26
Other Comprehensive Income			(0.18)	(0.18)
Contribution to core SGF (Refer Note 26)			(267.89)	(267.89)
Tax on contribution to Core SGF			67.42	67.42
<b>Transaction with owners in their capacity as owners</b>				
Dividends paid*			(180.00)	(180.00)
<b>Balance at the 01.04.2023</b>	<b>10.00</b>	<b>244.71</b>	<b>984.73</b>	<b>1,239.44</b>
Profit for the Year			1,314.29	1,314.29
Other Comprehensive Income			(0.76)	(0.76)
Contribution to core SGF (Refer Note 26)			(1,441.00)	(1,441.00)
Transfer from Settlement Guarantee Fund (SGF) - Commodity derivatives (Refer Note 27)		250.00		250.00
Tax on contribution to Core SGF			362.67	362.67
<b>Transaction with owners in their capacity as owners</b>				
Dividends paid #			(22.50)	(22.50)
<b>Balance as at 31.03.2024</b>	<b>10.00</b>	<b>494.71</b>	<b>1,197.44</b>	<b>1,702.15</b>

The Board of directors, in their meeting on April 30, 2024 proposed a dividend of Rs. 0.2 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend proposed for the year ended March 31, 2024 amounted to Rs. 28.90 crores.

# During the year ended March 31, 2024, the amount of per share dividend recognized as distribution to equity shareholders was Rs.5/- per equity share. The dividend paid during the year ended March 31, 2024 amounted to Rs.22.50 crore.

\* During the year ended March 31, 2023, the amount of per share dividend recognized as distribution to equity shareholders was Rs.40/- per equity share. The dividend paid during the year ended March 31, 2023 amounted to Rs.180.00 crore.

## 13 Income Tax

	31.03.2024	31.03.2023
	(Rs. in Crores)	
<b>a) The major components of income tax expense statement of profit and loss</b>		
<u>Statement of profit and loss</u>		
<u>Current Tax</u>		
Current tax on profit for the year	445.00	182.78
Adjustment for current tax of prior periods	-	-
<b>Total current tax expense</b>	<b>445.00</b>	<b>182.78</b>
<u>Deferred tax expense (income)</u>		
Decrease (increase) in deferred tax assets	(1.83)	(0.62)
(Decrease) increase in deferred tax liabilities	6.57	3.95
<b>Total deferred tax expense (benefit)</b>	<b>4.74</b>	<b>3.32</b>
<b>Total for statement of profit and loss</b>	<b>449.74</b>	<b>186.11</b>
<u>OCI section</u>		
Related to items recognised in OCI during in the year:		
Re-measurement of the defined benefit( liability) / asset	0.25	0.06
Income tax charged to Other Comprehensive Income	0.25	0.06

- b) As per section 115BAA of the Income Tax Act, 1961, existing domestic companies can exercise the option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The reduced tax rates come with the consequential surrender of specified deductions/incentives. Once exercised, such an option cannot be withdrawn for the same or subsequent Assessment Years. The provision for current and deferred taxes w.e.f. 01.04.2021 have been recognised on the basis of the Company availing such option to pay income tax at lower rate as per section 115BAA.

## c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	31.03.2024	31.03.2023
	(Rs. in Crores)	
Profit before income tax expense	1,764.03	731.37
Tax rate (%)	25.168%	25.168%
Tax at the Indian Tax Rate	443.97	184.07
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income</b>		
(Profit)/Loss on sale of investments taxed at other than Statutory rate	(3.58)	0.15
CSR Expenses	2.68	1.97
Prior Period	0.76	-
SEBI penalty	5.76	-
Provision for expenses	-	-
MTM realized on sale of investments	-	-
Others	0.16	(0.09)
<b>Income Tax Expense</b>	<b>449.74</b>	<b>186.11</b>

- d) Deferred tax liabilities (net)  
The balance comprises temporary differences attributable to:

Particulars	31.03.2024	31.03.2023
	(Rs. in Crores)	
<b>Deferred income tax assets</b>		
Others	7.42	5.33
<b>Total deferred tax assets (a)</b>	<b>7.42</b>	<b>5.33</b>
<b>Deferred income tax liabilities</b>		
Property, plant and equipment and investment property	(2.02)	0.39
Financial Assets at Fair Value through profit and Loss	22.16	13.18
<b>Total deferred tax liabilities (b)</b>	<b>20.14</b>	<b>13.57</b>
<b>Net Deferred Tax Assets/(Liabilities) (a)-(b)</b>	<b>(12.73)</b>	<b>(8.24)</b>

## e) Movement in Deferred Tax Assets

Particulars	(Rs. in Crores)				
	Property, plant and equipment	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	Others (Gratuity, PBVP, LE)	Total
<b>At 1st April 2022</b>	-	-	-	4.65	4.65
(Charged) / Credited					
- to profit or loss	-	-	-	0.62	0.62
- to other comprehensive income	-	-	-	0.06	0.06
<b>At 31st March 2023</b>	-	-	-	5.33	5.33
(Charged)/ Credited					
- to profit or loss	-	-	-	1.83	1.83
- to other comprehensive income	-	-	-	0.25	0.25
<b>At 31st March 2024</b>	-	-	-	7.42	7.42



f) Movement in Deferred Tax liabilities					(Rs. in Crores)
Particulars	Property, plant and equipment	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	Others	Total
<b>At 1st April 2022</b>	<b>1.49</b>	<b>8.13</b>	-	-	<b>9.63</b>
Charged / (Credited)					
- to profit or loss	(1.10)	5.05	-	-	3.95
- to other comprehensive income	-	-	-	-	-
<b>At 31st March 2023</b>	<b>0.39</b>	<b>13.18</b>	-	-	<b>13.57</b>
Charged / (Credited)					
- to profit or loss	(2.41)	8.98	-	-	6.57
- to other comprehensive income	-	-	-	-	-
<b>At 31st March 2024</b>	<b>(2.02)</b>	<b>22.16</b>	-	-	<b>20.14</b>

- g) The company recognizes MAT credit available as an asset only to the extent there is reasonable certainty that the company will pay normal income tax during the specified period. Accordingly, MAT credit entitlement not recognized in books of accounts till March 31, 2023 is Rs.119.29 crore out of which MAT credit entitlement to be carried forward is Rs.NIL. Further, if even the MAT credit will be recognised the same will be directly credited to reserves and not the statement to profit & loss account as the same is arising out of contribution to Core SGF.

		<b>31.03.2024</b>	31.03.2023
		(Rs. in Crores)	
14	<b>Income tax liabilities (net)</b>	<b>73.60</b>	73.59
	Income Tax (Net of Advances)	<b>73.60</b>	73.59
		<b>31.03.2024</b>	31.03.2023
		(Rs. in Crores)	
15	<b>Income tax assets (net)</b>	<b>492.71</b>	162.84
	Income Tax paid including TDS (Net of Provisions)	<b>492.71</b>	162.84
16	<b>Deposits (Unsecured)</b>		
		<b>Current</b>	
		<b>31.03.2024</b>	31.03.2023
		(Rs. in Crores)	
	Security Deposit from Clearing Members	<b>348.54</b>	344.45
	Security Deposit in lieu of Bank Guarantee/securities	<b>106.72</b>	94.04
	Deposits from applicants for membership	<b>2.08</b>	2.08
	Deposits from Clearing Banks	<b>1,537.91</b>	1,335.57
	<b>Total</b>	<b>1,995.25</b>	1,776.14

17 **Other financial liabilities**

	Current	
	31.03.2024	31.03.2023
	(Rs. in Crores)	
<b>Trade payables</b>		
Trade Payable to Micro and Small Enterprises	1.00	-
Trade Payable to other than Micro and Small Enterprises	12.65	28.89
Trade payables to related parties (Refer Note 29)	7.90	1.07
	<u>21.55</u>	<u>29.96</u>
<b>Others</b>		
Margins From Members	17,716.05	3,867.33
Settlement Obligations payable	3,609.23	182.71
Creditor for Capital Expenditure	0.54	2.32
Payable towards investment in Govt. Sec	383.81	-
Other liabilities	57.60	42.95
	<u>21,767.23</u>	<u>4,095.31</u>
Less: Amount disclosed under Core SGF (Refer Note 11)	(383.81)	-
	<u>21,383.42</u>	<u>4,095.31</u>
<b>Total</b>	<u>21,404.97</u>	<u>4,125.27</u>

Trade payables include outstanding amounts of Rs. 1.00 crores (Previous Year: Rs. NIL) (including interest of Rs. Nil, (Previous Year Rs. Nil) payable to Micro Enterprises & Small Enterprises. Total outstanding dues to Micro Enterprises & Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

A **Trade payables Ageing as on 31.03.2024** (Rs. in Crores)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	1.00	-	-	-	-	1.00
Others	1.80	-	-	-	-	1.80
Disputed dues (MSMEs)	-	-	-	-	-	-
Disputed dues (Others)	-	-	-	-	-	-
<b>Total</b>	<u>2.80</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2.80</u>
Unbilled Dues						18.75
<b>Total</b>						<u>21.55</u>

B **Trade payables Ageing as on 31.03.2023**

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-	-
Others	10.23	-	0.27	-	-	10.50
Disputed dues (MSMEs)	-	-	-	-	-	-
Disputed dues (Others)	-	-	-	-	-	-
<b>Total</b>	<u>10.23</u>	<u>-</u>	<u>0.27</u>	<u>-</u>	<u>-</u>	<u>10.50</u>
Unbilled Dues						19.46
<b>Total</b>						<u>29.96</u>

18 **Other current liabilities**

	Current	
	31.03.2024	31.03.2023
	(Rs. in Crores)	
Statutory payments	48.46	19.03
Stamp Duty Payable	146.16	170.29
Unspent CSR Expenditure	12.54	1.96
Amount payable into Core SGF	49.81	25.03
Advances from customers	7.82	7.55
	<u>264.79</u>	<u>223.86</u>

19 **Provision employee benefits**

	Non-current		Current	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	(Rs. in Crores)		(Rs. in Crores)	
Provisions for Leave encashments	-	-	2.67	2.00
Provision for Gratuity	10.44	7.72	1.27	0.86
Provision for variable pay and other allowances	5.46	6.75	11.11	6.87
	<u>15.90</u>	<u>14.47</u>	<u>15.05</u>	<u>9.73</u>

	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>Sale of Services</b>		
Clearing & Settlement Charges	1,251.89	633.97
<b>Other operating revenues</b>		
Connect to NSE Services	1.31	1.47
Interest income	729.23	268.45
Processing Charges	1.73	1.93
Voluntary Auction Charges	15.11	4.42
Fines and penalties-SLB segment	0.02	0.26
Income from Usage Charges	1.41	1.41
Stamp Duty Facilitation Charges	5.54	3.98
MFSS Facilitation Charges	0.51	-
<b>Total</b>	<b>2,006.76</b>	<b>915.89</b>

**Major Customer**

Revenue from one major customer (related party) is Rs.1,117.22 crores (March 2023 : Rs 604.60 crores) which is more than 10% of the total revenue of the Company.

	(Rs. in Crores)	
Particulars	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>Revenue Recognised</b>		
Point in time	1,274.82	644.56
Over the time	731.95	271.33
<b>Total</b>	<b>2,006.76</b>	<b>915.89</b>

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**Other income and other gains/(losses)****Other income**

Interest Income on Bank Deposits	117.43	63.23
Miscellaneous Income	1.45	5.48
	<b>118.89</b>	<b>68.69</b>

**Other gains/(losses)**

Net gain on financial assets mandatorily measured at Fair Value through Profit or Loss	45.41	27.79
Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	1.17	2.28
	<b>46.58</b>	<b>30.07</b>

**Total**

	<b>165.47</b>	<b>98.77</b>
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**Employee benefits expenses**

Salaries, wages and bonus	56.14	29.06
Salaries, wages and bonus of Deputed Staff (Refer note 24)	0.20	7.79
Contribution to provident and other fund	1.72	0.88
Employees welfare expenses	3.27	1.80
<b>Total</b>	<b>61.32</b>	<b>39.53</b>

	For the year ended 31.03.2024	For the year ended 31.03.2023
23		
<b>Other expenses</b>		
Space & Infrastructure Usage Charges	5.77	3.77
Common Usage Expenses	21.27	21.29
Insurance Premium	0.61	0.69
Printing, Stationery & Consumables	1.01	1.30
Auditors' Remuneration (refer note below)	0.57	0.45
Legal and Professional fees	8.28	8.05
Repairs & Maintenance :		
- On Building	0.47	0.26
- On Computer systems	102.06	71.91
IT Management & Consultancy Charges	6.18	1.78
Software Expenses	34.26	30.81
Leased Line Charges	17.05	21.93
Directors' Sitting fees	0.57	0.42
Bank Chages & BG Charges	26.75	18.40
Electricity expenses	3.21	2.22
Logo and Trademark Usage Charges	20.07	-
Share Issue Expenses	2.87	-
Provision for doubtful debts	0.40	0.06
CSR Expense (refer Note 38)	10.65	7.84
Financial Disincentive	-	0.25
Other expenses	17.30	11.61
<b>Total</b>	<b>279.32</b>	<b>203.04</b>
<b>Note :</b>		
<b>Payment to auditor</b>		
<b>As auditor :</b>		
Audit fees	0.23	0.18
Limited review	0.12	0.10
Tax audit fee	0.06	0.06
<b>In other capacity</b>		
Taxation matters	0.09	0.07
Certification matters	0.05	0.03
Out of Pocket	0.01	0.01
<b>Total</b>	<b>0.57</b>	<b>0.45</b>

- 24 Employee Benefits expenses for the previous year includes the amount reimbursed by the Company to The National Stock Exchange of India Limited (NSEIL) in respect of employees made available to the company upto February 2023. Accordingly, necessary provisions as required for all retirement benefits and other long term employee benefits as per Ind AS 19 - Employee Benefits as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended, was carried out by NSEIL in respect of employees made available to the Company upto March 2022.
- 25 Disclosure under Indian Accounting Standard 19 (Ind As 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- i) Defined Benefit Plan :

**Provident & Pension Fund:** Company has contributed Rs. 1.69 Crores (previous year : Rs.0.87 crores) towards Provident & Pension Fund during the year ended March 31, 2024 to Employee Provident Fund Organisation.

**Gratuity:** The company provides for gratuity for employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of Gratuity is payable on retirement/termination of the employee's last drawn basic salary per month multiplied for the number of years of service. The gratuity plan is a non funded plan and the company makes provision on the basis of Actuarial Valuation.

#### A Balance Sheet

- (i) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the period are as follows:

	(Rs. in Crores )	
	31.03.2024	31.03.2023
<b>Liability at the beginning of the year</b>	<b>8.58</b>	6.48
Interest cost	0.64	0.44
Current service Cost	0.89	0.53
Transfers	0.96	2.08
Benefits paid	(0.37)	(1.20)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	0.14	(0.30)
Actuarial (gains)/losses on obligations - due to experience	0.87	0.55
<b>Liability at the end of the year</b>	<b>11.71</b>	8.58

- (ii) The net liability disclosed above relates to funded plans are as follows:

	(Rs. in Crores )	
	31.03.2024	31.03.2023
Fair value of plan assets as at the end of the year	-	-
Liability as at the end of the year	(11.71)	(8.58)
<b>Net (liability) / asset</b>	<b>(11.71)</b>	(8.58)

- (iii) Balance sheet reconciliation

	(Rs. in Crores )	
	31.03.2024	31.03.2023
<b>Opening net liability</b>	<b>8.58</b>	6.48
Expenses recognized in Statement of Profit or Loss	1.53	0.97
Expenses recognized in OCI	1.01	0.25
Net liability/(asset) transfer in	0.96	2.08
Benefits Paid	(0.37)	(1.20)
<b>Amount recognised in the Balance Sheet</b>	<b>11.71</b>	8.58

#### B Statement of Profit & Loss

	(Rs. in Crores )	
	2023-24	2022-23
(i) <b>Net interest cost for current period</b>		
Interest cost	0.64	0.44
Interest income	-	-
<b>Net interest cost for current period</b>	<b>0.64</b>	0.44

	(Rs. in Crores )	
	2023-24	2022-23
(ii) <b>Expenses recognised in the Statement of Profit &amp; Loss</b>		
Current service cost	0.89	0.53
Net interest cost	0.64	0.44
<b>Expenses recognised in the Statement of Profit &amp; Loss</b>	<b>1.53</b>	0.97

	(Rs. in Crores )	
	2023-24	2022-23
(iii) <b>Expenses recognised in the Other Comprehensive Income</b>		
<b>Re-measurement</b>		
Expected return on plan assets	-	-
Actuarial (gain) or loss	1.01	0.24
<b>Net (income)/expense for the period recognized in OCI</b>	<b>1.01</b>	0.24

#### C Sensitivity Analysis

	(Rs. in Crores )	
	31.03.2024	31.03.2023
Projected Benefit Obligation on Current Assumptions	11.71	8.58
Delta Effect of +1% Change in Rate of Discounting	(0.67)	(0.50)
Delta Effect of -1% Change in Rate of Discounting	0.75	0.56
Delta Effect of +1% Change in Rate of Salary Increase	0.72	0.54
Delta Effect of -1% Change in Rate of Salary Increase	(0.66)	(0.49)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.13)	(0.09)
Delta Effect of +1% Change in Rate of Employee Turnover	0.15	0.10

#### D Significant actuarial assumptions are as follows:

	31.03.2024	31.03.2023
Discount rate	7.19%	7.39%
Rate of return on plan assets	N.A.	N.A.
Salary escalation	10.00%	10.00%
Attrition rate	12.00%	12.00%

#### E Maturity Analysis of Projected Benefit Obligation: From the Employer

Projected Benefits Payable in Future Years From the Date of Reporting	31.03.2024	31.03.2023
1st Following Year	1.28	0.86
2nd Following Year	1.12	0.85
3rd Following Year	1.10	0.93
4th Following Year	1.10	0.80
5th Following Year	1.10	0.79
Sum of Years 6 To 10	6.26	4.44

I Details of Core SGF a on March 31, 2024 are as follows :

								(Rs. in Crores)	
Details of MRC of Core SGF	CM	FO	CD	Debt	TRI Party	Commodity	Total		
NCL own contribution	119.96	846.00	89.09	3.00	8.50	5.00	1,071.55		
Interest Adjusted towards NCL's Contribution	54.04	366.00	32.91	-	-	-	452.95		
Contribution by NSE on behalf of Member	67.70	471.45	39.95	-	-	2.50	581.60		
Interest Adjusted towards member's Contribution	19.30	134.55	21.05	-	-	-	174.90		
Contribution by National Stock Exchange of India (NSE)	65.36	428.81	38.91	1.00	8.50	2.50	545.09		
Interest Adjusted towards NSE's Contribution	21.64	177.19	9.09	-	-	-	207.92		
Contribution by BSE Limited (BSE)	7.56	14.64	16.32	-	-	-	38.52		
Contribution by Metropolitan Stock Exchange of India (MSE)	-	-	2.93	-	-	-	2.93		
Interest Adjusted towards MSE's Contribution	-	-	0.01	-	-	-	0.01		
Others (Financials Disincentives)	1.00	-	-	-	-	-	1.00		
<b>Total</b>	<b>356.56</b>	<b>2,438.64</b>	<b>250.27</b>	<b>4.00</b>	<b>17.00</b>	<b>10.00</b>	<b>3,076.47</b>		
Previous Year	356.56	2,336.05	247.50	4.00	17.00	10.00	2,971.12		

II Details of Core SGF as on March 31, 2023 are as follows :

								(Rs. in Crores)	
Contribution to Corpus of Core SGF	CM	FO	CD	Debt	TRI Party	Commodity	Other	Total	
a NCL own contribution	174.00	1,168.00	122.00	3.00	8.50	5.00	-	1,480.50	
b Contribution by NSE on behalf of Member	87.00	584.00	61.00	-	-	2.50	-	734.50	
c Contribution by NSE	87.00	584.00	48.00	1.00	8.50	2.50	0.77	731.77	
Contribution by BSE	7.56	0.05	15.16	-	-	-	-	22.77	
Contribution by MSE	0.00	-	1.34	-	-	-	-	1.34	
Others (Financials Disincentives)	1.00	-	-	-	-	-	-	1.00	
<b>1 Total (a+b+c+d)</b>	<b>356.56</b>	<b>2,336.05</b>	<b>247.50</b>	<b>4.00</b>	<b>17.00</b>	<b>10.00</b>	<b>0.77</b>	<b>2,971.88</b>	
2 Penalty*	267.88	1,186.26	51.44	-	-	0.16	-	1,505.73	
3 Income on Investments*	46.32	239.50	23.91	1.02	5.36	2.27	1.23	319.61	
<b>Grand Total (1+2+3)</b>	<b>670.74</b>	<b>3,761.81</b>	<b>322.85</b>	<b>5.02</b>	<b>22.36</b>	<b>12.43</b>	<b>2.00</b>	<b>4,797.22</b>	

III Contribution made during the year 2023-24

								(Rs. in Crores)	
Contribution during the year	CM	FO	CD	Debt	TRI Party	Commodity	Other # \$	Total	
<b>NCL own contribution</b>									
Direct Contribution \$	-	41.00	-	-	-	-	1,400.00	1,441.00	
Adjusted from Interest Income **	-	3.00	-	-	-	-	-	3.00	
Others (Financials Disincentives)	-	-	-	-	-	-	-	-	
<b>Total</b>	-	<b>44.00</b>	-	-	-	-	<b>1,400.00</b>	<b>1,444.00</b>	
<b>Contribution by NSE on behalf of Member</b>									
Direct Contribution	-	17.00	-	-	-	-	-	17.00	
Contribution adjusted from NSE Other Contribution #	-	-	-	-	-	-	-	-	
Adjusted from Interest Income **	-	5.00	-	-	-	-	-	5.00	
<b>Total</b>	-	<b>22.00</b>	-	-	-	-	-	<b>22.00</b>	
<b>Contribution from Exchanges</b>									
<b>Contribution by NSE</b>									
Direct Contribution	-	19.00	-	-	-	-	1,901.25	1,920.25	
Adjusted against NSE's Own and member's contribution	-	-	-	-	-	-	-	-	
Contribution adjusted from NSE Other Contribution #	-	-	-	-	-	-	-	-	
Adjusted from Interest Income **	-	3.00	-	-	-	-	-	3.00	
Excess Contribution transfer to Other Clearing Corporation***	-	-	-	-	-	-	(40.28)	(40.28)	
<b>Total</b>	-	<b>22.00</b>	-	-	-	-	<b>1,860.97</b>	<b>1,882.97</b>	
<b>Contribution by BSE</b>									
Direct Contribution	-	14.59	1.16	-	-	-	-	15.74	
Adjusted from Interest Income **	-	-	-	-	-	-	-	-	
<b>Total</b>	-	<b>14.59</b>	<b>1.16</b>	-	-	-	-	<b>15.74</b>	
<b>Contribution by MSEI</b>									
Direct Contribution	-	-	1.52	-	-	-	-	1.52	
Adjusted from Interest Income **	-	-	0.06	-	-	-	-	0.06	
<b>Total</b>	-	-	<b>1.58</b>	-	-	-	-	<b>1.58</b>	
<b>Income during the year ( Net Off adjustment towards MRC) **</b>								Current year	Previous year
Penalty	65.42	219.74	5.20	-	-	0.16	-	290.52	309.84
Income on : Investments/Tax Refunds*	44.23	260.96	18.51	0.07	1.36	0.86	50.04	376.03	256.13
Less : Income adjusted against MRC**	-	11.00	0.06	-	-	-	-	11.06	571.27
Less : Income adjusted towards transfer of contribution to Other Clearing Corporation***	-	-	-	-	-	-	-	-	7.00
<b>Income on Investments ( Net Off adjustment towards MRC)</b>	<b>44.23</b>	<b>249.96</b>	<b>18.45</b>	<b>0.07</b>	<b>1.36</b>	<b>0.86</b>	<b>50.04</b>	<b>364.97</b>	<b>(322.13)</b>

\* Includes Interest on Income Tax refund of Rs. 0.13 crores less income tax thereon of Rs. 0.04 crores.

IV Details of Core SGF a on March 31, 2024 are as follows :

								(Rs. in Crores)	
Out of the above the details of the Cash contributions and investment of the same are as follows :									
Contribution to Corpus of Core SGF	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total	
a NCL own contribution	174.00	1,212.00	122.00	3.00	8.50	5.00	1,400.00	2,924.50	
b Contribution by NSE on behalf of Member	87.00	606.00	61.00	-	-	2.50	-	756.50	
c Contribution by NSE	87.00	606.00	48.00	1.00	8.50	2.50	1,861.72	2,614.72	
d Contribution by BSE	7.56	14.64	16.32	-	-	-	-	38.52	
e Contribution by MSE	0.00	-	2.93	-	-	-	-	2.93	
f Others (Financials Disincentives) \$	1.00	-	-	-	-	-	-	1.00	
<b>1 Total</b>	<b>356.57</b>	<b>2,438.64</b>	<b>250.25</b>	<b>4.00</b>	<b>17.00</b>	<b>10.00</b>	<b>3,261.72</b>	<b>6,338.18</b>	
2 Penalty*	333.28	1,406.00	56.64	-	-	0.32	-	1,796.25	
3 Income on Investments (After allocation towards MRC)*	90.55	489.46	42.36	1.09	6.72	3.13	51.27	684.58	
<b>Grand Total (1+2+3)</b>	<b>780.40</b>	<b>4,334.09</b>	<b>349.25</b>	<b>5.09</b>	<b>23.72</b>	<b>13.45</b>	<b>3,312.99</b>	<b>8,818.99</b>	
<b>Details of Investment</b>									
1 Mutual Funds	14.76	90.14	2.56	-	-	-	304.91	412.36	
2 Fixed Deposit with Banks	75.48	441.67	19.83	-	-	-	655.48	1,192.45	
3 Government securities*	559.87	3,013.60	214.00	1.02	21.68	12.12	2,487.49	6,309.78	
4 Flexi Fixed Deposits	90.08	742.32	109.09	0.08	1.98	1.03	234.38	1,178.96	
5 Balance in Bank Accounts	35.49	4.35	2.14	3.98	-	0.30	-	46.26	
6 Accrued interest	4.17	39.03	1.36	-	-	-	14.54	59.10	
7 Prepaid taxes	0.55	2.98	0.28	0.01	0.06	-	-	3.89	
Less: Payable towards unsettled investment in Govt. Sec. Settled on April 2, 2024 (Refer note 4)	-	-	-	-	-	-	(383.81)	(383.81)	
<b>Grand Total (1+2+3+4+5+6)</b>	<b>780.40</b>	<b>4,334.09</b>	<b>349.25</b>	<b>5.09</b>	<b>23.72</b>	<b>13.45</b>	<b>3,312.99</b>	<b>8,818.99</b>	
Previous year	670.74	3,761.81	322.85	5.02	22.36	12.43	2.00	4,797.22	

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

\* Aggregate amount of quoted investments and market value Rs.6,323.18 crores.

# Other contribution is balance amount of transfer from NSE pertain to 25% of NSE's Annual profits as contribution to Core SGF. SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05, 2016 advised Stock Exchange to transfer 25% of its annual profits upto August 2015 to Core SGF and utilise the same for contribution required by Members and NSE.

\*\* SEBI vide its letter reference no. SEBI/HO/MRD/DRMNP/OW/P/2018/4559/1 dated February 12, 2018 has clarified that "Clearing Corporations may adjust incremental requirement of Minimum Required Corpus (MRC) against the interest accrual on the cash contribution of respective contributors before taking additional contribution from them.

\*\*\* Further, as per circular dated SEBI/HO/MRD2/DCAP/CIR/P/2021/03 January 08, 2021, SEBI has allowed transfer of excess contribution made by Stock Exchanges from Core SGF of one Clearing Corporation to the Core SGF of another Clearing Corporation in inter-operable scenario. Accordingly, Rs.21.08 crores contribution of other stock exchanges received from respective clearing corporation and also a sum of Rs.130.47 crores of NSE contribution transferred to other clearing corporation.

§ Debited to retained earnings (refer to Note 12(b))

During the year ended March 2024, an amount of Rs.1,901.25 crores has been received from NSE to further augment the Core SGF out of which an amount of Rs. 40.28 crores has been utilised towards Core SGF requirement of NCL/ICLL. The balance amount of Rs. 1,860.97 crores has been included under 'Other' above.

During the year ended March 31, 2024, the Company has contributed Rs. 41 crores to Core Settlement Guarantee Fund (Core SGF) based on minimum required corpus (MRC). Further, with the objective to augment the Core SGF as desired by SEBI, the Company has also made additional contributed of Rs.1,400 crores to Core SGF. The said contribution to Core SGF aggregating to Rs.1,441 crores has been appropriated from balance in retained earnings.

- 27 The Company had received approval from SEBI to start clearing & settlement activities in Commodity Derivatives and commenced operations w.e.f. October 12, 2018. As required by SEBI an amount of Rs.250 crores had been earmarked towards a separate fund to augment Settlement Guarantee Fund for Commodity Derivatives by way of appropriation from General Reserves and the Company had also earmarked investments amounting to Rs. 250 crores towards the same. During the year ended March 31, 2024, based on approval received from SEBI vide its letter dated January 31, 2024 the same has been de-earmarked and General Reserve has been reinstated by Rs.250 crores.
- 28 Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business Segment i.e. facilitating Clearing & Settlement in securities and the activities incidental thereto, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".
- 29 In compliance with Indian Accounting Standard (Ind AS)-24 - "Related Party Disclosures" notified under section 133 of the Act read with Companies (Accounting Standards) Rules 2015, 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	Holding Company
2	NSE IFSC Clearing Corporation Ltd	Subsidiary Company
3	NSE Investments Limited	Fellow Subsidiary
4	NSE Foundation	Fellow Subsidiary
5	NSE IFSC Limited	Fellow Subsidiary
6	NSEIT Limited	Fellow Subsidiary's Subsidiary
7	NSE Data & Analytics Limited	Fellow Subsidiary's Subsidiary
8	NSE Indices Limited	Fellow Subsidiary's Subsidiary
9	NSE Infotech Services Limited	Fellow Subsidiary's Subsidiary
10	NSE.IT (US) Inc.	Fellow Subsidiary's Subsidiary's Subsidiary
11	Aujas Cybersecurity Limited (Formerly known as Aujas Networks Limited /Aujas Networks Private Limited.)	Fellow Subsidiary's Subsidiary's Subsidiary
12	Talentsprint Private Limited (w.e.f. 10.11.2020)	Fellow Subsidiary's Subsidiary's Subsidiary
13	TalentSprint Inc. (w.e.f. 29-11-2021)	Fellow Subsidiary's Subsidiary's Subsidiary
14	Cogencis Information Services Limited (w.e.f. 21.01.2021)	Fellow Subsidiary's Subsidiary's Subsidiary
15	CXIO Technologies Private Limited (w.e.f July 08, 2021)	Fellow Subsidiary's Subsidiary's Subsidiary
16	NSE Academy Limited	Fellow Subsidiary's Subsidiary's
17	National Securities Depository Limited	Holding Company's Associate
18	BFSI Sector Skill Council of India	Holding Company's Associate
19	India International Bullion Holding IFSC Limited(w.e.f. June 04, 2021)	Holding Company's Associate
20	India International Bullion Exchange IFSC Limited(w.e.f. August 17, 2021)	Holding Company's Associate's Subsidiary Company
21	Power Exchange India Limited	Associate of Fellow Subsidiary
22	Protean eGov Technologies Ltd.(Formerly known as NSDL e-Governance Infrastructure Limited)	Associate of Fellow Subsidiary
23	Market Simplified India Limited (formerly known as INXS Technologies Limited)	Associate of Fellow Subsidiary
24	Receivables Exchange Of India Limited	Associate of Fellow Subsidiary
25	Indian Gas Exchange Limited (w.e.f. 16.03.2021)	Associate of Fellow Subsidiary
26	Capital Quant Solutions Private Limited (w.e.f. 03.03.2021)	Associate of Fellow Subsidiary's Subsidiary's Subsidiary
27	NSDL Database Management Limited	Holding Company's Associate's Subsidiary
28	NSE Administration & Supervision Limited (w.e.f January 9, 2024)	Fellow Subsidiary
29	NSE Sustainability Ratings & Analytics Limited (w.e.f March 30, 2024)	Fellow Subsidiary's Subsidiary
30	Ms. Bhagyam Ramani-Director (upto 31.05.2023)	Key Managerial Personnel
31	Mr. Salim Gangadharan-Director (upto 16.06.2022)	Key Managerial Personnel
32	Mr. N.K Maini-Director (upto 16.06.2022)	Key Managerial Personnel
33	Mr. C.V.R Rajendran- Director (upto 16.06.2022)	Key Managerial Personnel
34	Ms. Harun R Khan-Director (upto 07.09.2022)	Key Managerial Personnel
35	Mr. K. S. Somasundaram (upto 09.08.2021)	Key Managerial Personnel
36	Mr. Yatrik Vin (w.e.f. 07.09.2022)	Key Managerial Personnel
37	Mr. Vikram Kothari- Managing Director	Key Managerial Personnel
38	Mr. Jayant Ramaswamy Haritsa (w.e.f. 17.06.2022)	Key Managerial Personnel
39	Mr. Ananth Narayan Gopalkrishnan (upto 27.09.2022)	Key Managerial Personnel
40	Mr. Gopalkrishna Hedge (w.e.f 17.06.2022)	Key Managerial Personnel
41	Mr. Golaka Nath (w.e.f 17.11.2022)	Key Managerial Personnel
42	Mrs. Priti Savla (w.e.f 05.04.2023)	Key Managerial Personnel
43	Mr. Abhaya Hota (w.e.f 06.04.2023)	Key Managerial Personnel

## (b) Details of transaction (including GST wherever levied) with parties are as follows :

(Rs. in Crores )

Name of the Related Party	Nature of Transactions	Year ended 31.03.2024	Year ended 31.03.2023
National Stock Exchange of India Ltd.	• Clearing and Settlement charges received	1,315.80	710.92
	• Usage charges Received	1.66	1.66
	• EBP Platform Usage charges Received	0.85	0.84
	• Usage charges paid	25.18	25.13
	• Contribution received towards Core SGF	1,937.25	4.00
	• Reimbursement paid for expenses on staff on deputation	2.29	10.61
	• Reimbursement paid for other expenses incurred	81.34	70.51
	• Reimbursement received for services Rendered/Asset transferred	2.52	0.09
	• Space & Infrastructure usage Charges paid	6.81	4.45
	• Dividend paid	22.50	180.00
	• Royalty for Usage of Brand/Logo	23.68	-
	• Share Capital	1,400.00	-
	• Outstanding balance – (Credit) / Debit	69.74	44.17
NSE IFSC Clearing Corporation Ltd	• Reimbursement paid for other expenses incurred	0.10	0.84
	• Outstanding balance – (Credit) / Debit	(0.19)	0.14
	• Investment in Equity Share Capital (During the year)	160.00	-
	• Investment in Equity Share Capital (Closing Balance)	250.00	90.00
NSE IFSC Limited	• Sale of Fixed Asset	-	-
	• Outstanding balance – (Credit) / Debit	-	0.15
NSEIT Ltd.	• Repairs & Maintenance – Clearing & Computer systems	33.38	26.60
	• Purchase & Installation of Equipments	-	-
	• Outstanding balance – (Credit) / Debit	(7.71)	(1.07)
NSE Indices Limited	• Reimbursement of 50% of the one-time cost and annual subscription fees.	0.21	-
	• Outstanding balance – (Credit) / Debit	-	-
Aujas Cybersecurity Limited	• Repairs & Maintenance – Clearing & Computer systems	0.15	0.52
	• Outstanding balance – (Credit) / Debit	-	-
NSE Foundation	• Contribution towards CSR	0.07	5.88
	• Outstanding balance – (Credit) / Debit	-	-
National Securities Depository Limited	• Depository operation fees	0.16	0.19
	• Outstanding balance – (Credit) / Debit	0.00	-
Key Management Personnel	Short term employee Benefits *	2.59	2.29
	Post - employment Benefits **	0.08	0.07
	Long term employee Benefits*	0.37	0.31
Directors	Sitting fees/Committee sitting fees :		
	Ms. Priti Savla	0.33	-
	Mr. Abhaya Hota	0.43	-
	Mr.N K Maini	-	0.10
	Mr. C VR Rajendran	-	0.09
	Mr. Gopalkrishna Hegde	0.37	0.21
	Mr. Jayant Ramaswamy Haritsa	0.41	0.25
	Mr. Ananth Narayan Gopalkrishnan	-	0.04
	Mr. Golaka Nath	0.44	0.08
	Mr. Harun R. Khan	-	0.15
	Mr. Salim Ganagadharan	-	0.08
Ms.Bhagyam Ramani	0.09	0.36	

\* Includes amount paid towards Leave encashment, Medical allowance & Leave Travel allowance and 50% of the variable pay payable after 3 years subject to certain conditions.

\*\* As the liabilities for define benefits plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial person are not included.

No commitments made during the years to associate concerns and vice versa



30 In accordance with Indian Accounting Standard (Ind AS) 33 - "Earning per Share" issued by the Institute of Chartered Accountants of India, the required disclosure is given below.

Basic and diluted earnings 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.

	Year ended 31.03.2024	Year ended 31.03.2023
Net Profit attributable to Shareholders (Rs. In Crores)	1,314.29	545.26
Weighted Average number of equity shares outstanding	96,72,81,072	96,06,64,466
Earnings per share of Rs. 10/- each (in Rs.) (Basic) *	13.59	5.68
Earnings per share of Rs. 10/- each (in Rs.) (Diluted) *	13.59	5.68

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.

There are no instruments (including contingently issuable shares) issued that could potentially dilute basic earnings per share in the future.

\* Basic and Diluted earnings per share presented above have been adjusted retrospectively for the bonus element in respect of Rights issue made during the year ended March 31, 2024 in accordance with Ind AS 33, "Earnings per Share" (Refer note 12 (a))

\* For the purpose of calculation of bonus element in respect of rights issue the Book Value has been considered as Fair Value.

**31 Capital and other commitments :**

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs.4.70 crores (Previous Year :Rs.0.05 crores) and other Commitments Rs 3.35 crores (Previous Year :Rs.29.47 crores)

**32 Contingent liabilities and Commitments :**

(i) Claims against company not acknowledged as debts (excluding interest) : Rs. 6.34 Crores (Previous Year : Rs. 6.34 Crores)

(ii) A suit filed against the Company for damages / compensation amounting to Rs.NIL (Previous Year : Rs. Nil).

(iii) On account of disputed demand of Income tax of Rs.397.46 Crores (Previous Year : Rs.197.40 crores).The said amount includes Rs. 173.36 crores and Rs 76.89 crores demand raised for AY 2022-23 and AY 2020-21 respectively, the assessment order has been passed u/s 143(3) of the Income Tax Act, 1961, wherein credit for Advance Tax /TDS /TCS of Rs.146.23 crores and Rs 91.47 crores respectively was not considered in the computation resulting to levy of interest u/s 234B Rs.30.39 Crores and Rs 19.51 crores respectively.

And on account of demand of Dividend Distribution Tax (DDT) for AY 2020-21 including interest thereon amounting to Rs. 22.98 crores (previous year: Rs. 22.98 crores). Further, credit of dividend distribution tax of Rs. 16.65 crores was not considered in the computation resulting levy of interest of Rs. 6.33 Crore.

The Company has filed an appeal to Commissioner of Income Tax (Appeals), National Faceless Appeal Center, New Delhi.

(iv) On account of disputed demand of Service tax Rs.74.20 Crores plus interest as applicable the Company has filed appeal before CESTAT. (Previous Year :Rs.74.20 crores plus interest and penalty, as applicable)

(v) Bank Guarantee Rs.8000 Crores (Previous year Rs.4000 Crores). (Also refer to Note 40)

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

33 The Company's pending litigations comprise of claims against the Company and proceedings pending with Statutory, Regulatory and Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, whenever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. (Refer note 32 & 35)

34 In accordance with the relevant provisions of the Companies Act, 2013, the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as of March 31, 2024 and March 31, 2023.

35 a) On February 24, 2021 the Storage Area Network (SAN) system of the Company was impacted due to certain issues in the links with telecom service providers, resulting in the primary SAN becoming inaccessible to the host servers. This also resulted in the risk management system and clearing and settlement system of the Company and other systems such as index and surveillance systems of National Stock Exchange of India (NSE) becoming unavailable leading to a decision to halt the Trading at NSE. The Company had submitted a root cause analysis of the incident to SEBI. SEBI vide its letter dated July 2, 2021 directed the Company to pay financial disincentive of Rs. 0.25 crores for not restoring its operations within the Recovery Time Objective (RTO). The Company paid the same on July 14, 2021. Further, in this regard, SEBI had issued a show cause notice on August 11, 2021 to the Company and an employee alleging non-compliance with certain paragraphs of SEBI circular dated October 8, 2015, September 13, 2017, March 26, 2019 and Regulation 12(6) read with Regulation 7(4)(g) of SECC Regulation 2018 for which detail response is filed. In this regard, the Company has taken necessary remedial actions and also filed consent application with SEBI on September 03, 2021, against this, preliminary hearing on maintainability of the said consent application had taken place and the Company had also filed revised settlement terms on March 19, 2023. SEBI accepted the revised terms for settlement of the same on payment of Rs.22.88 crores. The company paid the settlement amount of Rs.22.88 crores in June 2023 and SEBI disposed of the proceedings of the show cause vide settlement order dated June 20, 2023. The same is disclosed as exceptional item in the financial statements for the year ended March 31, 2024.

b) During the year ended March 31, 2022, SEBI had issued a show cause notice to the Company alleging non-compliance with certain paragraphs of SEBI circular dated December 17, 2018 for failure to share alerts with other exchange post interoperability. During the year ended March 31, 2023, SEBI levied penalty of Rs.0.25 crores to the Company, the same is included in other expenses for the previous year ended March 31, 2023. The same has been paid on February 9, 2023.

c) During the year ended March 31, 2024, SEBI issued a show cause notice to the Company alleging non-compliance with certain regulations of SECC 2018 and certain paragraphs of SEBI circular dated November 27, 2018 regarding Inter-CCP collateral under interoperability among clearing corporation framework. In this regard, the Company has taken necessary remedial actions, filed detailed response and consent application with SEBI. On March 19, 2024, revised settlement terms were also filed with SEBI. The Company is of the view that pending conclusion of this matter with SEBI, a reliable estimate of any obligations in respect of this matter cannot be presently made and therefore no provision / adjustment to this effect has been made in the financial statements as of and for the year ended March 31, 2024.

**(i) Fair Value Hierarchy:**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value and are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three level prescribed under the accounting standard. An explanation of each level follows underneath the table.

(Rs. In crores)					
Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At March 31, 2024	Notes	Level 1	Level 2	Level 3	Total March 31, 2024
<b>Financial Assets</b>					
<b>Financial Investments at FVPL</b>					
Mutual Fund - Growth Plan	8	696.08	-	-	696.08
<b>Total Financial Assets</b>		696.08	-	-	696.08
<b>Financial Liabilities</b>		-	-	-	-
<b>Total Financial Liabilities</b>		-	-	-	-

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At March 31, 2023	Notes	Level 1	Level 2	Level 3	Total March 31, 2023
<b>Financial Assets</b>					
<b>Investments</b>					
Fixed Deposit	8	545.07	-	-	545.07
<b>Total Financial Assets</b>		545.07	-	-	545.07
<b>Financial Liabilities</b>		-	-	-	-
<b>Total Financial Liabilities</b>		-	-	-	-

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

- Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

- Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, debentures, government securities and commercial papers) is determined using FIMMDA valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

There are no transfers between levels 1 and 2 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

**ii) Valuation technique used to determine fair value :**

Specific valuation techniques used to value financial instruments include:

- 1) The use of quoted market prices or dealer quotes for similar instruments in case of quoted equity shares, exchange traded funds and mutual funds.
- 2) The fair value of the unlisted equity instruments is determined using the price / book multiple (P/B) multiple approach.
- 3) All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, where the fair values have been determined as per 2 above.

**(iii) Fair value measurements using significant unobservable inputs (level 3)**

No item falling in level 3 during the restated period .

**(iv) Valuation processes :**

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO).

**B Financial Instruments by category**

(Rs. In crores)

	31-Mar-24		31-Mar-23	
	FVPL	Amortised Cost	FVPL	Amortised Cost
<b>Financial Assets</b>				
<b>Investments</b>				
Fixed Deposits	-	2,427.95	-	1,256.97
Mutual Funds	696.08	-	545.07	-
Trade receivables	-	211.35	-	62.73
Cash and Cash equivalents	-	22,298.54	-	5,158.62
Other financial assets	-	408.21	-	79.37
<b>Total financial assets</b>	<b>696.08</b>	<b>25,346.05</b>	<b>545.07</b>	<b>6,557.69</b>
<b>Core SGF Assets</b>				
Fixed Deposits	-	1,192.45	-	528.98
Government securities & Treasury Bills	-	6,309.79	-	4,012.57
Mutual Fund	412.36	-	-	-
Other financial assets	-	59.11	-	27.50
Cash and Cash equivalents	-	1,225.21	-	222.47
<b>Total financial assets</b>	<b>412.36</b>	<b>8,786.55</b>	<b>-</b>	<b>4,791.53</b>
<b>Financial Liabilities</b>				
Deposits	-	1,995.25	-	1,776.14
Trade payable	-	21.54	-	29.96
Other financial liabilities	-	21,383.42	-	4,095.31
<b>Total financial Liabilities</b>	<b>-</b>	<b>23,400.22</b>	<b>-</b>	<b>5,901.41</b>

### 37 FINANCIAL RISK MANAGEMENT

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Assessment & Review Committee (RARC), which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The RARC is supported by Treasury department among others, that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Treasury department activities are designed to:

- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

The Treasury department is responsible to maximise the return on companies internally generated funds.

#### A MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintains a conservative funding and investment strategy, with a positive cash balance throughout the year ended 31st March, 2024 and 31st March, 2023. This was the result of cash generated from operating activities and investing activities to provide the funds to service the financial liabilities on a day-to-day basis.

The Company's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, is retained as cash equivalents (to the extent required), other highly liquid investments and excess is invested in interest bearing term deposits and other highly marketable debt investments including the government securities with appropriate maturities to optimise the returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

	Carrying amount	Payable on demand	Less than 3 months	3-6 months	6-12 months	More than 12 months	Total
<b>As at March 31, 2024</b>							
Trade payables	21.54	-	21.54	-	-	-	21.54
Deposits	1,995.25	1,995.25	-	-	-	-	1,995.25
Creditor for Capital Expenditure	0.54	-	0.54	-	-	-	0.54
Margins From Members	17,716.05	17,716.05	-	-	-	-	17,716.05
Settlement Obligations payable	3,609.23	3,609.23	-	-	-	-	3,609.23
Other liabilities	57.60	-	57.60	-	-	-	57.60
<b>As at March 31, 2023</b>							
Trade payables	29.96	-	29.96	-	-	-	29.96
Deposits	1,776.14	1,776.14	-	-	-	-	1,776.14
Creditor for Capital Expenditure	2.32	-	2.32	-	-	-	2.32
Margins From Members	3,867.33	3,867.33	-	-	-	-	3,867.33
Settlement Obligations payable	182.71	182.71	-	-	-	-	182.71
Other liabilities	42.95	-	42.95	-	-	-	42.95

#### B MANAGEMENT OF MARKET RISK

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
<b>1. PRICE RISK</b>		
The Company is mainly exposed to the price risk due to its investment in mutual funds and exchange traded funds. The price risk arises due to uncertainties about the future market values of these investments.	In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.	As an estimation of the approximate impact of price risk, with respect to mutual funds and exchange traded funds, the Company has calculated the impact as follows.
At 31st March, 2024, the exposure to price risk due to investment in mutual funds amounted to Rs. 1,108.44 crores (March 31, 2023: Rs. 693.65 crores).	The Treasury department maintains a list of approved financial instruments. The use of any new investment must be approved by the Chief Financial Officer.	For mutual funds, a 0.25% increase in prices would have led to approximately an additional Rs. 2.77 crores gain in the Statement of Profit and Loss (FY 2022-23: Rs. 1.73 crores gain). A 0.25% decrease in prices would have led to an equal but opposite effect.

#### C MANAGEMENT OF CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

##### Trade and other receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse and also on account of member's deposits kept by the company as collateral which can be utilised in case of member default. Further, amount lying in Core settlement Guarantee fund (CSGF) is available for utilisation in case of settlement default by member. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

Revenue from top customer is account for 89% (Previous Year 91%)

##### Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in commercial papers, government securities, investments in mutual funds and exchange traded funds. The Company has diversified portfolio of investment with various number of counter-parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Treasury department.

The Company's maximum exposure to credit risk as at March 31, 2024 and March 31, 2023 is the carrying value of each class of financial assets as disclosed in note no. 4,5,6,8,10 and 11.

- 38 a) As per Section 135 of the Act, every Company having net worth of Rs. 500 crores or more or a Turnover of Rs. 1000 crores or more or a Net Profit of Rs. 5 crores or more during any financial year is required to spend at least 2% of its Average Net Profit made during the immediately 3 preceding financial years on the Corporate Social Responsibility (CSR) activities. The details of spending is as given below:

Particulars	(Rs. In crores)	
	Current Year	Previous Year
ii Amount required to be spent by the company during the year	10.65	7.84
ii Amount of expenditure incurred	-	5.88
iii Amount unspent* (Including interest)	10.65	1.96
iv Shortfall at the end of the year	-	-
v Total of previous years shortfall	-	-
vi Reason for shortfall	NA	NA
vii Provision for Contractual obligation	-	-

\* The unspent amount of Rs. 1.96 Crores is towards ongoing project and same has been transferred to special account on 31st March 2023 in compliance with section 135(6) of the Companies Act 2013. During the year 2023-24 an amount of Rs. 0.07 crores has been spent out of same and balance amount of Rs. 1.89 crores.

\* The unspent amount of Rs. 10.65 Crores is towards ongoing project and same has been transferred to special account on 27th March 2024 in compliance with section 135(6) of the Companies Act 2013, a fixed deposit have been placed out of the same and interest on the same will be utilised towards CSR project.

viii **Nature of CSR activities :**

NSE Foundation, a Section 8 Company and a subsidiary of National Stock Exchange of India Limited was incorporated in March 2018, as a common CSR function to undertake the CSR activities on behalf of the NSE Group Companies in line with the Group CSR Policy to create consolidated impact and avoid replication/ duplication of activities among the Group Companies. NSE Foundation currently undertakes CSR projects in the focus areas of Primary Education, Safe Drinking Water and Sanitation, Elder Care, Environment Sustainability, Skill Development, Health & Nutrition, Funding to Incubators and Disaster Relief & Rehabilitation.

ix **Details of related party transactions :**

	Current Year	Previous Year
Contribution To NSE Foundation	0.07	5.88

NSE Group incorporated NSE Foundation to undertake CSR activities for the Group. Accordingly, the Company has contributed to NSE Foundation to be spent on CSR activities as stated in the Group CSR policy which has been adopted by the Company as Company's CSR policy.

b) Amount spent / contribution to NSE Foundation towards CSR during the year on:

		(Rs. In crores)		
Particulars		In Cash	Yet to be paid in Cash*	Total
i Construction / acquisition of any asset	Current Year	-	-	-
	Previous Year	-	-	-
ii On purposes other than (i) above (through Contribution to NSE Foundation)	Current Year	-	10.65	10.65
	Previous Year	5.88	1.96	7.84

\* The unspent amount of Rs. 1.96 Crores is towards ongoing project and same has been transferred to special account on 31st March 2023 in compliance with section 135(6) of the Companies Act 2013. During the year 2023-24 an amount of Rs. 0.07 crores has been spent out of same and balance amount of Rs. 1.89 crores.

\* The unspent amount of Rs. 10.65 Crores is towards ongoing project and same has been transferred to special account on 27th March 2024 in compliance with section 135(6) of the Companies Act 2013, a fixed deposit have been placed out of the same and interest on the same will be utilised towards CSR project.

**39. Analytical Ratios**

<b>Sr. No.</b>	<b>Ratio</b>	<b>31.03.2024</b>	<b>31.03.2023</b>	<b>% Variance</b>	<b>Reason for variance &gt;25%</b>	<b>Numerator</b>	<b>Denominator</b>
1	Current Ratio	1.03	1.07	(3.10)		Current Assets	Current Liabilities
2	Debt –Equity Ratio	NA	NA			Total Debt (Borrowing )	Shareholder’s Equity
3	Debt Service Coverage Ratio	NA	NA			Earnings available for debt service	Debt Service
4	Return on Equity (ROE)	59%	45%	31.81	Increase in Operating income	Net Profits after taxes less Pref.Dividend (if any)	Average Shareholder’s Equity
5	Inventory Turnover ratio	NA	NA			Cost of goods sold OR sales	Average Inventory
6	Trade Receivables turnover ratio	9.32	11.83	(21.20)	Increase in Operating income	Net Credit Sales	Avg. Accounts Receivable
7	Trade payables turnover ratio	10.85	7.99	35.76		Net Credit Purchases	Average Trade Payables
8	Net capital turnover ratio	1.57	1.55	1.29		Net Sales	Working Capital
9	Net Profit Ratio	61%	54%	12.59		Net Profit	Total Income
10	Return on capital employed	57%	57%	(1.10)		Earning before interest and taxes	Capital Employed =Tangible Net Worth + Total Debt + Deferred Tax Liability
11	Return on investment	7.79%	5.81%	34.04	Increase in Interest Rate	Income on Investment	Average Investment

- 40 Total bank guarantee provided by NCL in favour of ICCL towards Inter CCP collateral under interoperability framework as prescribed by SEBI as on March 31, 2024 Rs.8,000 crores and March 31, 2023 Rs.4,000 crores.
- 41 For the year ended March 31, 2024 and March 31, 2023, the Company is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of the Companies Act, 2013.
- 42 The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 43 During the year ended March 31, 2024, the provisions of SEBI circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/84 dated June 8, 2023 pertaining to upstreaming of client funds to Clearing Corporations came into effect, resulting in increase in Margin money from members with the company and increase in other operating revenue.
- 44 **Additional Regulatory Information required by Schedule III :**
- (i) **Wilful Defaulter**  
The Company has not been declared wilful defaulter by any bank or financial institutions or government or any government authority.
- (ii) **Relationship with struck off Companies**  
The Company has no transactions with the companies struck off under the Companies Act, 2013.
- (iii) **Compliance with approved scheme(s) of arrangements**  
The Company has not entered into any scheme of arrangement which has an accounting impact on current of previous financial year.
- (iv) **Utilisation of Borrowed funds and Share premium**  
No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (v) **Undisclosed Income**  
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (vi) **Details of crypto currency of virtual currency**  
The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (vii) **Valuation of PP&E, intangible asset and investment property**  
The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.
- (viii) **Registration of charges or satisfaction with Registrar of Companies**  
There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (ix) **Details of Benami Property held**  
No proceedings have been initiated on or are pending against the company for holding benami under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and Rule made thereunder.
- (x) **Title deeds of immovable properties not held in name of the company**  
There are no immovable properties held in name of the company.
- (xi) **Borrowing secured against current assets**  
The Company doesn't have any borrowings from banks and / or financial institutions.
- (xii) **Compliance with number of layer of Companies**  
The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (xiii) **Core Investment Company (CIC)**  
The Group has one subsidiary company namely NSE Investments Ltd which is a deemed CIC and is not required to be registered with RBI as per the directions laid down in Core Investment Companies (Reserve Bank) Directions, 2016. There are no other CIC in the group.
- (xiv) **Loans or advances to specified persons**  
The Company has not granted any loans or advances to promoters, directors, KMPs and related parties either severally or jointly with any other person, that are:  
(a) repayable on demand or  
(b) without specifying any terms or period for repayment
- 45 Previous year figures have been regrouped / reclassified wherever necessary.

**For Khandelwal Jain & Co.**  
Chartered Accountants  
Firm Registration No : 105049W

**NARENDRA JAIN**  
Partner  
Membership No.: 048725

Place : Mumbai  
Date : April 30, 2024

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

<b>ABHAYA HOTA</b> Chairperson [ DIN : 02593219 ]	<b>PRITI SAVLA</b> Director [ DIN : 00662996 ]	<b>VIKRAM KOTHARI</b> Managing Director & CEO [ DIN : 07898773 ]
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<b>AMIT AMLANI</b> Chief Financial Officer	<b>RAVIN TANK</b> Company Secretary
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