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Directors' Report

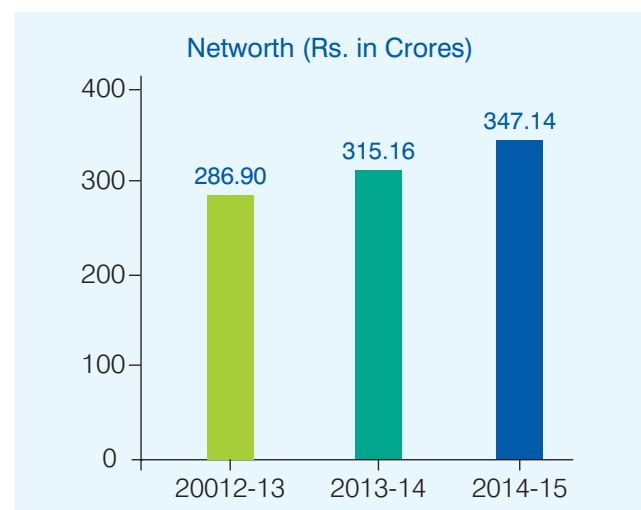
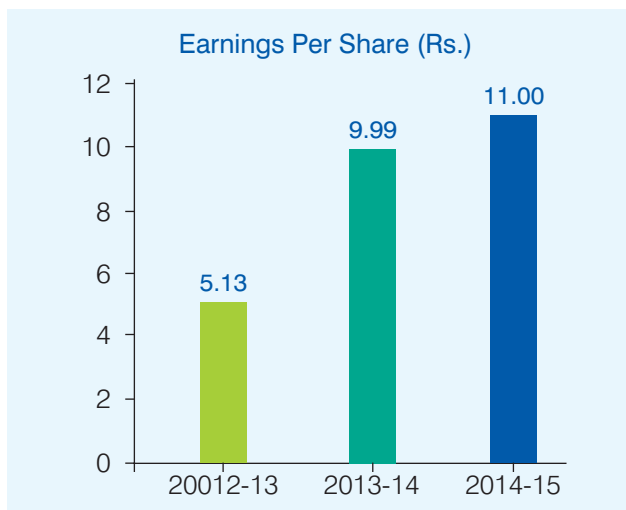
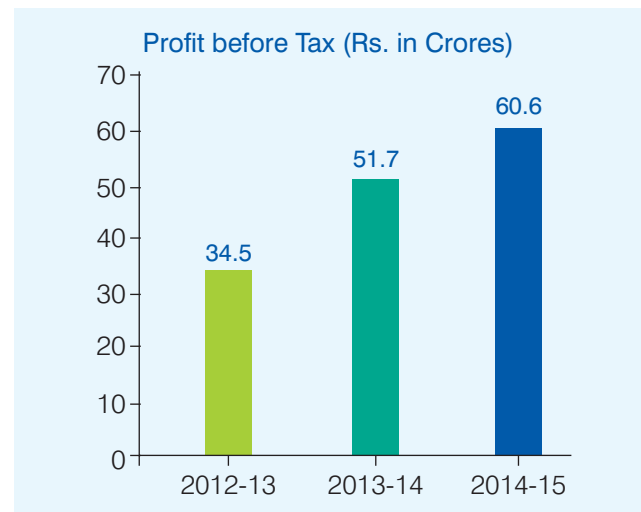
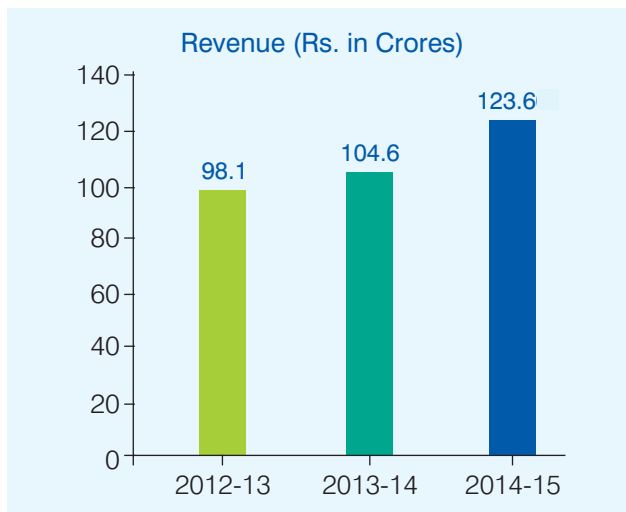


To the Members,

Your Directors are pleased to present the Third Annual Report and the Company's Audited Financial Statements for the financial year ended March 31, 2015.

Performance Highlights

- Revenue from operations increased by 18% to Rs. 1,236 million as against Rs. 1,046 million for the Financial Year 2013-14
- The Profit Before Tax (PBT) increased by 17% to Rs. 606 million as against Rs. 517 million for the Financial Year 2013-14.
- Net profit increased by 10% to Rs. 440 Million as against Rs. 400 Million for the Financial Year 2013-14.
- Net worth of the Company for the period under review increased by 10% to Rs. 3,471 million as against Rs. 3,152 million for Financial Year ended 2013-14.
- Earnings Per Share of the company increased by 10% to Rs. 11 from Rs.9.99 for the Financial Year 2013-14.





Management Discussion and Analysis

Financial Review

Financial Results

Particulars	2014-15 (Rs. Million)	2013-14 (Rs. Million)
Income	1,525	1,298
Expenditure	747	586
Profit before depreciation	778	712
Depreciation	21	66
Contribution to Investor Protection Fund (IPF)	151	129
Profit before tax	606	517
Provision for Deferred Tax (Credit)	8	1
Provision for Tax	158	116
Profit after Tax	440	400
Profit available for appropriation	440	400
Appropriation:		
Proposed Dividend	100	100
Tax on Dividend	20	17
Transfer to General Reserve	150	150
Surplus Carried to the Balance Sheet	170	133

Results of operations and state of Company's affairs for Financial Year 2014-15

The profit available for appropriation stood at Rs. 440 million and a provision for tax is Rs. 158 million. Further, as required under SEBI (Depositories and Participants) (Amendment) Regulations, 2012, 25 percent of the Profit i.e. Rs. 151 million has been set aside to be contributed to the Investor Protection Fund (IPF).

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

Dividend

Your Directors have recommended a dividend of Rs. 2.5 per share (i.e. 25%) for FY 2014-15 (same that of FY 2013-14) for consideration of the shareholders. The dividend distribution would result in a cash outflow of Rs. 120 million including tax on dividend of Rs. 20 million (Payout ratio of 27%).

Share Capital

The paid up Equity Share Capital as on March 31, 2015 is Rs. 40 Crore. During the year under review, the Company has not issued shares. None of the Directors of the Company hold shares in the Company.



Economic Environment

The Economic Survey 2014-15 presented by the Finance Minister Shri Arun Jaitley to the Parliament indicates that a clear political mandate for reform and a benign external environment is expected to propel India on to a double digit trajectory. The macro economy has been rendered more stable, reforms have been launched, the deceleration in growth has ended and the economy appears to be recovering. The growth rate in GDP at constant market prices in 2012-13 was 5.1 per cent, which increased to 6.9 percent in 2013-14 and it is expected to further increase to 7.4 per cent in 2014-15.

Indian economic growth in 2014-15 rose to 5.2% from 4.7% last year as a result of the improving macro-economic situation. The wholesale and consumer price inflation has fallen to 4.2% and 7.4% from last year's 6.3% and 10.1% respectively on the back of a strong base effect. Falling oil prices, lower food and commodity prices and the proactive measures taken by the Government helped in containing inflation in 2014.

India is set to become the world's fastest-growing major economy by 2016, the International Monetary Fund (IMF) said in its recent latest forecast. The Indian economy is expected to grow by 7.6 percent this year and 7.7 per cent in 2016.

The economic survey suggests that in the short run, growth will receive a boost from cumulative impact of reforms, lower oil prices, and likely monetary policy easing. The Indian economy is at the bright spot in the global landscape, becoming one of the fastest-growing big emerging market economies in the world.

As it can be seen from the events in the last few months that have set the momentum for reforms and drummed up enthusiasm in the market, which can put India on a high, sustainable growth trajectory. The capital market has continued to breach record levels as investors now expect a favourable policy and business environment. The Indian capital market outperformed most global markets due to improved economic sentiments. A stable government and its policy initiatives over the last nine months, together with increased global liquidity (because of bond buying by the European Central Bank and quantitative easing by the Bank of Japan), led to increased capital inflows. The Sensex rose sharply, by around 40 percent, during 2014 and crossed the record mark of 29,000 in January 2015. Foreign institutional investments, which were volatile in

2013, rose consistently, providing reasonable stability in the market compared with the previous year.

India may register a growth of 7.6 per cent in 2015 due to renewed confidence in the market brought about by a series of economic reforms pursued by the Government. Only India is anticipated to witness better growth momentum among the BRIC bloc whereas other member countries are expected to see stable growth momentum, according to Organisation for Economic Cooperation and Development (OECD).

Furthermore, the new 'Make in India' initiative is expected to be a vital component in India's quest for achieving wholesome economic development.

Securities Market

BSE Sensex and NSE Nifty gained 24.89 and 26.66 per cent respectively in the fiscal year 2014-15 as compared to the previous year. Market capitalization at BSE Sensex and NSE Nifty stood at Rs. 101 and 99 Lac Crores respectively registering a growth of 36.87 and 36.45 per cent respectively. The total resource mobilized by corporate sector during the Fiscal Year 2014-15 stood at Rs. 4,80,661 crores as against 3,91,830 crores for the year 2013-14 registering a growth of 22.67% which was mainly attributable to private placement of debt securities. However, resource mobilisation through the primary market continued to witness a downward movement over the previous year during the FY 2014-15.

During 2014-15, Mutual Funds (MF) mobilized Rs. 103,288 crore from the market as compared to Rs. 53,783 crore in 2013-14, an increase of 92.05 per cent over previous fiscal year. The market value of Asset Under Management (AUM) stood at Rs. 10,82,757 crore as on 31 March 2015 compared to Rs. 8,25,240 crore as on 31 March 2014, registering an increase of 31.21 per cent.

With the commencement of Foreign Portfolio Investor (FPI) Regime from June 1, 2014, the erstwhile FIIs, Sub Accounts and QFIs are merged into a new investor class termed as FPIs. The assets under custody of FPIs at the end of March 2015 stood at Rs. 24,11,863 crore.

Market turnover in the cash segment of the equity market at the BSE and NSE stood at Rs. 8,54,845 crore and Rs. 43,29,655 crore respectively in 2014-15 as compared to Rs. 5,21,664 crore and Rs. 28,08,489 crore respectively in 2013-14.





Management Discussion and Analysis

Regulatory Updates

The year 2014-15 can be rightly termed as a year of financial reforms. From governance issues of the banking sector to higher Foreign Direct Investment and overhaul of the monetary policy framework, with inflation targeting as the aim, these would shape the financial sector for a long while. Some of the initiatives taken or announced were thematically in continuation of the post liberalisation banking reforms. These include increasing Foreign Direct Investment limit in Insurance sector, improving of governance in corporate sectors, strengthening stressed assets resolution and recovery mechanism, etc. New initiative, like getting started on differentiated bank licensing is worth mentioning.

Some of the prominent regulatory measures taken during the year in the areas which the Company operates or which has bearing on the Company are as follows:

- SEBI amended the Clauses 35B (electronic voting) and 49 (Corporate Governance norms) of the Equity Listing Agreement with a view to align it with the requirements of the Companies Act, 2013 and to adopt best practices on Corporate Governance and to make the Corporate Governance framework more effective.
- With a view to rationalize / harmonize different routes for foreign portfolio investments, SEBI decided to create a unified and simplified regulatory framework. In order to adopt a consultative approach, SEBI had constituted a "Committee on Rationalization of Investment Routes and Monitoring of Foreign Portfolio Investments" comprising of various stakeholders. After extensive deliberations and consultations by the Committee, it was decided to create a new investor class called "Foreign Portfolio Investor" (FPI) by merging the existing three investor classes viz. FII, Sub Accounts and Qualified Foreign Investors. It was envisaged that dispensing with the mandatory requirement of direct registration with SEBI and adopting risk based KYC approach in FPI regime would smoothen the entry process and onboarding experience of FPIs which desire to invest in the Indian securities market.

Subsequently, SEBI (FPI) Regulations, 2014 were notified on January 07, 2014 followed by certain other enabling notifications by the Ministry of Finance and RBI. In order to ensure the seamless transition from FII regime to FPI regime, it was decided to commence the FPI regime with effect from June 1, 2014 so that the requisite systems and procedures would be in place before migration to the new FPI regime.

FPIs were classified into three categories based on type of entity and risk profile viz., Category I,

Category II & Category III. SEBI approved Designated Depository Participants (DDPs) were advised to carry out necessary due diligence and issue registration certificate to the FPIs.

DDPs have already commenced granting registrations to FPIs under the new framework. The migration to the FPI regime has thus been effected in a smooth manner.

- SEBI, vide circular dated January 07, 2014 had introduced guidelines to strengthen the supervisory and monitoring role of the depositories and their participants with respect to issuance and processing of Delivery Instruction Slips. In light of the difficulties expressed by the depositories and the Depository Participants (DPs) SEBI decided to make the circular effective from October 01, 2014.
- The facility of sharing of KYC information was available only among SEBI registered intermediaries. In view of the same, SEBI approved the amendment to SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011 for sharing of KYC information available on the centralized system with the entities regulated by other financial sector regulators. This would further facilitate the KYC process for the investors in the entire financial sector. This will also save the investors from the hassle of getting KYC done again by the intermediaries regulated by other financial sector regulators.
- In August 2012, SEBI had introduced the facility of Basic Services Demat Account (BSDA) wherein *inter alia* it was mandated that one annual physical statement of holding shall be sent to the Beneficial Owners (BOs) having zero balance and nil transaction. Based on the representations from the Depositories and Depository Participants (DPs), the relevant provisions of the aforesaid circular were modified and accordingly going forward DPs shall send atleast one annual physical statement of holding to the stated address of the BO in respect of accounts with no transaction and nil balance even after the account has remained in such state for one year.
- Depository Receipts (DRs) in India were governed by the Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 ("1993 Scheme") as amended from time to time. On October 21, 2014, the Ministry of Finance notified the Depository Receipts Scheme, 2014 ("New Scheme") by virtue of which issuance of DRs has been taken out of the 1993 Scheme and is now regulated by the New Scheme. The New Scheme has come into effect from December 15, 2014.



- SEBI, as an additional measure and for information of all investors who deal/ invest/ transact in the market, decided that offices of all Stock Brokers (its registered Sub-Broker(s) and Authorized Person(s)) and Depository Participants shall prominently display basic information, about the grievance redressal mechanism available to investors which covers details like details of compliance officer, CEO etc along with their contact details.
- The Depository System was reviewed by the Depository Systems Review Committee (DSRC) *inter alia* in the context of Principles for Financial Market Infrastructures(PFMI) laid down by the Committee on Payment and Settlement Systems (CPSS) and International Organization of Securities Commissions(IOSCO).

The Depository Systems Review Committee (DSRC) has recommended to put in place a Board approved policy providing for a well documented comprehensive risk management framework at Depositories.

The Depositories were advised to establish a clear, comprehensive and well documented risk management framework. The Depositories shall put in place mechanism to implement the Risk Management Framework through a Risk Management Group/ Committee which shall be headed by a Chief Risk Officer (CRO).

- Pursuant to the Interim Budget announcement in 2014 to create one record for all financial assets of every individual, SEBI had extensive deliberations with the Depositories, AMFI and RTAs of Mutual Funds (MF-RTAs) to implement it with respect to financial assets of securities market. As a first step in this direction, SEBI decided to enable a single consolidated view of all the investments of an investor in Mutual Funds (MF) and securities held in demat form with the Depositories.

SEBI issued guidelines with regard to coordination between depositories and Asset Management Companies, systems to be put in place, basis of the system generation, frequency, data integrity and confidentiality. Accordingly, Consolidated Account Statement (CAS) was implemented from the month of March 2015 with respect to the transactions carried out during the month of February 2015.

The dispatch of CAS by the depositories to Beneficial Owners (BOs) would constitute compliance by the Depository Participants with requirement under Regulation 43 of SEBI (Depositories and Participants) Regulations, 1996 to provide statements of account to the BOs as also compliance by the MFs with the requirement under Regulation 36(4) of SEBI (Mutual Funds) Regulations, 1996.

- SEBI (Depositories and Participants) Regulations, 1996 was amended by passing SEBI (Depositories and Participants) (Amendment) Regulations, 2014 in order to enable a participant who has been granted a certificate of registration to act as a participant of another depository without obtaining separate certificate of registration subject to approval by such other depository. Further, necessary amendments have been made w.r.t. fee payments and other reporting requirements.
- In order to simplify the account opening process for new investors in the securities market who begin with participation in the cash segment without obtaining various other facilities such as internet trading, margin trading, derivative trading and use of power of attorney, the account opening process was simplified by introducing a simplified Account Opening Form ('AOF') termed as 'SARAL AOF'. The standard set of documents viz. Rights and Obligations document, Uniform Risk Disclosure Document and Guidance Note and documentary proof related to identity and address shall continue to remain applicable. It was further clarified that the provisions laid down under the PML Act, PML Rules, SEBI Master Circular on AML dated December 31, 2010 and SEBI Circular on AML dated March 12, 2014 shall also continue to remain applicable for set of individual investors mentioned in paragraph 2 above.

Business Overview

The Business of the Company mainly consists of depository operations. The Company provides depository and allied services through its Business Partners across the country. The Company plays a major role in dematerialisation of securities and electronic settlement of trades in Indian Stock Market.

The Financial Year 2014-15 has been a very successful and important year for the Company. The Company was able to capitalize on the market conditions through its operational excellence, higher efficiency and well executed strategies. Below is a glimpse of the key numbers of your company:

- Your Company is the largest depository of India and holds 13.7 million client accounts. During the year under review your company has added 12.96 lakhs new accounts. All these accounts are located in 87% of PIN Codes in the country reflecting the wide reach.
- The total value of assets under custody as on March 31, 2015 is Rs. 117 Lakhs crores. Your Company's market share in custody value is 89%. In debt securities, it is over 97%. Amongst foreign institutional investors, NSDL's market share is close to 100%.





Management Discussion and Analysis

- Your Company processes about 200 million instructions in a year, at the lowest cost known amongst world depositories.
- Your Company reaches its clients through approximately 16000 service centres of its participants located in over 1550 towns.

New Initiatives

NSDL Consolidated Account Statement (CAS)

NSDL has started sending CAS to investors from March 2015 considering transaction from the month of February 2015. NSDL CAS is a single statement of all investments in the securities market. NSDL CAS includes investments in equity shares, preference shares, mutual funds, bonds, debentures, securitized instruments, money market instruments and government securities held in demat. All investments held in single or joint names with you as the sole/first holder are a part of the NSDL CAS.

NSDL CAS is part of the overall vision to enable all financial assets to be held electronically in a single demat account, which was articulated by the Hon'ble Finance Minister in his budget speech of July 2014. As a step in this direction, SEBI has introduced this Consolidated Account Statement for all securities assets by consolidating demat accounts and mutual fund folios. NSDL CAS offers you unparalleled convenience in keeping track of your investment portfolio. You can easily monitor the investments you hold, their value and portfolio composition. It will help you in developing strategy to manage your investments better.

FPI Monitor

Foreign Portfolio Investors (FPI) Regime Commenced in India from June 1, 2014 onwards. SEBI has assigned the responsibility of centrally generating FPI Registration Number and FPI Certificate to NSDL. Accordingly, NSDL has developed a central system viz., FPI Monitor (www.fpi.nsd.co.in) for the Designated Depository Participants (DDP) to register its FPI applicants online and obtain FPI registration number along with FPI certificate for the applicant.

NSDL is advised to monitor the investment limits of FPI investor group who have common beneficial ownership under the equity segment and monitor debt limit utilisation in respect of FPIs / Deemed FPIs (i.e. erstwhile FIIs and Sub accounts). Besides, NSDL also disseminates various statistical information on NSDL FPI portal relating to investment by FPIs / Deemed FPIs in India.

ePASS

Your Company has developed a facility to conduct risk assessment of the Participants based upon certain common parameters and provide information to SEBI periodically to enable it to implement risk based supervision of Participants.

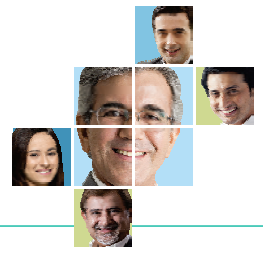
NSDL Mobile Application:

Mobile Application is an initiative of NSDL for the benefit of demat account holders of NSDL for online access to their demat accounts; anytime, anywhere.

NSDL Mobile App empowers the demat account holder to monitor their holdings along with values. NSDL Mobile App is a secured way of tracking the portfolio. In a short span of about one year since its launch, more than 35,000 account holders have accessed NSDL Mobile App and user base of Mobile App has grown at the rate of over 90% in the last six months as compared with the growth in first six months.

Corporate Bond Database

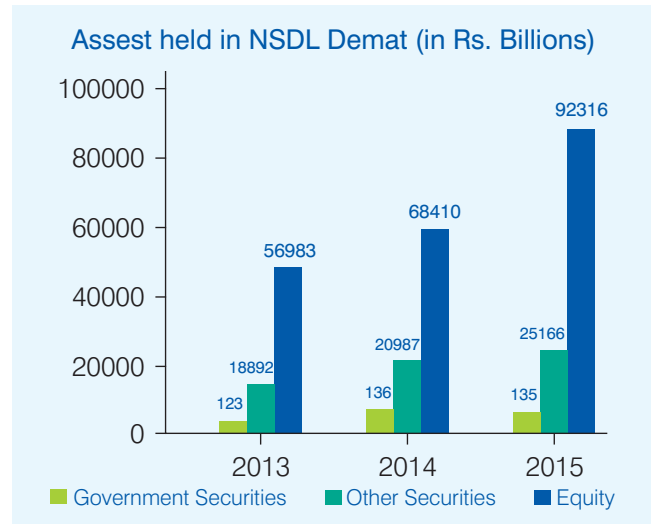
The information in respect of various bonds/debentures issued by issuers is available in a fragmented manner and available at multiple sources such as websites of credit rating agencies, debenture trustees, depositories, stock exchanges etc. Lack of comprehensive information on the corporate debt instruments hinders the development in market of corporate debt instruments such as debentures, bonds, zero coupon bonds, step up bonds etc. in India. NSDL has developed the website for dissemination of authentic and complete information enabling investors to view the information at a single place in an easy, fast and transparent manner.



Asset Value under Custody

The value of assets held under custody stood at Rs, 117 Lakh crores as on March 31, 2015 as against Rs.89 Lakh crores for the previous year reflecting a growth of 31 per cent . The value of equity securities increased by 35 per cent to Rs. 92 Lakhs crores from Rs.68 Lakhs crores. The value of debt securities (Debentures, Bonds, CPs, CDs etc.) dematerialised showed an increase of 15.46 per cent and stood at Rs. 24,082 billion as on March 31, 2015 as against Rs. 20,857 billion as on March 31, 2014.

As on March 31, 2015, the number of Government Securities that were available for dematerialisation went upto 872 and the total value of Government securities that were dematerialised at NSDL stood at Rs. 135 billion.

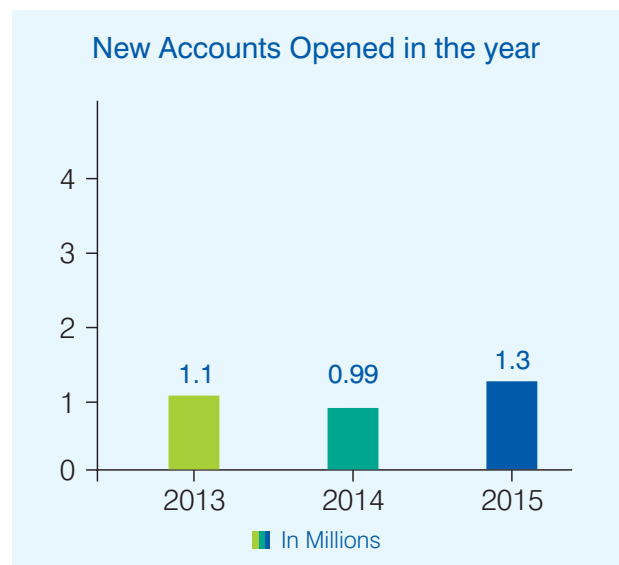
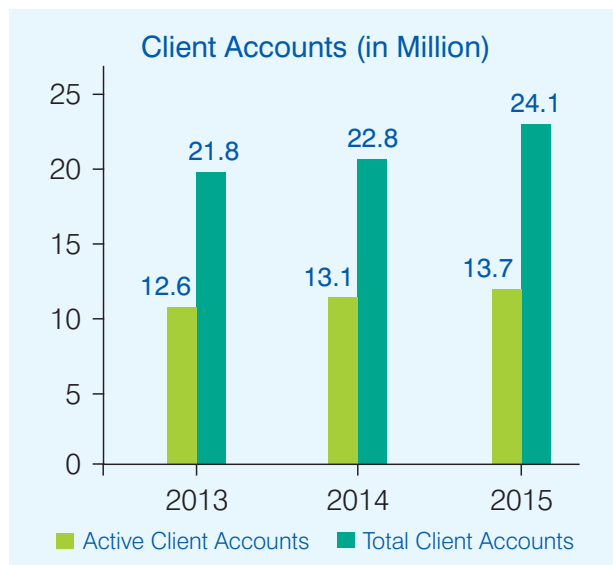


Client Accounts

During the year under review, your Company crossed 1,37,00,000 (One Crore Thirty Seven Lakhs) active demat accounts.

Upon issuance of notification by the Government of India regarding announcement of the Rajiv Gandhi Equity Savings Scheme, 2012 (RGESS), Participants of your company have started activity of opening of RGESS enabled demat accounts, so as to enable 'New Retail Investors' to invest in securities market. As on March 31, 2015, total number of RGESS accounts stood at around 18,953 and the total value of investments made by these RGESS account holders stood at around Rs. 72 crore.

During FY 2014-15, 1.29 million new accounts were opened at registering a 30 per cent year on year growth reflecting a strong investor confidence level on NSDL. Total number of accounts opened till March 31, 2015 stood at 24.09 million.

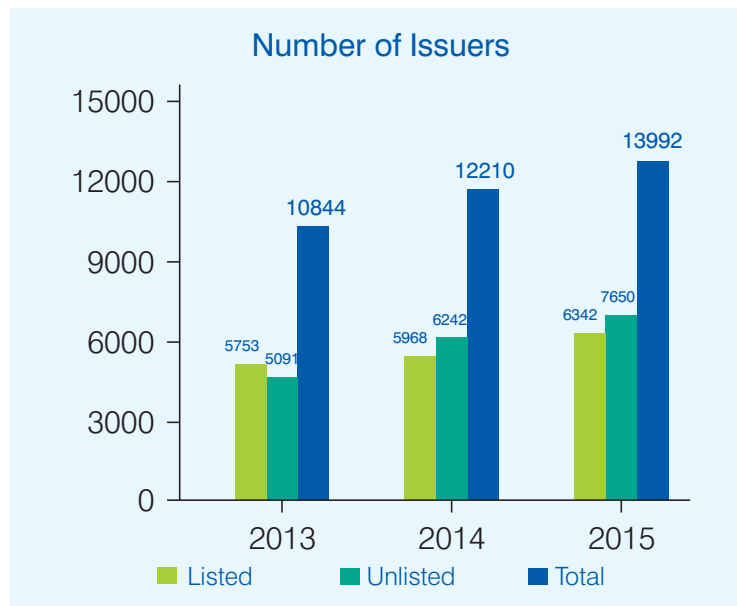


The number of active depository accounts increased from 13.06 million to 13.71 million by March 31, 2015 resulting in a net increase of 0.65 million accounts.



Issuers :

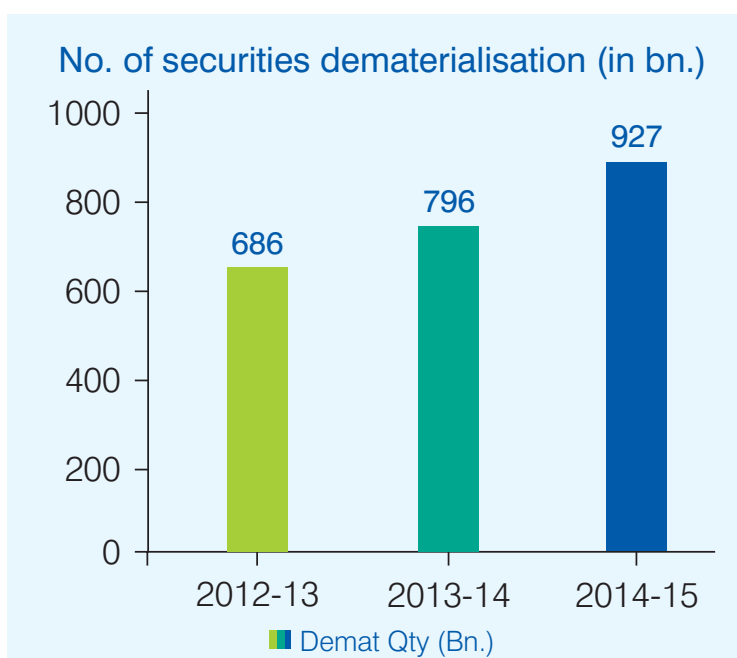
During the year, the number of Issuers that signed agreements with NSDL to provide dematerialisation facilities continued to grow and crossed 13,992 as on March 31, 2015 as compared to 12,210 as on March 31, 2014 registering a 15 per cent year on year growth.



All securities forming part of various indices viz., CNX Nifty, CNX Nifty Junior, CNX 100, CNX 500, CNX MIDCAP, NIFTY MIDCAP 50, BSE Sensex, BSE 100, BSE 200 and SX-40 are available for dematerialisation at NSDL.

Dematerialisation of Securities

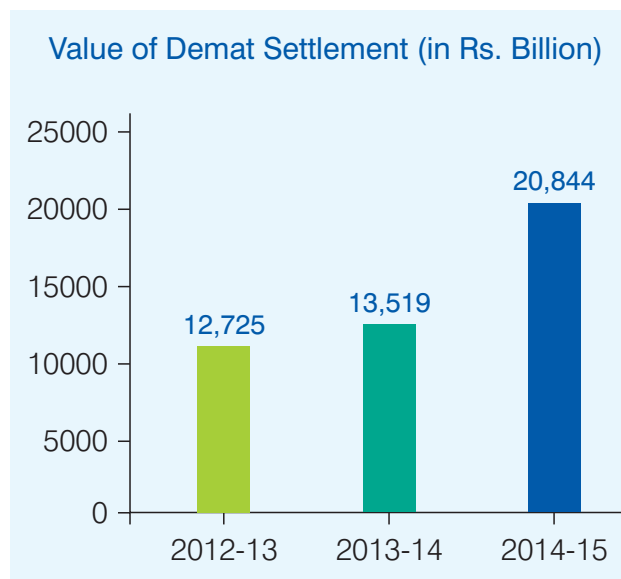
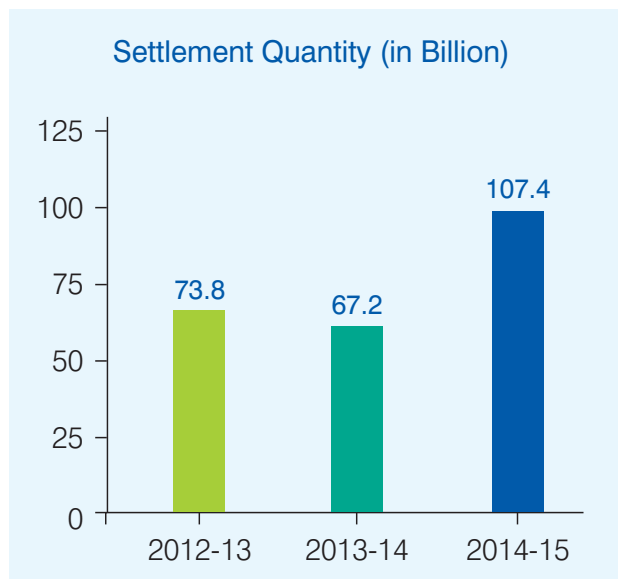
The number of securities dematerialised increased substantially and stood more than 927 billion as on March 31, 2015, against 796 billion as on March 31, 2014, indicating a growth of over 17 per cent during the year.





Settlement Volumes

Hundred percent of the trades carried out on the stock exchanges continued to be settled in dematerialised form. During the year under review, the number of securities settled in dematerialised form at the stock exchanges through NSDL was 107.42 billion (67.19 billion in FY 2013-14). The value of securities that were settled in dematerialised form during FY 2014-15 was Rs. 20,844 billion as against Rs. 13,519 billion in FY 2013-14.



Depository Participants

During FY 2014-15, five more Participants commenced their depository operations. The total number of Participants stood at 273 as on March 31, 2015. These Participants offer services from 15,960 locations in 1,549 cities and towns across the country.

The category wise break-up of Participants was as follows:

Sr. No.	Category	No. of Participants
1	Bank	44
2	CC / Clg. House	4
3	Custodian	6
4	Financial Services Company	3
5	Foreign Bank	7
6	NBFC	1
7	Registrar & Transfer Agent	1
8	Stock Broker	207
	Total	273

During the financial year, NSDL conducted inspection of all its 273 Depository Participants which were operational during the year. In addition, special inspections were conducted in respect of certain Participants. Few instances were observed wherein delivery instruction slips were processed without the signatures of all joint holders or power of attorney holders as required, errors and omissions were made in keeping control over issuance and acceptance of delivery instruction slips, accounts were opened in the name of HUF rather than Karta as required by applicable guidelines, lapse was observed in transmission procedure followed, etc. Penalty of Rs. 2,04,600 was imposed on six Participants and two Participants were referred to Disciplinary Action Committee (DAC) and actions were taken as per the directives of the DAC in accordance with Chapter 18 of the Business Rules. In few cases, additional penal action was stipulated such as 100 % audit of Delivery Instruction Slips and advice for change in auditors. In case of one Participant, its Participanship was terminated.





Corporate Actions

The Corporate Action (CA) facility of NSDL continued to be used extensively by Issuers in distributing securities arising out of IPOs, Bonus, Rights etc., electronically. The CA facility of NSDL has been widely accepted because of the inherent benefits it offers in terms of elimination of printing of security certificates, substantial cost saving, quick delivery of securities to the shareholders and negligible investor grievances regarding non-receipt of certificates. Total number of corporate actions in the FY 2014-15 aggregated 1,18,877 as compared to 82,432 in the previous year indicating a growth of around 44 per cent. This was mainly due to increased number of corporate action credits of mutual fund units subscribed through stock exchange platform. Number of securities credited by way of corporate actions stood at 1,37,623 million as compared to 1,48,231 million in the previous year.

Details of securities issued by way of electronic entries through NSDL for FY 2014-15 are as under:

Description	No. of Corporate Actions	No. of Allottees (in hundreds)	No. of securities (in million)
Equity Shares	5,768	44,065.87	90,880.57
Preference Shares	197	4.53	8,671.20
Bonds & Debentures	6,060	6,844.63	15,222.50
Commercial Papers	8,223	82.23	22.80
Certificate of Deposits	3,493	55.68	80.28
Securitised Instruments	566	9.09	17,707.68
Mutual Fund Units *	94,532	6,247.62	4,484.80
Warrants	38	1.29	552.93
Total	1,18,877	57,310.94	1,37,622.75

Technology

Your Company is an institution of national repute, operating across a wide range of businesses, and is renowned for its capabilities in establishing and operating core infrastructure involving high-end technology. NSDL has been at the forefront in leveraging technology including the current and emerging transformational trends of mobility, digitisation and rapid growth of social media, to bring value to Business Partners and investors. We have leveraged our technology capabilities to facilitate faster and convenient processes, create best-in-class technology platforms and reduce transaction costs. Our innovations in recent years have enhanced our franchise and improved the overall investor experience.

Using innovative and flexible technology systems, NSDL works to support the investors and brokers in the capital market of the country. NSDL aims at ensuring the safety and soundness of Indian marketplaces by developing settlement solutions that increase efficiency, minimise risk and reduce costs. NSDL plays a quiet but central role in developing products and services that will continue to nurture the growing needs of the financial services industry.

In the depository system, securities are held in depository accounts, which is more or less similar to holding funds in bank accounts. Transfer of ownership of securities is done through simple account transfers. This method does away with all the risks and hassles normally associated with paperwork. Consequently, the cost of transacting in a depository environment is considerably lower as compared to transacting in certificates.

We are partnering with leading technology software providers in creating, deploying, integrating and operating business solutions for our Business Partners.

These applications that we build not only give us new revenue streams but also strengthen our platforms and differentiate us from competitors.

Technology Upgrades

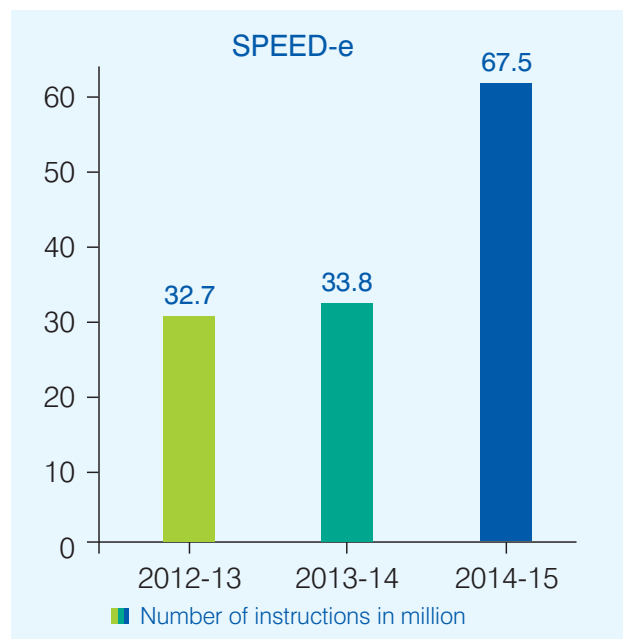
E- Services

Your Company has introduced several products and services which provide to clients a secure and convenient access to their account and enable them to execute instructions. These services are available over internet as well as on mobile devices.



Electronic Instruction Platform

SPEED-e



Securities Position Easy Electronic Dissemination (SPEED-e) SPEED-e is a common internet infrastructure that enables the Participants to provide Depository services to their clients. Demat account holders (including Clearing Members) subscribing to this facility can submit delivery instructions to their participants electronically through SPEED-e website <https://eservices.nsd.com> instead of submitting the Delivery Instruction Slip in paper form. SPEED-e users can access the facility using both secure internet facility as well through mobile devices.

Over the years, a number of new features viz., account freezing, ISIN/ Quantity level freezing, multiple authorisation by certain users, upload facility through the back-office of the Participants, CM Pool to CM Pool transfer and SPEED-e Direct were added to SPEED-e service. As on March 31, 2015, 166 Participants have subscribed to SPEED-e facility and more than 46,000 users are using this facility. During 2014-15, 67.71 million instructions were received through SPEED-e as compared to 33.77 million instructions in 2013-14.

During the year 2014-15, approximately 67 % instructions out of total instructions processed on SPEED-e were processed through SPEED-e DIRECT.

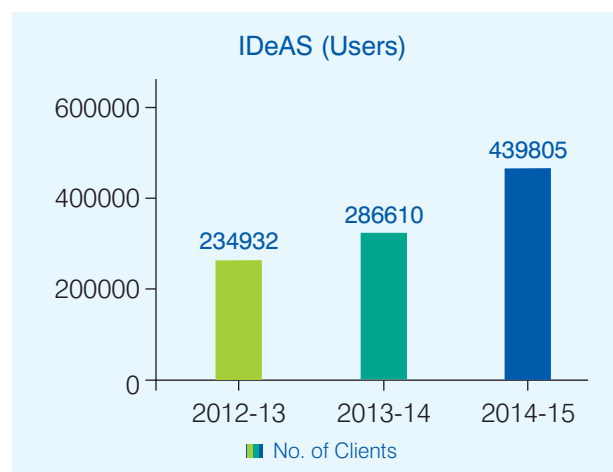
SPICE

Submission of Power of attorney based Instructions for Clients Electronically (SPICE) facility is in respect of demat accounts operated on the basis of Power of Attorney (POA). Many investors execute POA in favour of their stock brokers (i.e. Clearing Members). Based on the POA, Clearing Members (CMs) submit instructions

to the Participants (where Clients maintain demat accounts) to debit the demat accounts of the Clients. SPICE enables such CMs to submit digitally signed instructions to Participant through the SPEED-e facility thereby eliminating the need to give paper based delivery instructions to the Participants. SPICE enables the Clearing Members to debit the Client account and credit the CM Pool account. Further, SPICE facility is enhanced to debit the Client account and credit the Margin/BO account of the CM. During FY 2011-12, SPICE was enhanced to include the feature of SPICE Direct wherein auto pay-in instructions (submitted by CMs using the feature of SPICE) can be directly transmitted to NSDL. In FY 2014-15, out of total instructions processed through SPICE, 29.76% are processed through SPICE Direct.

IDeAS

Internet-based Demat Account Statement (IDeAS) is a secured internet website setup by NSDL for demat account holders to view online their latest balances along with the values and transactions in their demat account. This facility is available to all the clients including Clearing Members who have opened a demat account with any of the Participants of NSDL. IDeAS clients can also download month wise transaction statements for the previous 12 months.



During the year, number of clients using IDeAS increased to 4,39,805 from 2,86,610 previous year indicating a growth over of about 53% . As on March 31, 2015, 574 Clearing Members were using IDeAS as compared to 558 Clearing Members as on March 31, 2014.

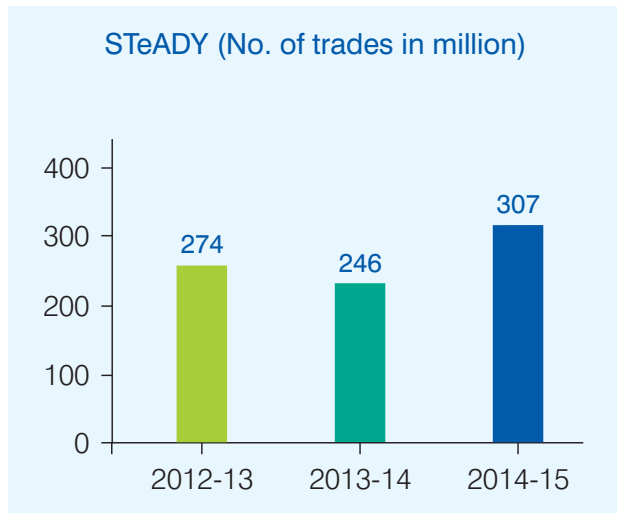
As on March 31, 2015, 273 DPs have subscribed for IDeAS.

STeADY

STeADY (Securities Trading-information Easy Access and Delivery) is a facility that enables Straight Through Processing (STP) of trade information. STeADY is an Internet based facility that helps transmit digitally



signed trade information with encryption to the market participants electronically. The electronic contract notes are made available to the institutional investors and their custodians for matching and to complete the settlement.



During the year 2014-15, about 307 million trade details have been submitted through STeADY as compared to 246 million trade details during FY 2013-14.

SIMPLE

SIMPLE (Submission of Instruction through Mobile Phone Login Easily) facilitates password based users of SPEED-e facility to submit instructions on SPEED-e website through their mobile phones. This facility is available for password based users of SPEED-e facility who can submit Client to Clearing Member Pool Account transfer instructions on SPEED-e website through their internet facility enabled mobile phones.

TRADeS

TRADeS (Transaction Related Alerts of Demat account received through SMS) SMS Alert facility of NSDL provides important updates to Clients on their mobile phones about their depository accounts, which facilitates risk mitigation and provides value added services.

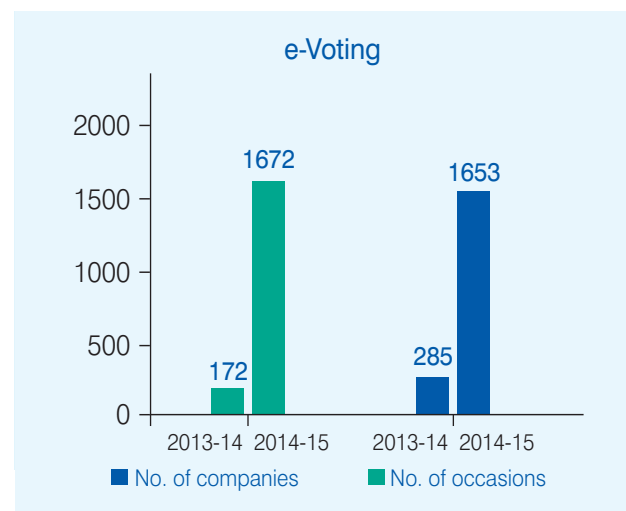
- (1) All Debits to account
- (2) Credits for IPO, bonus & sub-division
- (3) Failed instructions
- (4) Overdue instructions
- (5) Change of mobile number
- (6) Change of address
- (7) Credit / debit of Mutual Fund Units
- (8) Alerts upon invocation of pledged securities to Pledgor Clients
- (9) Registration / de-registration of Power of Attorney

As on March 31, 2015, 110 lacs investors were registered for using this service as compared to 100 lacs on March 31, 2014. During the financial year 2014-15 a total of 49 million SMS alters have been sent to clients under this service.

ACE

As a measure to further strengthen the risk containment mechanism, your Company provides ACE (Alerts to Clients through Email) facility to depository account holders whereby emails are sent by your Company to the email addresses (captured in the DPM System) of the account holder(s) in case of change of address in their depository accounts. This facility is in addition to SMS alert facility for change of address of account holders.

eVoting



Your company provides an e-Voting platform using secure Internet Infrastructure that enables shareholders of companies to vote electronically on resolutions of companies put to vote by shareholders. Since April 2014, e-Voting is mandatory for all listed companies. The e-Voting system of NSDL has been authorized by the Ministry of Corporate Affairs, Government of India. NSDL launched electronic voting (eVoting) service www.evoting.nsdl.com which is a platform for providing electronic voting facility for shareholders of companies. Through this platform shareholders can cast their votes electronically. Number of Companies which entered into agreement with NSDL for availing e-voting services is 1,653 as on March 31, 2015 as against 285 companies a year ago. Further, companies availed of e-voting services of NSDL on 1672 occasions as against 172 occasions a year ago.

Corporate Bond Database

The information in respect of various bonds/debentures issued by issuers is available in a fragmented manner and available at multiple sources such as websites of



credit rating agencies, debenture trustees, depositories, stock exchanges etc. Lack of comprehensive information on the corporate debt instruments hinders the development in market of corporate debt instruments such as debentures, bonds, zero coupon bonds, step up bonds etc. in India. NSDL has developed the website for dissemination of authentic and complete information enabling investors to view the information at a single place in an easy, fast and transparent manner.

Numbering (ISIN) Agency

NSDL issues the International Securities Identification Number (ISIN) for all securities issued in India irrespective of type of securities viz., equity, debt, mutual funds, money market instruments etc. ISIN is a globally accepted unique identifier for securities. SEBI is the National Numbering Agency (NNA) for India and a member of Association of National Numbering Agencies (ANNA). SEBI has delegated the responsibility to NSDL for issuance and maintenance of ISIN and Classification of Financial Instruments (CFI) codes and reporting to ANNA and to undertake other related activities. Both ISIN and CFI codes are defined as per ISO standards. NSDL thus has the most extensive experience in India of issuing globally unique identifiers defined as per international ISO standards.

Investor Education And Awareness

Your Company has taken following initiatives to carry out investor education and awareness:

- **Regional Investor Awareness Programmes with Securities and Exchange Board of India (SEBI):** In order to reach out to masses spread across the country and to apprise them about the facilities available in NSDL depository system, NSDL conducted eight Regional Investor Awareness Programmes in association with SEBI during the F.Y. 2014 – 15 which were attended by more than 1,500 investors.
- **Joint Awareness Programmes:** NSDL interacts with investors through a series of Joint Awareness Programmes across the country. These programmes are organised to spread awareness amongst the account holders and potential clients about the new facilities introduced by NSDL, the safety features and precautions to be taken while operating in the depository environment. During the F.Y. 2014 - 15, 89 such Joint Awareness Programmes were held across the country which were attended by more than 5,800 persons. Since inception, NSDL conducted more than 1,500 IDMs & over 400 Joint Awareness Programmes & seminars which have been attended by more than 2,04,000 investors.
- **Corporate Awareness Programmes (CAPs):** To educate Corporate employees & spread awareness

regarding benefits of dematerialization during the F.Y. 2014 – 15, NSDL conducted three Corporate Awareness Programmes with Corporates like Shree Refrigerations Pvt. Ltd., Kotak Group & Netcore Solutions Pvt. Ltd.

- **Women Empowerment Programmes:** During the F.Y. 2014 – 15, NSDL conducted three Financial Literacy Programmes for women employees of Tata Consultancy Services (TCS) & IDFC Mutual Fund to educate them on basics of investments & Depository related services.

Investor Awareness Programmes for students

- **NSDL Brand Ambassadorship initiative:** NSDL launched an initiative called “NSDL Brand Ambassador (NSDL BA)” last year for student community education to popularize demat products and related concepts amongst college students. Last year, NSDL Brand Ambassadors conducted six seminars in their colleges. Like last year, NSDL has selected 20 brand ambassadors across seven colleges in Mumbai who would be the face of NSDL in promoting NSDL & creating awareness about its products for this year too.
- **Market Ka Eklavya Contest:** Market Ka Eklavya contest is designed for students to educate them about Demat and its features with real time market experience. During the F.Y. 2014 – 15, NSDL conducted two Market Ka Eklavya contests for students.
- **Training Programme conducted for College students, Government Officials & Community members:** To spread awareness about demat amongst college students, NSDL conducted various training programmes for college students from different Institutes such as Joshi Bedekar College of Management Studies, Mumbai, Ramniranjan Jhunjhunwala College, Mumbai, M. L. Dahanukar College, Mumbai, Dibrugarh University, Assam etc. NSDL also conducted training programmes for officials of SEBI, Indian Revenue Service (IRS) and Indian Economic Service (IES) & Community programme for members of Vijaynagar Society, Mumbai to enlighten them about the Depository related aspects.

Further, to spread the financial literacy amongst the youth, NSDL participated in various events organized by reputed Institutes like Indian Institute of Management, Ahmedabad, Indian Institute of Management, Bangalore, Indian Institute of Technology, Bombay, K.J. Somaiya Institute of Management Studies & Research (SIMSR) etc. These events attracted more than 5,000 students.



- **NSDL's Monthly Newsletter "The Financial Kaleidoscope"**: In continuation with the NSDL's monthly newsletter "NSDL Update" which is focused on DPs, NSDL this year started a monthly newsletter "The Financial Kaleidoscope" specially designed for investors providing them information about various investment products and recent developments taking place in the NSDL depository system. The first issue of "The Financial Kaleidoscope" was published in July 2014. NSDL started sending this monthly newsletter to existing "NSDL Update" subscribers. The Financial Kaleidoscope has received a positive response from investors. More than 5,200 investors have subscribed to this newsletter taking the number to over 40,000 investors.

Arbitration

NSDL Bye Laws provide for settlement of claims, differences and disputes arising out of dealings in the depository between Participants inter-se or between Participants and its clients by arbitration. For this purpose, a panel of Arbitrators has been formed to hear the disputes and pass awards. The arbitration facilities to the Participants and their clients are made available from NSDL offices located at Mumbai, New Delhi, Kolkata and Chennai. The Arbitration Committee consisting of senior executives of NSDL, manages and supervises all aspects in the matter of settlement of disputes. Till F.Y. 2014-15, 55 arbitration requests have been received, out of which, awards have been received in 52 cases. The Claimant (Participant) withdrew in two cases on the grounds of settlement of the issues. One case was closed for the reason of non-payment of the arbitration fees.

Training Programmes

Training the staff of the Participants, Issuers and Share Registrars for depository operations is as important as spreading awareness among the investors. NSDL has been conducting such training programmes for the staff including Compliance Officers and Internal Auditors of Participants as well as Share Registrars (referred to as "Business Partners") to make them familiar with the operational as well as the technical aspects of functioning of the depository system. During the year, NSDL trained more than 6100 persons from various Business Partners (BPs). which is inclusive of 4704 persons who have attended CPE training programmes for Depository Operations. 154 CPE programmes were conducted by NSDL during the year.

Quality of Service

ISO 27001 Certification

Your Company holds the ISO 27001/2013 certification for Depository systems. The certification is subject to periodic surveillance audits which are undertaken as per the requirements of the standards.

Training Programmes & Certification

Your Company in association with National Stock Exchange (NSE) administers an examination on "Depository Operations" called NCFM (NSE's Certification Programme on Financial Markets). To enable the Participant staff to take up the examination, NSDL has prepared background material on depository operations. During the year, 1215 persons have qualified the NCFM exam taking total number of qualified persons to 54889. In order to provide quality service to clients, NSDL has made it compulsory that atleast 90% of the number of branch office/ service centre of a Participant should have NCFM/NISM/NCDO qualified employee.

SEBI has made it mandatory for certain categories of officials of Participants to qualify National Institute of Securities Markets (NISM)-Series VI-Depository Operations Certification Examination (DOCE) test. Your company has taken initiative in conducting training programmes for Depository Participants in order to assist the staff of Depository Participants to appear for NISM-DOCE test. The training programme covers all the topics as specified by NISM for DOCE which helps the staff of Depository Participant to appear for NISM DOCE test.

During the year, your company has organised 31 NISM training programmes and 8991 persons have qualified the (NISM) - Series VI-Depository Operations Certification Examination (DOCE) test. Further, your company has organized 154 CPE training programmes for various modules which were attended by 4704 candidates. The module wise breakup of CPE training programmes are as mentioned below:

Module of CPE	No of Programmes	No. of Persons
NISM Series-VI : Depository Operations	114	3616
NISM Series-V-A : Mutual Fund Distributors	20	693
NISM Series-VII : Securities Operations and Risk Management	7	166
NISM Series-VIII : Equity Derivatives	6	105
NISM Series-III-A: Securities Intermediaries Compliance (Non-Fund)	5	101
NISM Series-I : Currency Derivatives	2	23
Total	154	4704

Opportunities And Threats

NSDL is the first and largest Depository in Indian Capital Market with an overwhelmingly high market share of more



than 80% in terms of custody value of dematerialised securities. Business of the Company is mainly consisting of depository operations and allied services.

The depository derives its business mainly from activities in the Primary and Secondary Capital Markets. Buoyant capital market conditions increases volumes at the depository. Further, like other businesses, depository also faces business competition. Similarly, when capital markets are weak, the volumes are also depressed. However, the Company takes business competition as an opportunity for improvement and betterment of services to investors, rather than as a threat.

Risk Management

In the normal course of business, your Company is exposed to following risks:

- (a) **Business Risk:** This is attributable to the impact of market behaviour on the revenues of the Company and sustainability of business across cycles.
- (b) **Business Continuity Risk:** This arises out of possible inability to conduct business and provide services on account of damage to physical assets and breakdown of infrastructure due to natural calamities, accidents, breakdowns etc.
- (c) **Operational Risk:** This arises out of any possible loss from operations due to third party liability, infidelity of employees, electronic & computer crimes, errors & omissions etc.
- (d) **Financial Risk:** NSDL is a zero-debt Company since its inception. The Company has followed the strategy of funding all its expansions, diversifications and infrastructure related expenditure through internal accruals.
- (e) **Legal and Statutory Risk:** This is attributable to various legal and statutory compliances of laws and regulations governing the company.
- (f) **Technological Risk:** This risk arises with increased use of technology in the operations of the enterprise.

To manage the aforesaid risks, your Company has taken the following measures:

Business Continuity Planning (BCP)

Your Company has been shifting the depository operations to its Disaster Recovery Site (DRS) so as to check the readiness and to demonstrate to the market NSDL's capability to conduct the operations from DRS. This practice was continued in FY 2014-15. During the year, your Company shifted its depository operations five times to DRS. NSDL carried out pre-identified critical business processes from alternate site located in different building for one day as a part of BCP on four occasions. This has boosted the confidence of the market and the regulator in the systems and processes of your Company.

Insurance

Your Company has renewed its Insurance policy to cover the risk of depository business, with an overall limit of Rs. 1 billion. The policy covers the Depository as well as its Participants. All Participants have subscribed to the policy. Apart from this, your Company has taken adequate insurance cover for premises and equipments.

Internal Controls and Audit

Your Company has well established processes and clearly defined roles and responsibilities at various levels. Comprehensive operational manual and standard operating procedures have been put in place in various departments of your Company. There is an independent audit firm appointed for conducting internal and operations audit. The report of the Internal Auditor alongwith management response is placed before the Audit Committee, which reviews the same and advises on improvements in the Internal controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

As a good IT-Governance practice, your Company undertakes Information Systems (IS) Audit for its depository systems, every year. The Audit also includes visits to Participants to verify the IT set-up and practices followed for the NSDL DPM setup.

Risk Management Framework

The Company has adopted Risk Management Framework. Further, pursuant to the recommendation of the Depository System Review Committee (DSRC) of SEBI, the Company has constituted Risk Management Committee and has appointed senior official as the Chief Risk Officer.

Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism and has framed and adopted Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Policy also posted on the website of the Company.

Other Measures

Your Company has appointed a Compliance Officer and a comprehensive legal team to advise the company on issues relating to compliance with various laws. The Compliance Officer reports on the compliance on matters relating to the relevant laws of various jurisdictions quarterly at Board meetings. The Company also seeks outside legal advice, wherever needed. Your Company uses information technology extensively for its business. All technology services are regularly reviewed and capacity planning and system enhancement is undertaken based on the analysis of current usage and future needs. There is an Information Technology Advisory Committee (ITAC) comprising IT experts for advising the Management on various matters pertaining to IT usage.



NSDL is committed to high standards of Corporate Governance which is critical to our business integrity and maintaining investor's trust. The Board of Directors are at the helm of our corporate governance practice and monitor the protection of long term interests of the stakeholders. The Board has balanced mix of experts of eminence and integrity which provide proper vision and direction to the Company. The Company aims at maintaining highest standard of transparency and ethics in all facets of operations and also complying with all applicable laws and regulations, conducting its business in an ethical manner and protecting the interests of investors and other stakeholders.

NSDL is a Public Limited Company, incorporated under the Companies Act, 1956, and a Depository within the meaning of Depositories Act, 1996. Therefore NSDL is additionally required to comply with the provisions of SEBI (Depositories and Participants) Regulations, 1996 and the Rules laid down thereunder and the directives issued by Securities and Exchange Board of India (SEBI) from time to time for the purpose of its governance. As per Regulation 9A (7) of the Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2012 the disclosure requirements and Corporate Governance norms as applicable to the listed company has become *mutatis-mutandis* applicable to depositories too. The relevant disclosure and Corporate Governance norms prescribed by SEBI have been complied by your Company. NSDL complies with all mandatory Corporate Governance norms and non-mandatory requirements also substantially complied with.

Governance Structure

Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

1. Board of Directors

Your Board is vested with the requisite powers, authorities and duties to ensure highest level of integrity and transparency in all engagements of the Company. The Board also reviews long term as well as short-term strategies of the Company from time to time and ensures statutory and ethical conduct with high quality financial reporting. The Board provides and evaluates the strategic direction of the Company, management policies & their effectiveness and ensures that the long-term interests of the stakeholders are being served.

2. Committees of Directors

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted various committees. Each of these Committees has been mandated to operate within a given framework.

3. Management Structure

Management Structure for running the business of the Company as a whole is in place with appropriate delegation of powers and responsibilities. Managing Director and Chief Executive Officer (MD & CEO) is in overall control and responsible for the day-to-day working of the Company. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various committees.

Your Company has highly professional and experienced management team consisting of business/functional heads who look after the day-to-day affairs of the Company under the direction of MD & CEO who functions under the overall supervision and control of the Board.

A. Composition and size of the Board

The Company's policy is to maintain optimum combination of Independent Directors/Public Interest Directors and Shareholder Representative Directors. Your Company is managed and guided by professional Board comprising eminent persons with considerable professional expertise and experience in finance, banking, administration and other related fields.

In terms of SEBI (Depositories & Participants) (Amendment) Regulations, 2012, the Board of Directors of the Company comprises following types of Directors:

- a) Public Interest Directors
- b) Shareholder Directors
- c) Managing Director



The appointment of Shareholder Directors and Managing Director requires prior approval of SEBI. The Public Interest Directors on the Governing Board are nominated by SEBI. The Chairman of the Board is required to be elected from the Public Interest Directors. Further, all the three Public Interest Directors were also appointed as Independent Directors (not liable to retire by rotation) for a term of three years w.e.f. April 1, 2014 in terms of Companies Act, 2013.

Composition of the Board as on March 31, 2015

Category	No. of Directors
Public Interest Directors / Independent Directors	3
Shareholder Director/s	1
Managing Director & CEO.	1

B. Directors' Profile

The Board of Directors comprises highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process.

The brief profile of the Company's Board of Directors is as under:

i) Mr. C. M. Vasudev, Chairman

Mr. C.M. Vasudev, holds a Master's Degree in Economics and Physics. He has retired from the Indian Administrative Services (IAS). Mr. Vasudev has worked as an Executive Director of World Bank representing India, Bangladesh, Sri Lanka and Bhutan. He has an extensive experience of working at policy making levels in the financial sector and was responsible for laying down policies and oversight of management. He chaired World Bank's committee on development effectiveness with responsibility of ensuring effectiveness of World Bank's operations.

Mr. Vasudev has also worked as Secretary, Ministry of Finance and has undertaken various assignments viz; Secretary, Department of Economic Affairs, Department of Expenditure, Department of Banking. Prior to that, he was Additional Secretary, Budget with responsibility for framing the fiscal policies and policies for economic reforms and for coordinating preparation of budgets of the Government of India and monitoring its implementation.

He has worked as a Government nominee Director on the Boards of many companies in the financial sector including State Bank of India, IDBI, ICICI, IDFC, NABARD, National Housing Bank and also on the Central Board of the Reserve Bank of India. He was also member secretary of the Narasimham Committee on financial sector reforms. He also chaired a committee on reforms of the NBFC sector. He also worked as Joint Secretary of Ministry of Commerce with responsibility for state trading, trade policy including interface with WTO.

Mr. Vasudev has worked as an Executive Director of World Bank representing India, Bangladesh.

He is the Chairman of the Board of National Securities Clearing Corporation Limited and is a director on the Board of various companies including NSDL e-Governance Infrastructure Ltd., NSDL Database Management Limited, wholly owned subsidiary of NSDL.

Mr. Vasudev is the Chairman on the Board of NSDL. Mr. Vasudev is also the Lead Public Interest Director and Lead Independent Director.

ii) Mr. P. P. Vora

Mr. Vora is an eminent Chartered Accountant and has the industry experience of more than 40 years. He is Gold Medalist in B.Com from Gujarat University (Gold Medallist) and All India First in CAIIB. Mr. Vora retired as Chairman and Managing Director of Industrial Development Bank of India (IDBI). Before joining IDBI, he was Chairman and Managing Director of National Housing Bank from 1996-2001. He started career with State Bank of India in 1967. An expert in Branch Management and also in Merchant Banking. He personally supervised the conversion of IDBI into a Bank. He has also worked with Gujarat Industrial Investment Corporation Ltd., as the Chairman of Fertilisers & Chemicals Travancore Ltd., Kerala, and as Director Finance of Gujarat State Fertilizers Limited.

He is Non-executive Chairman on the Board of NSDL Database Management Ltd. and Halonix Ltd. He is a Independent Director on the Board of various other Companies including J. Kumar Infraprojects Limited, Omaxe Limited, Reliance Capital Trustee Co. Ltd., Reliance Home Finance Limited etc. He is also the Chairman of the Audit Committee, IT Strategy Committee, Nomination and Remuneration Committee and Share Allotment and Transfer Committee of NSDL.



Mr. Vora is a Public Interest Director and Independent Director on the Board.

iii) Mr. Sudhir Mankad

Mr. Sudhir Mankad, an IAS (Retd) holds a Masters in History from the University of Delhi. He has served in senior positions, both in Government of India and in the State of Gujarat. His last assignment was Chief Secretary, Government of Gujarat. He has served as a Director/Chairman on the Board of several cement, power, fertilizer and finance companies.

He is the Chairman of the Board of Bhavnagar Energy Co. Ltd., Swaraj Engines Ltd., Gujarat International Finance Tec-City Ltd. and Director on the Board of various companies including IL&FS Education & Technology Services Ltd., Deepak Nitrite Ltd., Mahindra Intrade Ltd., GRUH Finance Ltd. etc.

Mr. Sudhir Mankad is a Public Interest Director and Independent Director on the Board.

iv) Mr. Ravi Narain

Mr. Ravi Narain has a degree in economics from Cambridge University, UK and a degree in business administration (Finance) from Wharton School, University of Pennsylvania, USA.

Mr. Ravi Narain represents National Stock Exchange of India Limited on the Board (NSEIL). Mr. Narain is currently the Vice Chairman of NSEIL. He is the Chairman of Power Exchange India Ltd. and NSDL e-Governance Infrastructure Limited. He is a Director on the Board of National Commodity & Derivatives Exchange Ltd., NSE Strategic Investment Corporation Ltd., HDFC Standard Life Insurance Company Ltd., Indostar Capital Finance Ltd. etc. He has also been associated with various committees of the Securities & Exchange Board of India (SEBI) and the Reserve Bank of India (RBI). He is on the Board of the World Federation of Exchanges and several other companies.

v) Mr. G. V. Nageswara Rao, Managing Director and CEO

Mr. Rao is MD & CEO of NSDL since July 2013. Mr Rao is IIM-Ahmedabad graduate, Chartered Accountant and Cost Accountant. He has over 26 years of experience covering the whole gamut of financial services in India including capital markets and securities business, retail banking, corporate and investment banking, project finance and life insurance. Prior to this, Mr Rao was MD & CEO of IDBI Federal Life Insurance (2007-13), MD & CEO of IDBI Bank (2003-2007) prior to reverse merger with parent and MD & CEO of IDBI Capital Market Services Ltd (1997-2003).

Mr. Rao is also a director on the Board of NSDL Database Management Limited (NDML), a wholly owned subsidiary of NSDL.

Note: None of the Directors in their personal capacity hold equity shares of the Company as on March 31, 2015.

C. Board Procedures and Meetings

The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness. A minimum of four Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice in advance to all the Directors to address the specific needs of the Company. However, in case of a special and urgent business need, the Board also approves by Circular Resolution, important items of business which are permitted by the Companies Act and which cannot be deferred till the next Board Meeting. The Board meetings are usually held at the registered office of the Company.

The agenda for the Board Meeting is prepared in consultation with the MD & CEO. All departments of the Company are advised to communicate their work plans or business proposals to the Company Secretary well in advance so that the same can be included in the Agenda for the Board/ Committee meetings for deliberations and approval. All material information is incorporated in agenda and the same with the appropriate supporting documents, is circulated well in advance for facilitating meaningful and focused discussions at the meeting. All significant developments and material events are brought to the notice of the Board as a part of the agenda paper in advance of the meeting or by way of presentation and discussion material during the meeting.

During the year under review, six (6) Board Meetings were held on May 20, July 15, September 24, November 14, in the year 2014, January 21 and February 12, 2015.

Further, in terms of the provisions of the SEBI (Depositories and Participants) (Amendment) Regulations, 2012 separate meetings of the Public Interest Directors (PIDs) of the Company were held on October 1, 2014 and March 26, 2015 to exchange views of PIDs on critical issues. Further, a separate meeting of Independent Directors was held on March 26, 2015 for discussing matters as specified in the Schedule IV of the Companies Act, 2013.



Your company pays a sitting fee of Rs. 60,000 (Rupees Sixty Thousand only) to its non-executive directors as permitted under the Companies Act, 2013, for attending each Board meeting and Audit Committee Meetings and Rs. 40,000 (Fourty Thousand Only) for attending Independent Directors meeting, Public Interest Directors meeting and all other meetings of the committees constituted by the Board.

D. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees based on a defined set of parameters for selection and evaluation of the performance.

E. Attendance of Directors at Board Meetings and number of other Directorships and Chairmanships/ Memberships of Committee of each Director in various companies:

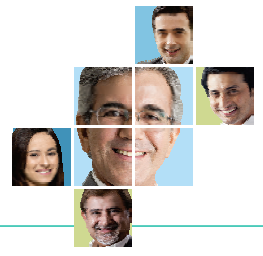
Sr. No.	Name of the Director	Category	Attendance Particulars		Number of Directorships		No. of Committee Positions held	
			No. of Board Meetings held during tenure	No. of Board meetings attended	Public Limited Companies	Private Limited Companies	Member	Chairman
1	Mr. C.M. Vasudev	Non-Executive Chairman / Public Interest Director	6	6	8	3	5	1
2	Mr. P. P. Vora	Non-Executive/ Public Interest Director	6	6	6	2	3	3
3	Mr. Ravi Narain	Non-Executive/ Shareholder Director	6	6	9	None	6	None
4	Mr. Sudhir Mankad	Non-Executive/ Public Interest Director	6	6	9	None	3	2
5	Mr. Viney Kumar *	Non-Executive/ Shareholder Director	5	3	1	None	1	None
6	Mr. B. Babu Rao#	Non-Executive/ Shareholder Director	4	1	None	None	None	None
7	Mr. G.V. Nageswara Rao	Managing Director & CEO	6	6	1	None	None	None

* Mr. Viney Kumar has resigned w.e.f. January 27, 2015

Mr. B. Babu Rao has resigned w.e.f. November 26, 2014

Note:

1. The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies and Section 8 Companies.
2. While considering Memberships/Chairmanships of Committees, only the Audit Committee and Shareholders'/Investors' Grievance Committees in all Public Limited Companies have been considered.



F. Remuneration paid to directors:

Sr. No.	Name	Designation	Sitting fees paid/ Remuneration (Rs.)
1.	Mr. C. M. Vasudev	Non-Executive Chairman & Public Interest Director	8,80,000
2.	Mr. P.P. Vora	Non-Executive/ Public Interest Director	10,00,000
3.	Mr. Sudhir Mankad	Non-Executive/ Public Interest Director	9,20,000
4.	Mr. Ravi Narain	Non-Executive/ Shareholder Director	8,80,000
5.	Mr. Viney Kumar#	Non-Executive/ Shareholder Director	1,80,000
6.	Mr. B. Babu Rao %	Non-Executive/ Shareholder Director	60,000
7.	Mr. G.V. Nageswara Rao	Managing Director & CEO	2,36,42,550

Payment made in favour of "IDBI Bank Ltd.".

% Payment made in favour of "Administrator of specified undertaking of the UTI".

G. Board level Changes

During the financial year 2014-15, Mr. Ravi Narain and Mr. Viney Kumar were re-appointed as directors liable to retire by rotation. Further, pursuant to the implementation of the new Companies Act, 2013 w.e.f. April 1, 2014, Mr. C.M. Vasudev, Mr. P.P. Vora and Mr. Sudhir Mankad were appointed as Independent Directors of the Company in terms of Section 149 (6) of the Companies Act, 2013 for a term of three years w.e.f. April 1, 2014. The members of the Company approved the appointments of aforementioned directors during the second Annual General Meeting of the Company held on September 24, 2014.

Further, during the year Mr. B. Babu Rao resigned from the Board w.e.f. November 26, 2014 and Mr. Viney Kumar's nomination was withdrawn by IDBI Bank Limited w.e.f. and January 27, 2015.

H. Details of the director seeking appointment/re-appointment at the forthcoming Annual General Meeting:

Mr. Ravi Narain

Mr. Ravi Narain being the only director falling under the category of directors retiring by rotation, shall retire by rotation at the third Annual General Meeting and has offered himself for being re-appointed. The Board of directors have recommended Mr. Ravi Narain's appointment for shareholders consideration.

I. Policy on directors' appointment and remuneration

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board.

J. Declaration by independent directors and separate meeting of Independent Directors

The Company has received necessary declaration/affirmation from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Board considered there criteria of independence.

During the year under review, the Independent Directors met separately on March 26, 2015. All the Independent Directors were present at the meeting.

4. Board Constituted Committees

The Board has constituted various committees of Directors and other operational committees to take informed decisions in the best interests of the Company. These Committees monitor the activities falling within their terms of reference. The Board constituted committees play a crucial role in the governance structure of the Company and are mandated to deal



with specific areas/activities, which concern the Company and require a closer review. The minutes of the meetings of the Committees are placed before the Board for review. Currently, there are ten committees which are constituted by the Board viz;

- Executive Committee
- Audit Committee
- Disciplinary Action Committee
- Nomination & Remuneration Committee
- Investment Committee
- Shareholders' Grievance Committee
- Corporate Social Responsibility Committee
- Ethics Committee
- Share Allotment & Transfer Committee
- IT Strategy Committee

The composition, objectives and other details of these Committees are given below:

A. Executive Committee

In terms of the Bye Law 4 of Bye Laws of NSDL an Executive Committee (EC) has to be appointed by the Board of Directors for the purpose of managing the day to day affairs of the Depository. The composition of the Executive Committee prescribed in the Bye Laws is as follows:-

- i. Managing Director of the depository;
- ii. not more than five persons nominated in that behalf by the Board of Directors from the Users to be known as "User Representatives";
- iii. not more than five individual "Persons of eminence" in the field of finance, accounting, law or any other discipline or amongst the investors as may be nominated by the Board of Directors;
- iv. four persons nominated in that behalf by the Board of Directors as 'Other Nominees'.

The EC may exercise such powers that may be delegated by the Board of Directors in accordance with the provisions of Bye Laws of NSDL. However, subject to the provisions of the applicable laws, rules and regulations the Executive Committee may modify, amend, add or repeal any of the provisions of the Business Rules framed by it.

The EC advises the depository on various policy matters and also for the purpose of managing the day to day affairs of the Depository. The Committee also makes recommendations for improvement of the overall efficiency and operations of the depository system. In terms of the provisions specified under Bye Laws of NSDL, Executive Committee meets at least once in every two months.

The present Executive Committee has 11 members that function under the Chairmanship of the Managing Director & CEO of NSDL and consists of representatives from among the users of the depository system to be known as User Representatives and persons of eminence in the financial services or legal sector and 'Other Nominees' nominated by the Board of Directors. The Committee met six times during the year. Details of attendance of each member at the Committee Meetings held during the year are as follows:



Sr. No	Name of the Member	Total No. of meetings	Total No. of meetings attended
1.	Ms. D. N. Raval	6	5
2.	Mr. S. G. Kale	6	5
3.	Prof. Dr. Indira Parikh	6	4
4.	Ms. Chitra Ramkrishna	6	3
5.	Mr. S. G. Gulati *	6	6
6.	Mr. Ashok Motwani #	2	2
7.	Mr. Rajesh Doshi	6	6
8.	Mr. Anup Bagchi	6	5
9.	Mr. Nilesh Shah ^	5	3
10.	Mr. Anand Rengarajan	6	5
11.	Mr. Rahul Bhagat	6	3
12.	Mr. Mani Palvesan	6	3
13.	Mr. Rajiv Anand @	1	0
14.	Mr. Sundeep Sikka %	1	1
15.	Mr. G.V. Nageswara Rao	6	6

* Mr. S.G. Gulati completed his tenure in the category of "Persons of eminence" on March 8, 2015.

Pursuant to vacation of office of Mr. Ashok Motwani as MD & CEO of SHCIL, Mr. Motwani tendered his resignation from the Committee w.e.f. August 1, 2014.

^ Mr. Nilesh Shah resigned from the committee w.e.f. January 5, 2015.

@ Mr. Rajiv Anand was appointed as Executive Committee Member in the category of "User Representative" w.e.f. January 21, 2015.

% Mr. Sundeep Sikka was appointed as Executive Committee Member in the category of "User Representative" w.e.f. January 21, 2015.

B. Audit Committee

Board has constituted the Audit Committee in accordance with provisions of Section 177 of the Companies Act, 2013 and clause 49 of the Listing Agreement. The Audit Committee of NSDL assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and other regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company and review the quarterly and annual financial accounts of the Company. The Committee reviews reports of the Internal Auditors and Statutory Auditors and discusses their findings, suggestions, internal control system, scope of audit, observations of the auditors and also reviews accounting policies followed by the Company. The Committee also reviews the Operations Audit Reports submitted by Operations Auditors alongwith management response and suggests measures for further improvements in areas of operations. Further, pursuant to the enactment of Companies Act, 2013 and amendment to Clause 49 of the Listing Agreement, the functions of the Audit Committee have been aligned with the new requirements. The Audit Committee is chaired by Mr. P. P. Vora with Mr. C. M. Vasudev, Mr. Sudhir Mankad and Mr. Ravi Narain as its members. The Managing Director, Senior Executive Director and CFO are the permanent invitees to the meetings of the Audit Committee. The Company Secretary of the Company acts as the secretary to the Committee.

The Chairman of the Audit Committee attends the Annual General Meetings. During FY 2014-15, four meetings of the Audit Committee were held. Details of attendance of each director at the Committee meeting held during the year are as follows:

Sr. No.	Name of the Member	Total No. of meetings	Total No. of meetings attended
1.	Mr. P. P. Vora	4	4
2.	Mr. Sudhir Mankad	4	4
3.	Mr. C. M. Vasudev	4	4
4.	Mr. Ravi Narain	4	4



All the members of the Audit Committee have good knowledge of financial matters. The Chairman of the Audit Committee, Mr. P.P. Vora is a Chartered Accountant and has extensive accounting and related financial management expertise. The Composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

C. Disciplinary Action Committee

In terms of Bye Law 11 of Bye Laws of NSDL, a Disciplinary Action Committee (DAC) has to be appointed by the Board of Directors to deal with any disciplinary matters relating to the Participants, Clients, Issuer or its Registrar and Transfer Agent and other users. The composition of the Disciplinary Action Committee prescribed under Bye Laws is as follows:-

- i) an officer of the Depository nominated by the Board of Directors who shall be the Chairman of such Committee;
- ii) two persons nominated in that behalf by the Board of Directors from amongst the Participants, Issuers, Registrars & Transfer Agents, Banks or other entities or intermediaries interfacing with the Depository, to be known as 'User Representatives';
- iii) two persons of eminence in the field of finance, accounting, law or any other discipline and amongst Clients as decided by the Board.

The Disciplinary Action Committee shall have such responsibilities and powers as may be delegated to it by the Board, from time to time, which may inter-alia include the following responsibilities and powers to be discharged in accordance with the provisions of the Bye Laws to deal with any disciplinary matters relating to the Business Partners:

- i) suspension of a Participant;
- ii) expulsion of a Participant;
- iii) declaring a security as is 'ineligible' on the Depository;
- iv) freezing the account of the Participant;
- v) powers to conduct inspection;
- vi) power to conduct an investigation/inquiry, call for records, to issue show cause notice to Participants for suspension/expulsion.

The present Committee has five members with Mr. G.V. Nageswara Rao, MD & CEO, as its Chairman. The Committee met three times during the year. Details of attendance of each member at the Committee Meetings held during the year are as follows:

Sr. No	Name of the Member	Total No. of meetings	Total No. of meetings attended
1	Mr. Ajit Kumar Day	3	3
2	Mr. N. J. Jhaveri#	3	1
3	Ms. D. N. Raval	3	3
4	Mr. D. Kannan @	3	3
5	Mr. G.V. Nageswara Rao	3	3

Mr. N.J. Jhaveri demised on June 6, 2015

@ Mr. D.Kannan was appointed as a member of DAC in the category of 'User Representative' w.e.f. May 20, 2014

D. Nomination and Remuneration Committee

Pursuant to the requirement of the Companies Act, 2013, the existing Compensation Committee and Nomination Committee of the Company were merged and reconstituted to form the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee shall discharge such function as defined in the Companies Act, 2013 and SEBI (Depositories and Participants) Regulations, 1996. The Committee has four members with Mr. P.P. Vora as its Chairman. The Committee met four times during the year. Details of attendance of each member at the Committee Meetings held during the year are as follows:



Sr. No.	Name of the Director	Total No. of meetings	Total No. of meetings attended
1.	Mr. P.P. Vora	4	4
2.	Mr. C.M. Vasudev	4	4
3.	Mr. Ravi Narain	4	4
4.	Mr. Sudhir Mankad	4	3

E. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was reconstituted pursuant to the requirements of the Section 135 of the Companies Act, 2013 for discharging such functions as defined in the Act. The Corporate Social Responsibility Policy has been framed and adopted by the Company. The policy is available on the website of the Company.

The Committee has four members with Mr. G.V. Nageswara Rao as its Chairman. The Committee has met once during the year. Details of attendance of each member at the Committee Meetings held during the year are as follows:

Sr. No.	Name of the Director	Total No. of meetings	Total No. of meetings attended
1.	Mr. Ravi Narain	1	1
2.	Mr. Sudhir Mankad	1	1
3.	Mr. P.P. Vora	1	1
4.	Mr. G.V. Nageswara Rao	1	1

F. Share Allotment & Transfer Committee

The Company has constituted the Share Allotment & Transfer Committee for issuance of shares to the shareholders of erstwhile NSDL as a consideration for acquisition of the depository undertaking in terms of the provisions specified under the Scheme of Arrangement. The Committee has two members with Mr. P.P. Vora as its Chairman. The Committee has not met during the year as no request for share transfer was received and no share allotments were made for Financial Year 2014-15. Details of members of the Committee are as follows:

Sr. No.	Name of the Director
1.	Mr. P. P. Vora
2.	Mr. G.V. Nageswara Rao

G. Ethics Committee

In terms of the SEBI (Depositories and Participants) (Amendment) Regulations, 2012, the Ethics Committee was constituted to monitor the compliances required under the Code of Ethics prescribed under these Regulations. The Committee has three members with Mr. C.M Vasudev as its Chairman. No meeting of Ethics Committee was held during the year as no matter arose which required referral of the matter to the Ethics Committee. Composition of the Ethics Committee is given below:

Sr. No.	Name of the Director
1.	Mr. C.M Vasudev
2.	Mr. P.P. Vora
3.	Mr. Sudhir Mankad

H. Investment Committee

The Company has an Investment Policy approved by the Board for the purpose of making investments of surplus funds. The Board has formed an Investment Committee consisting of representatives of the Board for taking decisions related to exceptional investment opportunities, which do not fall within the scope of the approved Investment Policy. The Committee has currently two members with Mr. P.P. Vora as its Chairman. No meeting of Investment Committee was held during the



year as no exceptional investments were made outside the policy framework. Composition of Investment Committee is given below:

Sr. No.	Name of the Director
1.	Mr. P.P. Vora
2.	Mr. G.V. Nageswara Rao

I. Shareholders' Grievance Committee

The Shareholders' Grievance Committee was formed for the purpose of redressal of grievances received from the shareholders of the Company from time to time. The Committee has two members with Mr. Ravi Narain as its Chairman. No meeting of Shareholders' Grievance Committee was held during the year as no grievances from shareholders were received during the year. Composition of Shareholders' Grievance Committee is given below:

Sr. No.	Name of the Director
1.	Mr. Ravi Narain
2.	Mr. G.V. Nageswara Rao

J. IT Strategy Committee

The IT Strategy Committee was formed pursuant to the recommendations of Depository System Review Committee of SEBI. SEBI, vide its Circular dated January 21, 2014 mandated the requirement to constitute Board level IT strategy Committee. IT Strategy Committee shall provide insight and advice to the Board in various areas that may include:

- Developments in IT from a business perspective.
- The alignment of IT with the business direction.
- The availability of IT resources to meet strategic objectives.
- Competitive aspects of IT Investments.
- Alignment of the IT architecture to the organization needs and its approval.
- Setting priorities and milestones.

The Committee has met once during the year *inter alia* to review and approve IT Strategy Document and Information Security Policy. Details of attendance of each member at the Committee Meeting held during the year are as follows:

Sr. No.	Name of the Director	Total No. of meetings	Total No. of meetings attended
1.	Mr. G.V. Nageswara Rao	1	1
2.	Mr. Ravi Narain	1	1
3.	Mr. P.P. Vora	1	1

5. Code of Conduct

Your Company has adopted Code of Conduct and Ethics for its Directors and Key Management Personnel as prescribed under the SEBI (Depositories and Participants) (Amendment) Regulations, 2012. The Code of Ethics contains inter-alia the policies on confidentiality, conflict of interest, prohibition of insider trading and securities investment procedure and restrictions thereon. In addition Code of Ethics has also been prescribed for Employees. Code of conduct for Directors and Code of Ethics for Directors and Key Management Personnel as prescribed under Regulation 9D of the aforesaid Regulations have been posted on website of the Company.

6. Related Party Transactions

During the period under review, the Company had not entered into any material transaction with any of its related parties. None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No.24 of Standalone Financial Statements, forming part of the Annual Report & Annexures thereto. All transactions were at Arm's Length basis and are in the ordinary course of business.



7. The details of Key Managerial Personnel appointments

During the year under review, Ms. Sudha Balakrishnan was appointed as Chief Financial Officer (CFO) of the Company w.e.f. September 24, 2014. Further, the appointment of Company Secretary, Mr. Deepak Shenoy was approved under Section 203 of the Companies Act, 2013.

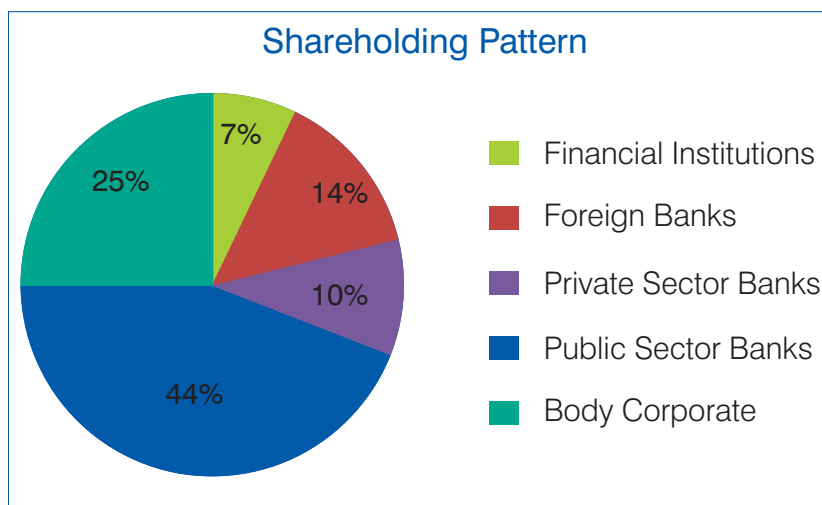
8. Shareholding Pattern

Shareholding Pattern as on March 31, 2015 is as follows:

Sr. No.	Category	Percentage of Shareholding
1	Public Sector Banks #	43.75
2	Private Sector Banks	10
3	Foreign Banks	14.37
4	Body Corporate *	25.05
5	Financial Institution *	6.83
	Total	100

* Sponsor/ Promoter

Includes shareholding of IDBI Bank Ltd. (30%) which is also a Sponsor/ Promoter



9. General Body Meetings

The details of the Annual General Meetings (AGM) held are given below:

AGM	Date	Venue	Special resolution (if any)
First	July 25, 2013	Board Room, National Securities Depository Limited, Trade World, 5th Floor, Kamala Mills Compound, Lower Parel, Mumbai- 400 013	Yes
Second	September 24, 2014	Board Room, National Securities Depository Limited, Trade World, 5th Floor, Kamala Mills Compound, Lower Parel, Mumbai- 400 013	Yes

10. Means of Communication

The Company maintains functional website and is also the important means of communication. Further, the Annual Report of the Company is electronically sent to shareholders giving required information to the shareholders on annual basis.

11. General Shareholder Information

- The Third Annual General Meeting of the Company scheduled to be held on September 14, 2015 at 11.00 am at 5th Floor, Trade World, A-Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013.



- **Company Registration details:**

The Company is registered with the Registrar of Companies, Mumbai, State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U74120MH2012PLC230380.

- **Financial year:** 1st April to 31st March
- **Record date for dividend payment:** Date of AGM
- **Dividend payment date :** Within the timeline given in the statutes
- **Listing on stock exchange, Stock Code, Market Price Data and Performance of stock:**
The Company is not listed in any of the stock exchanges in India or abroad hence these are not applicable.
- **Registrar and Transfer Agents:** None
- **Share Transfer System:** Demat
- **Dematerialisation of shares and liquidity:** Entire share capital is in dematerialised form
- Statement showing shareholding pattern as on 31st March, 2015:

Sr. No.	Category	Percentage of shareholding
1	Sponsors/ Promoters	61.88
2	Participants	38.12
	Total	100

- **Name and designation of the Compliance officer:** Mr. S. Ganesh, Senior Vice President
- **Branch offices**

The Company's branch offices are located at New Delhi, Kolkata, Chennai and Ahmedabad.

NEW DELHI	KOLKATA	CHENNAI	AHMEDABAD
409/410, Ashoka Estate Bldg., 4th Floor, Barakhamba Road, Connaught Place, New Delhi – 110 001	5th Floor, "The Millenium", Flat No. 5W, 235/2A, Acharya Jagdish Chandra Bose Road, Kolkata – 700 020	6A, 6th Floor, Kences Tower, # 1 Ramkrishna Street, North Usman Road, T. Nagar, Chennai – 600 017	Unit No. 407, 4th Floor, 3rd Eye One Commercial Complex Co-op. Soc. Ltd., C.G. Road, Ahmedabad – 380 006

- **Address for correspondence:**

Shareholders' correspondence should be addressed to the Company Secretary at the registered office of the Company, for any assistance:

Tel.: (022) 2499 4200/4422

E-mail id: cs-depository@nsdl.co.in

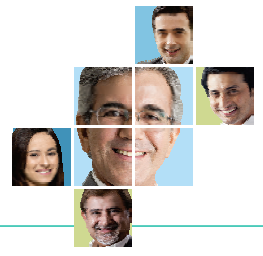
Website: www.nsdl.co.in

12. Compliance Certificate on Corporate Governance

The requisite Certificate from S.N. Ananthasubramanian & Co., Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to the Directors' Report and forms part of the Annual Report.

13. CEO and CFO Certification

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company are required to give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The CEO and the CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41.



Declaration by the CEO regarding adherence to the Code of Conduct & Ethics

I hereby confirm that, all the Directors and the Key Management Personnel of the Company have affirmed compliance to the Code of Conduct & Ethics as applicable to them for the Financial Year ended March 31, 2015.

For and on behalf of the Board

Sd/-
G.V. Nageswara Rao
Managing Director & CEO

Place: Mumbai
Date: July 15, 2015

Certificate regarding Compliance of Conditions of Corporate Governance

To the Members of National Securities Depository Limited

We have examined all relevant records of National Securities Depository Limited (the Company) for the purpose of certifying compliance of the Corporate Governance norms as specified for the Listed Companies for the financial year ended 31st March 2015. In terms of Regulation 9A (7) of the Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for listed companies have become mutatis mutandis applicable to a depository. 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 regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with Corporate Governance norms as specified for Listed Companies.

For **S. N. ANANTHASUBRAMANIAN & CO.**
Company Secretaries

Sd/-
S. N. Ananthasubramanian
Proprietor
C.P. No.: 1774

Place: Thane
Date: July 16, 2015



Corporate Social Responsibility

In terms of Section 135 of the Companies Act, 2013 (the Act) the Company has constituted the Corporate Social Responsibility (CSR) Committee under the Chairmanship of Mr. G.V. Nageswara Rao. In this regard, the company has formulated a CSR policy which has been placed on the website of the company.

The themes for the CSR activities are in the areas of education, health or employment generating skills. However the company may also foray into other areas as permitted under the Act.

The Company has engaged the Tata Institute of Social Sciences (TISS) to partner with the Company on the CSR initiatives. The scope of NSDL-TISS engagement covers Sharing list of NGOs empanelled with TISS, support towards identifying implementing partners and projects and defining CSR Process Manual. The company is in process of evaluating projects and the funding for these activities is expected in FY 15-16. CSR Policy of the Company as approved by the Board is placed on the website of the Company (<https://nsdl.co.in/publications/disclosure.php>). The Report on CSR is set out as Annexure 'A' and forms part of this Annual Report.

Subsidiary

NSDL Database Management Limited (NDML) is a wholly owned subsidiary of your Company. FY 2014-15 was ninth full year of operations of NDML. NDML has undertaken six main projects viz., National Skills Registry (NSR) on behalf of NASSCOM (started in January 2006), SEZ Online (SEZ Online) on behalf of Ministry of Commerce and Industry (started in September 2009), KYC Registration Agency (KRA) regulated by SEBI (started in January 2012), 'PayGov India' on behalf of Department of Electronics and Information Technology (DeitY) (started in April 2012), Paper To Follow (P2F) on behalf of National Payment Corporation of India (started in April 2013) and National Insurance-policy Repository (NIR) regulated by IRDA (started in August 2013)

NSR is a NASSCOM initiative aiming to have a robust and credible information repository about all persons working in the Industry. This develops trusted and permanent fact sheet of information about each professional alongwith background check reports. This is a security best practice for the industry and assures identity security, industry acceptance to honest professionals.

SEZ Online is a nationwide integrated solution for the administration of SEZs and to facilitate speedy processing of various transactions that SEZ developers, Co-developers, Units, Export Oriented Units (EOUs) and Deemed Exporters have with SEZ administration.

KRA provides for centralization of the KYC records in the securities market under the regulatory supervision of SEBI. KRA offers a unique feature that once the client has done KYC with a SEBI registered Intermediary; client need not undergo the same process again with another

Intermediary. KYC information can be accessed by all the SEBI Registered Intermediaries while dealing with the same client.

The Department of Electronics and Information Technology (DeitY), Government of India has appointed NDML as a nodal agency for providing services for facilitating online payments by citizens while availing various citizen services provided online by Central or State Government departments or public utility services. Towards achieving this purpose, NDML has established 'PayGov India' and is implementing it with various Government Departments.

NIR commenced its operations from August 2013 upon receipt of its Certificate of Registration from Insurance Regulator and Development Authority of India (IRDAI) to act as an Insurance Repository.

IRDAI issued guidelines on pilot implementation of Insurance repository system in June 2014, which enabled system and process integration of NIR with all Life Insurance Companies for receiving policy credit in electronic form. NIR has signed agreement with 15 Insurance Companies and is in dialogue with other Insurance Companies for signing the agreement.

NDML has been selected by National Payments Corporation of India (NPCI) for establishing and managing 'Paper To Follow (P2F)' process of Cheque Truncation System (CTS) across the country. Cheque Truncation is the process in which the physical movement of a cheque within the bank, between the banks or between the banks and the clearing house is curtailed or eliminated, being replaced in whole or in part, by electronic records of their content (with or without the images) for further processing and transmission. As part of CTS process, certain types of cheques (Government Cheques, Image Quality Failed Cheques and Present with Paper Cheques) needs to be physically exchanged among the clearing house member banks. Such cheques are called P2F cheques in CTS process. P2F cheques need to be physically handed over by the presenting bank representative to the respective Drawee Bank representative. NDML is required to manage P2F process at each of the 64 Grid CTS centers with suitable human resources and infrastructure. As on March 31, 2015, all 64 locations have been activated by NDML.

As required under Section 134 of the Companies Act, 2013 the Audited Statement of Accounts, the report of the Directors and Auditors of the Subsidiary Company are annexed. Further, consolidated financial statements are also presented in terms of the requirements under clause 41 of the Listing Agreement which mutatis-mutandis applies to depositories in view of SEBI (Depositories and Participants) (Amendment) Regulations, 2012.

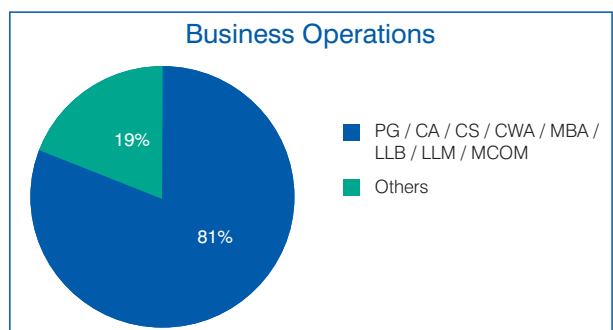
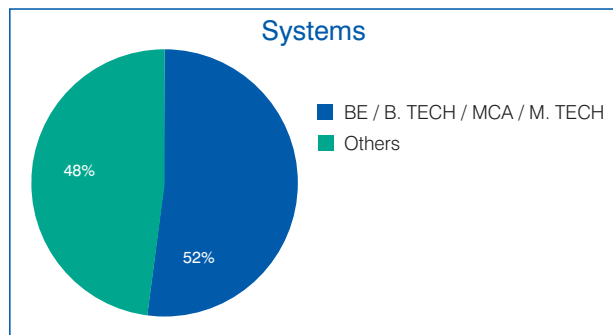
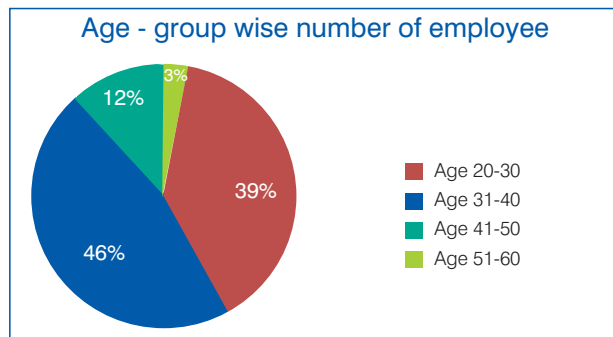
Human Resources

Your Company emphasizes on the quality of its human resources as Employees are vital for the organization. The Company has created favourable work environment and has set up a human resource management system, which



enables it to retain and attract high calibre employees. Employee relations at all locations are harmonious and cordial. The Company gives utmost importance to the training and development of its employees. Various training and orientation programmes are conducted, both in-house as well as external programmes. Officials across various levels are exposed to programmes according to training needs. Company also nominates select employees to participate in various seminars in the capital market and other related areas both in India and abroad. A comprehensive induction programme is conducted for new recruits. Other training programmes on Information Security Policies Awareness, Business Continuity Planning etc. are also conducted in order to keep abreast the employees in these areas. Special team building programmes are conducted for employees to increase their efficiency and performance in a team.

Qualification-wise and Age group-wise break up of employees is as follows:



Positive Work Environment

Positive Work Environment (PWE) Policy was in place at NSDL in accordance with the Vishakha guidelines

since the year 2006. Pursuant to the enactment of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the PWE policy viz.; "NSDL Policy for Prevention of Sexual Harassment" has been put in place in accordance with the requirements of the aforesaid Act. Further, the Internal Complaints Committee (ICC) comprising of 5 members (presiding officer being a female and the committee comprising more than 50% females) was formulated in addition to 3 External Consultants as per the requirements. In order to create awareness among the employees of the company, training program was conducted for the employees, including the management of the company. Your Directors further state that during the year 2014-15, no grievance was reported to the committee.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- that in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards have been followed, along with proper explanation relating to the material departures, if any;
- that such accounting policies selected and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- that 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 the Company and for preventing & detecting fraud and other irregularities;
- that they have prepared the annual accounts on a going concern basis; and
- that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Control with reference to financial statements

Presently, Internal Financial Controls are enforced through the Operations Audit and Internal Audit conducted by independent auditors. The scope of internal audit covers audit findings which are reviewed by the Audit Committee on a quarterly basis. The Audit Committee has expressed satisfaction with the audit methodology which includes checking of the policies and procedures adopted by the company 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 and steps taken by the management for the implementation of all these area of operations. Further, the Audit Committee noted that the Internal Audit and Operations Review indicates internal checks and balances were in place and were being enforced.

Auditors and Auditors Report

Deloitte Haskins & Sells, Chartered Accountants (ICAI Registration No. 117364W), were appointed as Statutory Auditors of the Company at the Second Annual General Meeting of the Company held on September 24, 2014 to hold office for five years from the date of AGM subject to ratification of the shareholders at every AGM. The Company has received a certificate from the Auditors to the effect that re-appointment ratification of their term, if made, would be within the limits prescribed under Act and that they are not disqualified for re-appointment. Board has recommended the ratification of their term. Members are requested to consider their ratification.

The notes on financial statement referred to in the Auditors' Report are self explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Public Deposits

The Company has not accepted any fixed deposit under Sections 73, 74, 75 and 76 of the Companies Act, 2013 from the public.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as "Annexure-B".

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/Outgo

a) Conservation of Energy and Technology absorption -

As the Company does not have any manufacturing activities, particulars required to be disclosed with respect to the conservation of energy and technology absorption in terms of Section 134(3) (m) of the Companies Act, 2013, are not applicable. The Company has, however, used information technology extensively in its operations.

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

(₹ in Lakh)

Sr. No.	Particulars	FY 2014-15
1	Foreign Exchange Earnings (Miscellaneous)	Nil
2	Foreign Exchange Outgo/ Expenditure incurred in foreign currency	39.36

Particulars of Employees

Information required under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is set out as "Annexure-C" and forms part of this report.

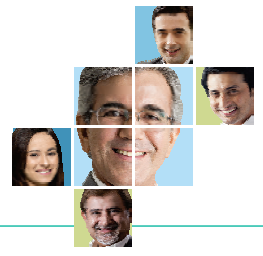
Outlook

Indian economy's outlook for FY 2015-16 appears optimistic. The rate cut in January and April have set the momentum for reforms and has placed the Indian economy on a sustainable growth trajectory. International rating agency Moody's, upgraded India's sovereign outlook to positive from stable in April 2015. The Central Statistical Organisation (CSO) has recently revised the base year for calculation of GDP growth to 2011-12. As per this, the economic growth rate in 2013-14 is estimated at 6.9 per cent and for 2014-15 at 7.4 per cent. GDP grew by 7.5 per cent year on year in the third quarter of fiscal year 2014-15. GDP may grow at a higher rate than previous year as per the Finance Minister. Improving business optimism, continued thrust on infrastructure development, easy availability of funds from various sources both internal and external, are expected to improve the investment inflow. The medium to long-run prospects of the economy, including the industrial sector, continues to be positive.

The Company aims at strengthening the existing business by way of providing various value added services to the investors and Business Partners. Your Company gives due importance to its role in financial inclusion and will continue to focus on expanding its activities related to depository services, to enhance the network of Participants and service centres in the country and facilitating the Participants to spread penetration into semi urban and rural areas.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's projections and estimates are based on the experience and actual results may vary depending upon capital market conditions, Government policies and other incidental factors.



APPRECIATION

Your Directors are grateful for the support and co-operation extended by Government of India, Securities and Exchange Board of India, Reserve Bank of India, Ministry of Finance, Ministry of Corporate Affairs, Depository Participants, Issuers, Registrars, Stock Exchanges, Commodity Exchanges, Investors, Market Intermediaries, Consultants, Suppliers and Bankers. Your Directors express their deep sense of appreciation of all the employees whose outstanding professionalism, commitment and initiatives have made the organisation's growth and success possible. Finally, the Directors wish to express their gratitude to the Members for their trust and support.

For and on behalf of the Board of Directors

Sd/-
(C. M. Vasudev)
Chairman

Place: Mumbai
Date: August 10, 2015



To The Members of National Securities Depository Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **NATIONAL SECURITIES DEPOSITORY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend

on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial



statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 21(a) to the

financial statements;

- ii. The Company does not have any long-term contract including derivative contract for which there were any material foreseeable losses.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117364W)

Sd/-

(Abhijit A. Damle)
(Partner)
(Membership No. 102912)

Place : Mumbai
Date : April 27, 2015



Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Having regard to the nature of the Company's business / activities / results during the year, clauses ii, v, vi, viii, ix, xi and xii of paragraph 3 of the Order are not applicable to the Company.

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) The Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of

the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.

- (iv) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(b) Details of dues of Service Tax which have not been deposited as on 31st March, 2015 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lakh)
Finance Act, 1994	Service Tax	Commissioner of Service Tax	2004-05 to 2009-10	3,261.69

Other than the above, there are no cases of non-deposit of dues in respect of Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Customs Duty, Excise Duty and Cess consequent to a dispute.

- (c) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (v) According to the information and explanations given to us, the Company has not given guarantees for loans taken by Others from banks and financial institutions.
- (vi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117364W)

Sd/-
(Abhijit A. Damle)
(Partner)
(Membership No. 102912)

Place : Mumbai
Date : April 27, 2015



Financial Statements



Balance Sheet as at March 31st, 2015

(₹ in Lakh)

Particulars	Note No.	As at 31st March, 2015		As at 31st March, 2014	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	3	4,000.00		4,000.00	
Reserves and surplus	4	30,710.85		27,516.14	
			34,710.85		31,516.14
Non-current liabilities					
Other long-term liabilities	5		2,793.80		2,888.00
Current liabilities					
Trade payables	6	990.41		745.28	
Other current liabilities	7	5,800.29		4,328.72	
Short-term provisions	8	2,026.98	8,817.68	1,846.10	6,920.10
Total			46,322.33		41,324.24
ASSETS					
Non Current Assets					
Fixed assets:					
Tangible assets	9	1,182.42		1,125.48	
Intangible assets		231.89	1,414.31	157.54	1,283.02
Non-current investments	10	31,878.16		30,994.67	
Deferred tax asset	11	530.92		606.61	
Long-term loans and advances	12	590.81		730.16	
Other non-current assets	16	252.45	33,252.34	206.83	32,538.27
Current assets					
Current investments	13	7,666.57		2,669.31	
Trade receivables	14	1,123.82		1,522.75	
Cash and Bank balances	15	1,690.06		2,081.41	
Short-term loans and advances	12	173.14		177.55	
Other current assets	16	1,002.09	11,655.68	1,051.93	7,502.95
Total			46,322.33		41,324.24
See accompanying notes forming part of the financial statements (1 to 31)					

In terms of our report attached.
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Abhijit A. Damle
Partner

Sd/-
G. V. Nageswara Rao
Managing Director & CEO
DIN:00799504

Sd/-
C. M. Vasudev
Chairman
DIN:00143885

Sd/-
P. P. Vora
Director
DIN: 00003192

Place : Mumbai
Date : April 27, 2015

Sd/-
Sudha B.
Chief Financial Officer

Sd/-
Deepak Shenoy
Company Secretary

Statement of Profit and Loss for the year ended 31st March 2015



(₹ in Lakh)

Particulars	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
INCOME			
Revenue from operations	17	12,363.59	10,456.03
Other income	18	2,885.71	2,520.60
Total revenue		15,249.30	12,976.63
EXPENSES			
Employee benefits expense	19	3,131.06	2,040.69
Depreciation and amortization expense	9	206.58	662.28
Contribution to Investor Protection Fund	29	1,513.73	1,291.21
Other expenses	20	4,342.96	3,817.60
Total expenses		9,194.33	7,811.78
Profit before tax		6,054.97	5,164.85
Tax expense			
Current tax		1,581.00	1,437.10
Earlier year provision written back		-	(280.10)
Deferred tax		75.69	12.10
		1,656.69	1,169.10
Profit after Tax		4,398.28	3,995.75
Basic and diluted earnings per equity share of ₹ 10 each	28	11.00	9.99
See accompanying notes forming part of the financial statements (1 to 31)			

In terms of our report attached.
For **Deloitte Haskins & Sells**
Chartered Accountants

Sd/-
Abhijit A. Damle
Partner

For and on behalf of the Board of Directors

Sd/-
C. M. Vasudev
Chairman
DIN:00143885

Sd/-
G. V. Nageswara Rao
Managing Director & CEO
DIN:00799504

Sd/-
P. P. Vora
Director
DIN: 00003192

Place : Mumbai
Date : April 27, 2015

Sd/-
Sudha B.
Chief Financial Officer

Sd/-
Deepak Shenoy
Company Secretary



Cash Flow Statement for the year ended March 31, 2015

(₹ in Lakh)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
A. Cash flow from operating activities		
Net Profit before Tax	6,054.97	5,164.85
Adjustments for :		
Add -		
Loss on fixed assets sold/written off	80.39	270.07
Depreciation and amortization expense	206.58	662.28
Provision for compensated absences	147.26	11.51
Provision for diminution in value of non-current investments	8.73	79.63
Provision for doubtful trade receivables	30.30	-
Bad Debts Written off	249.59	93.60
Less-		
Dividend income from current Investments	(305.16)	(157.31)
Interest Income	(2,393.85)	(2,316.53)
Profit on sale of current investments	(8.71)	(0.10)
Operating profit before working capital changes	4,070.10	3,808.00
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets-		
Long-term loans and advance	11.81	(86.30)
Trade receivables	119.04	(843.00)
Short-term loans and advance	4.41	307.97
Other current assets	2.71	5.56
Adjustments for increase / (decrease) in operating liabilities-		
Other long-term liabilities	(94.20)	(112.00)
Trade payables	245.11	(53.51)
Other current liabilities	1,756.94	1,772.01
Cash generated from operations	6,115.92	4,798.73
Net income tax paid	(1,512.90)	(1,571.78)
Net cash from operating activities (A)	4,603.02	3,226.95
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advance	(357.18)	(394.09)
Proceeds from sale of fixed assets	2.67	19.93
Bank balances not considered as cash and cash equivalent		
-Placed	-	(1,000.00)
-Redeemed	1,000.00	-

Cash Flow Statement for the year ended March 31, 2015



	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Purchase of current investments	(5,805.16)	(3,457.30)
Redemption of current investments	1,015.75	1,828.35
Redemption of non-current investments	1,497.86	3,350.00
Purchase of non-current investments	(2,589.22)	(4,978.40)
Dividend received from current investments	305.16	157.31
Interest received	2,395.36	2,170.84
Net cash (used in) investing activities (B)	(2,534.76)	(2,303.36)
C. Cash flow from financing activities		
Dividend paid	(1,000.00)	(1,000.00)
Dividend distribution tax paid	(169.95)	(169.95)
Net cash (used in) financing activities (C)	(1,169.95)	(1,169.95)
Net (decrease) in cash and cash equivalents (A+B+C)	898.31	(246.36)
Cash and cash equivalents at the beginning of the year	289.50	535.86
Cash and cash equivalents at the end of the period (also refer note 1 below)	1,187.81	289.50

Note1:

Reconciliation of cash and cash equivalents with Balancesheet:	As at 31st March, 2015	As at 31st March, 2014
Cash and cash equivalents as per Balance sheet (also refer note 15)	1,690.06	2,081.41
Less: Fixed Deposit with original maturity of more than 12 months	-	(1,000.00)
Less: Restricted cash balance	(502.25)	(791.91)
Total	1,187.81	289.50

See accompanying notes forming part of the financial statements (1 to 31)

In terms of our report attached.
For **Deloitte Haskins & Sells**
Chartered Accountants

Sd/-
Abhijit A. Damle
Partner

Sd/-
G. V. Nageswara Rao
Managing Director & CEO
DIN:00799504

Sd/-
Sudha B.
Chief Financial Officer

For and on behalf of the Board of Directors

Sd/-
C. M. Vasudev
Chairman
DIN:00143885

Sd/-
P. P. Vora
Director
DIN: 00003192

Sd/-
Deepak Shenoy
Company Secretary

Place : Mumbai
Date : April 27, 2015



Notes Forming Part of the Financial Statements

1. Corporate Information

National Securities Depository Limited ("the Company") was incorporated in April 2012. The Company is a Depository registered with SEBI under the provisions of Depositories Act, 1996 and Rules and Regulations framed thereunder. The Company provides electronic infrastructure for dematerialisation of securities and facilitates electronic settlement of trades in Indian Securities Market.

2. Basis of preparation and significant accounting policies:

a) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

d) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated

based on the available information.

e) Revenue recognition

Revenues from services are recognised on an accrual basis upon rendering of services. Revenue is recognised when there is no significant uncertainty as regards its determination and realisation.

f) Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

g) Fixed assets (tangible/intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

h) Depreciation and Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. During the year, the Company has reviewed and revised the estimated useful lives of the fixed assets with effect from 1st April 2014 and depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Consequently, the depreciation charge for the year ended 31st March 2015 is lower by ₹152.19 lakh.

Useful lives as per Schedule II are as follows:

Asset	Useful life (years)
Computers and servers	3-6
Data and Telecommunication Equipment	6
Electrical Installations	10
Office Equipment	5
Furniture and fixtures	10
Building	60



Computer software is amortised over 24 months or useful life whichever is lower.

i) Transactions in Foreign Currencies

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the year-end rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the Statement of Profit and Loss.

j) Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties. Front-end discount / incentive earned in respect of direct subscription is adjusted against the cost of investment. Premium paid on acquisition of long term investment is amortised over the tenor of investment. Hitherto, it was a policy of the Company to write off premium paid on acquisition of long term investment in the year of acquisition. During the year, this policy was changed prospectively to amortise the premium paid over the tenor of investments. This change in policy has the effect of reducing the charge to Statement of Profit and Loss by Rs.194.41 lakh and increasing profit for the year by the like amount.

k) Employee benefits

Employee benefits include provident fund, superannuation fund, and gratuity fund and compensated absences.

Defined Contribution Plan

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

i. Superannuation

The Company contributes a sum equivalent to 15% of annual basic salary of the eligible employees to an insurance company which administers the fund. The Company recognises such contributions as an expense in the year they are incurred.

ii. Provident Fund

Employees are entitled to receive benefits in respect of provident fund, in which both employees and the Company make monthly contributions at

a specified percentage of the covered employees' salary (currently 12% of employees' basic salary). The contributions, as specified under the law, were made to the provident fund set up as an irrevocable trust by NSDL Group till July 31, 2014 and with effect from August 1, 2014 the contributions including accumulated balance with the said Trust were made to Recognised Provident Fund.

Defined Benefit Plans

Gratuity

The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the projected unit credit method carried out at the Balance Sheet date. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

Other Employee Benefit

Compensated Absences

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the services. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The Company has a scheme for compensated absences for employees. The Company accounts for the net present value of its obligations for compensated absences based on an independent external actuarial valuation carried out at the Balance Sheet date. The cost of short-term compensated absences is accounted as under:

- i. in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- ii. in case of non-accumulating compensated absences, when the absences occur.

l) Tax on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates



and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

m) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised/ disclosed in the financial statements.

n) Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable

amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

o) Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

p) 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.

q) Segment Reporting

The accounting policies used in the preparation of the financial statements of the Company are also applied for Segment Reporting. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not all allocable to segments on a reasonable basis, have been included under "Unallocated income/ expenses".

Notes Forming Part of the Financial Statements



Note 3 : Share Capital

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Authorised		
100,000,000 equity shares of ₹ 10 each with voting rights	10,000.00	10,000.00
Issued, Subscribed and Fully Paid - Up		
40,000,000 equity shares of ₹ 10 each fully paid up with voting rights	4,000.00	4,000.00
	4,000.00	4,000.00

3a. Details of shares held by each shareholder holding more than 5% shares:

Name of the Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	Number of shares held	% Holding	Number of shares held	% Holding
IDBI Bank Ltd.	12,000,000	30.00	12,000,000	30.00
National Stock Exchange of India Ltd.	10,018,000	25.05	10,018,000	25.05
Administrator of specified undertaking of the Unit Trust of India	2,732,000	6.83	2,732,000	6.83

3b. The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, (except in case of interim dividend), is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all dues, proportionate to their shareholding.

3c. Reconciliation of the shares outstanding at the end of the period	As at 31st March, 2015	As at 31st March, 2014
Opening balance	40,000,000	40,000,000
Number of shares at the end of the year	40,000,000	40,000,000

Note 4 : Reserves and surplus

Particulars	As at 31st March, 2015	As at 31st March, 2014
Investor protection reserve (also refer footnote below)	700.00	700.00
General reserve		
Opening Balance	24,812.82	23,312.82
Add : Transferred from surplus in Statement of Profit and Loss	1,500.00	1,500.00
Closing balance	26,312.82	24,812.82
Surplus in Statement of Profit and Loss		
Opening balance	2,003.32	677.52
Profit for the year	4,398.28	3,995.75
Less : Dividend proposed to be distributed to equity shareholders	(1,000.00)	(1,000.00)
Tax on dividend	(203.57)	(169.95)
Transferred to general reserve	(1,500.00)	(1,500.00)
	3,698.03	2,003.32
Total	30,710.85	27,516.14

Footnote: Not earmarked for any specific purpose.



Notes Forming Part of the Financial Statements

Note 5 : Other long-term liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Others:		
Security deposit from depository participants	2,750.00	2,870.00
Incentive Payable to key managerial person	43.80	18.00
Total	2,793.80	2,888.00

Note 6 : Trade payables

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Amounts due to micro, small and medium enterprises (also refer footnote below)	18.54	2.01
Others	971.87	743.27
Total	990.41	745.28

Footnote: Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Principal amount remaining unpaid to any supplier as at the end of the accounting period	18.34	2.01
Interest due thereon remaining unpaid to any supplier as at the end of the accounting period	0.20	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the period	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting period	0.20	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	18.54	2.01

Note 7 : Other current liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Security deposit from depository participants	268.72	148.72
Payables on purchase of fixed assets	5.50	1.21
Advances from customers	369.87	277.32
Income received in advance	145.76	736.02
Statutory remittances	141.32	95.53
Investor Protection Fund (also refer note 29)	3,668.12	2,154.39
Payable to gratuity trust	448.85	30.21
Payable on Redemption of NSC/KVP and Government Securities	502.25	791.92
Others	249.90	93.40
Total	5,800.29	4,328.72

Notes Forming Part of the Financial Statements



Note 8: Short-term provisions

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for compensated absences	453.41	306.15
Provision for proposed equity dividend	1,000.00	1,000.00
Provision for tax on proposed dividend	203.57	169.95
Provision for stamp duty (also refer note 30)	370.00	370.00
Total	2,026.98	1,846.10

Note 9 : Fixed assets

(₹ in Lakh)

Sr. No.	Description	Gross block				Depreciation/amortisation			Net block		
		As on 1st April, 2014	Additions	Disposals	As on 31st March, 2015	As on 1st April, 2014	For the year (refer note 2(h))	Eliminated on disposal of assets	As on 31st March, 2015	As on 31st March, 2015	As on 31st March, 2014
Tangible Assets											
1	Buildings	3,573.58 (3,203.58)	- (370.00)	- -	3,573.58 (3,573.58)	2,997.16 (2,845.57)	9.46 (151.59)	- -	3,006.62 (2,997.16)	566.96 (576.42)	576.42 (358.01)
Plant and Equipment											
2	(a) Computers	5,332.46 (10,943.33)	170.35 (113.84)	1,206.67 (5,724.71)	4,296.14 (5,332.46)	4,992.33 10,268.67	29.77 (160.08)	1,144.57 (5,436.42)	3,877.53 (4,992.33)	418.61 (340.13)	340.13 (674.66)
	(b) Data and Tele - Communication Equipment	1,738.43 (1,747.57)	25.07 (25.18)	327.96 (34.32)	1,435.54 (1,738.43)	1,618.51 (1,536.03)	6.23 (115.08)	311.56 (32.60)	1,313.18 (1,618.51)	122.36 (119.92)	119.92 (211.54)
	(c) Electrical Installations	199.92 (199.92)	- -	0.01 -	199.91 (199.92)	183.28 (181.22)	0.80 (2.06)	0.01 -	184.07 (183.28)	15.84 (16.64)	16.64 (18.70)
3	Office Equipment	397.20 (395.16)	0.81 (2.04)	61.27 -	336.74 (397.20)	356.16 (335.04)	10.49 (21.12)	57.50 -	309.15 (356.16)	27.59 (41.04)	41.04 (60.12)
4	Furniture and Fixtures	258.92 (258.92)	2.87 -	15.48 -	246.31 (258.92)	227.59 (221.06)	2.37 (6.53)	14.71 -	215.25 (227.59)	31.06 (31.33)	31.33 (37.86)
	Total	11,500.51 (16,748.48)	199.10 (511.06)	1,611.39 (5,759.03)	10,088.22 (11,500.51)	10,375.03 (15,387.59)	59.12 (456.46)	1,528.35 (5,469.02)	8,905.80 (10,375.03)	1,182.42 (1,125.48)	1,125.48 (1,360.89)
Intangible Assets											
5	Computer Software (acquired)	8,846.74 (8,704.21)	221.81 (142.53)	- -	9,068.55 (8,846.74)	8,689.20 (8,483.38)	147.46 (205.82)	- -	8,836.66 (8,689.20)	231.89 (157.54)	157.54 (220.83)
	Total	8,846.74 (8,704.21)	221.81 (142.53)	- -	9,068.55 (8,846.74)	8,689.20 (8,483.38)	147.46 (205.82)	- -	8,836.66 (8,689.20)	231.89 (157.54)	157.54 (220.83)
	Grand Total	20,347.25 (25,452.69)	420.91 (653.59)	1,611.39 (5,759.03)	19,156.77 (20,347.25)	19,064.23 (23,870.97)	206.58 (662.28)	1,528.35 (5,469.02)	17,742.46 (19,064.23)	1,414.31 (1,283.02)	1,283.02 (1,581.72)

Footnote 1: The figures in bracket are of previous year ended 31st March, 2014.

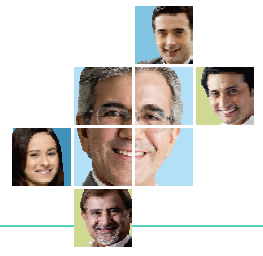


Notes Forming Part of the Financial Statements

Note 10 : Non-current investments (Long Term Investments)

Particulars					As at 31st March, 2015		As at 31st March, 2014	
			No. of bonds / debentures / share	Face value	(₹ in Lakh)		(₹ in Lakh)	
Trade:								
(a) Investment in equity Instrument (at cost) NSDL Database Management Limited (wholly owned subsidiary company)			61,050,000	10		6,105.00		6,105.00
Non-trade:								
(b) Investment in Government or Trust Securities (at cost) - Quoted								
(i) 11.43% GOI, 2015			4,000	10,000	-		416.40	
(ii) 8.07% GOI, 2017			4,000	10,000	434.00	434.00	434.00	850.40
(c) Investment in Debentures or bonds (at cost) - Quoted	Rate of interest	Year of maturity						
(i) Tata Steel Limited	10.20	2015	30	1,000,000	-		308.61	
(ii) Indian Oil Corporation Limited	11.00	2018	130	1,000,000	1,485.38		1,485.38	
(iii) 10 year Zero Coupon Bhavishya Nirman Bond from National Bank for Agriculture and Rural Development	-	2018	3,551	20,000	300.06		300.06	
(iv) Housing Development Finance Corporation Limited	11.25	2018	150	1,000,000	1,755.15		1,755.15	
(v) Housing Development Finance Corporation Limited	11.95	2018	15	1,000,000	178.50		178.50	
(vi) Rural Electrification Corporation Limited	9.07	2018	140	1,000,000	1,453.52		1,453.52	
(vii) Steel Authority of India Limited	8.60	2019	40	1,000,000	406.40		406.40	
(viii) Steel Authority of India Limited	8.65	2019	70	1,000,000	707.63		707.63	
(ix) Infrastructure Development Finance Company Limited	8.90	2019	30	1,000,000	302.18		302.18	
(x) Axis Bank Limited	9.95	2019	35	1,000,000	379.92		379.92	
(xi) Indian Railway Finance Corporation Limited	8.20	2020	20	1,000,000	199.22		199.22	
(xii) Infrastructure Development Finance Company Limited	8.65	2020	20	1,000,000	201.90		201.90	
(xiii) Rural Electrification Corporation Limited	8.65	2020	50	1,000,000	479.25		479.25	
(xiv) Power Grid Corporation of India Limited	9.64	2021	32	1,250,000	406.72		406.72	
(xv) Power Finance Corporation of India Limited *	7.51	2021	600	100,000	599.40		599.40	
(xvi) Power Grid Corporation of India Limited	8.80	2022	16	1,250,000	202.00		202.00	
(xvii) National Highway Authority of India Limited *	8.20	2022	100,000	1,000	1,066.40		1,066.40	
(xviii) Rural Electrification Corporation Limited *	7.93	2022	90,000	1,000	950.98		950.98	
(xix) Power Grid Corporation of India Limited	9.33	2023	40	1,250,000	509.25		509.25	
(xx) Power Grid Corporation of India Limited	8.80	2024	56	1,250,000	703.85		703.85	
(xxi) Power Grid Corporation of India Limited	8.64	2024	20	1,250,000	-		251.50	
(xxii) Power Grid Corporation of India Limited	8.90	2024	20	1,250,000	245.87		245.87	
(xxiii) Infrastructure Development Finance Company Limited	9.03	2025	5	1,000,000	51.12		51.12	
(xxiv) Power Grid Corporation of India Limited	8.64	2025	20	1,250,000	-		251.50	
(xxv) Housing Development Finance Company Limited	8.96	2025	100	1,000,000	1,014.50		1,014.50	
(xxvi) Infrastructure Development Finance Company Limited	8.82	2025	38	1,000,000	371.07		371.07	
(xxvii) Power Grid Corporation of India Limited	8.90	2025	20	1,250,000	246.00		246.00	
(xxviii) Indian Railway Finance Corporation Limited	9.09	2026	200	1,000,000	2,028.00		2,028.00	

Notes Forming Part of the Financial Statements



Particulars			No. of bonds / debentures / share	Face value	As at 31st March, 2015		As at 31st March, 2014	
					(₹ in Lakh)		(₹ in Lakh)	
(xxix) National Highway Authority of India Limited *	8.30	2027	190,000	1,000	2,025.90		2,025.90	
(xxx) Power Finance Corporation of India Limited *	8.30	2027	100,000	1,000	1,040.00		1,040.00	
(xxxix) Power Finance Corporation of India Limited *	8.20	2022	90,000	1,000	948.93		948.93	
(xxxii) Power Finance Corporation of India Limited *	8.46	2028	40	1,000,000	400.56		400.56	
(xxxiii) Rural Electrification Corporation Limited *	8.46	2028	10,000	1,000	100.15		100.15	
(xxxiv) National Housing Bank *	8.68	2029	40,000	5,000	2,028.76		2,028.76	
(xxxv) Housing and Urban Development Corporation Limited*	8.10	2022	10,000	1,000	607.48		-	
(xxxvi) NTPC Limited*	8.66	2033	60,000	1,000	638.99		-	
(xxxvii) National Housing Bank *	8.68	2029	10,000	5,000	528.30		-	
(xxxviii) National Housing Bank *	8.76	2034	8,000	5,000	428.96		-	
(xxxix) Housing and Urban Development Corporation Limited*	8.76	2034	5,000	1,000	54.93		-	
(xli) Infrastructure Development Finance Company Limited	8.80	2025	1	1,000,000	10.00		-	
(xlii) Infrastructure Development Finance Company Limited	8.80	2025	3	1,000,000	29.77		-	
(xliii) Kokan Railway Corporation Limited	8.90	2016	1	1,000,000	9.87		-	
(xliv) Central Bank of India	8.95	2016	2	1,000,000	19.58		-	
(xlv) State Bank of India	8.96	2021	1	1,000,000	9.85		-	
(xlv) Power Finance Corporation of India Limited	9.28	2017	2	1,000,000	20.32		-	
(xlvii) India Infrastructure Finance Company Limited	9.41	2037	3	1,000,000	33.59		-	
(xlix) LIC Housing Finance Limited	9.70	2017	1	1,000,000	10.12		-	
(i) Export Import Bank of India	9.85	2017	1	1,000,000	10.25		-	
(ii) Tata Capital Financial Services Limited	9.95	2019	2	1,000,000	10.03		-	
(iii) HDB Financial Services Limited	10.19	2024	1	1,000,000	10.41		-	
(liii) Power Finance Corporation of India Limited	11.25	2018	1	1,000,000	11.65		-	
(liv) IDBI Bank Limited	11.30	2018	1	1,000,000	11.34		-	
(lv) Rural Electrification Corporation Limited *	7.21	2022	10	1,000,000	101.35		-	
(lvi) 8.67% NHPC 2033*	8.67	2033	450	100,000	533.43		-	
						25,878.79		23,600.18
(d) Investment in Mutual Funds - (Unquoted)								
(i) Axis Fixed Term Plan - Series 42 Direct Plan - Growth			5,000,000	10	-		500.00	
(ii) IDBI Mutual Fund FMP Series III- Direct Plan- Growth			2,000,000	10	-		200.00	
(iii) IDFC Fixed Term Plan Series 57 - Direct Plan - Growth			5,000,000	10	-		500.00	
(iv) HDFC Mutual Fund FMP series 29 -Direct Plan - Growth			3,000,000	10	-		300.00	
(v) ICICI Prudential FMP series 76 -Direct Plan - Growth			5,000,000	10	500.00		-	
						500.00		1,500.00
						32,917.79		32,055.58
Less : Provision for diminution in value of investments						1,039.63		1,060.91
						31,878.16		30,994.67
* Investment in Tax free bonds								
Foot note 1: Classified as Current Investment as the remaining maturity is less than 12 months								
Aggregate value of listed but not quoted investments						7,037.88		1,500
Aggregate amount of unquoted investments						6,105.00		6,105
Aggregate amount of quoted investments						19,774.91		24,450.58
Aggregate market value of listed and quoted investments						19,417.13		23,405.19

* Investment free bonds
Footnote: Classified as current investment



Notes Forming Part of the Financial Statements

Note 11 : Deferred tax asset

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Difference between book balance and tax balance of fixed assets	328.70	471.05
Provision for employee benefits	167.36	118.73
Others	34.86	16.83
Total	530.92	606.61

Note 12 : Loans and advances

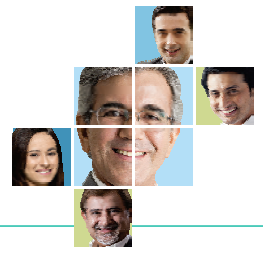
(₹ in Lakh)

Particulars	As at 31st March, 2015			As at 31st March, 2014		
	Long term	Short term	Total	Long term	Short term	Total
(Unsecured, considered good unless stated otherwise)						
Security deposits						
Considered good	43.22	-	43.22	42.85	-	42.85
Considered doubtful	11.00	-	11.00	11.00	-	11.00
	54.22	-	54.22	53.85	-	53.85
Less: Provision for doubtful deposits	(11.00)	-	(11.00)	(11.00)	-	(11.00)
	43.22	-	43.22	42.85	-	42.85
Capital Advances	35.01	-	35.01	94.45	-	94.45
Prepaid expenses	53.83	50.44	104.27	62.83	80.93	143.76
Advance income tax (net of provision)	446.63	-	446.63	514.73	-	514.73
Loans and advances to employees	12.12	7.94	20.06	15.30	3.34	18.64
Service tax credit receivable	-	114.76	114.76	-	93.28	93.28
Total	590.81	173.14	763.95	730.16	177.55	907.71

Note 13 : Current investments

Particulars	As at 31st March, 2015			As at 31st March, 2014		
	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(₹ in Lakh)	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(₹ in Lakh)
Current portion of long-term investments (At cost):						
(a) Investment in Government or Trust Securities (at cost) - Quoted						
11.43% GOI, 2015	4,000	10,000	416.40	-	-	-
Investment in Debentures or bonds - Quoted						
(b) (i) Indian Railway Finance Corporation Limited*	54	1,000,000	-	54	1,000,000	688.50
(ii) Tata Steel Limited	30	1,000,000	308.61	-	-	-
(iii) Indian Overseas Bank	2	1,000,000	17.85	-	-	-
(iv) Power Finance Corporation of India Limited	1	1,000,000	10.01	-	-	-
(v) IDBI OMNI Bonds	1	1,000,000	10.00	-	-	-
(vi) Housing Development Finance Corporation Limited	1	1,000,000	10.00	-	-	-

Notes Forming Part of the Financial Statements



Particulars	As at 31st March, 2015			As at 31st March, 2014		
	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(₹ in Lakh)	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(₹ in Lakh)
Other Current Investments (At lower of cost and fair value, unless otherwise stated):						
Investment in Mutual Funds (Unquoted)						
(c) (i) Units of Axis Treasury Advantage Fund - Institutional Daily Dividend Reinvestment	55,310	1,005	572.43	53,534	1,005	537.85
(ii) Units of IDFC Ultra Short Term Fund - Daily Dividend Reinvestment	5,472,255	10	567.97	5,292,811	10	532.51
(iii) Units of Birla Sun Life Ultra Short Term Fund - Daily Dividend Reinvestment	536,810	102	557.95	519,722	101	525.46
(iv) Units of UTI Treasury Advantage Fund - Daily Dividend Reinvestment	54,867	1,002	566.90	53,056	1,002	531.81
(v) Units of Axis Liquid Fund -Direct Plan- Daily Dividend	107	1,000	1.11	104	1,000	1.04
(vi) Units of IDFC Liquid Fund - Direct Plan - Daily Dividend	66	1,001	0.69	64	1,002	0.64
(vii) Units of HDFC Liquid Fund- Daily Dividend Reinvestment	51,060	10	526.51	-	-	-
(viii) Units of ICICI Prudential Liquid Plan- Daily Dividend Reinvestment	510,663	100	526.31	-	-	-
(ix) Units of IDBI Ultra Short Term Fund- Daily Dividend Reinvestment	64	1,021	0.69	-	-	-
(x) Units of L & T Ultra Short Term fund- Daily Dividend Reinvestment	2,994,815	10	319.18	-	-	-
(xi) Units of Peerless Liquid Fund - Daily Dividend Reinvestment	51,115	1,001	526.70	-	-	-
(xii) Units of Principal Debt Opportunity Conservative Fund- Daily Dividend Reinvestment	50,223	1,002	527.31	-	-	-
(xiii) Units of UTI Liquid Fund - Daily Dividend Reinvestment	50,159	1,019	524.97	-	-	-
(xiv) Axis Fixed Term Plan - Series 42 Direct Plan - Growth	5,000,000	10	500.00	-	-	-
(xv) IDBI Mutual Fund FMP Series III- Direct Plan- Growth	2,000,000	10	200.00	-	-	-
(xvi) IDFC Fixed Term Plan Series 57 - Direct Plan - Growth	5,000,000	10	500.00	-	-	-
(xvii) HDFC Mutual Fund FMP series 29 -Direct Plan - Growth	3,000,000	10	300.00	-	-	-
(xviii) HDFC Fixed Maturity Plans - Series 31 - Growth	2,000,000	10	200.00	-	-	-
			7,691.59			2,817.81
Less : Provision for diminution in value of investments			25.02			148.50
Total			7,666.57			2,669.31
* Investment in Tax free bonds						
Aggregate amount of unquoted investments			7,345.12			2,129.31
Aggregate amount of quoted investments			346.47			688.50
Aggregate market value of listed and quoted investments			340.26			687.26



Notes Forming Part of the Financial Statements

Note 14 : Trade Receivables

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	27.04	95.70
Unsecured, considered good	204.10	234.79
Unsecured, considered doubtful	30.30	-
	<u>261.44</u>	<u>330.49</u>
Less : Provision for doubtful trade receivables	30.30	-
	<u>231.14</u>	<u>330.49</u>
Others trade receivables		
Secured, considered good	335.39	549.75
Unsecured, considered good	557.29	642.51
	<u>892.68</u>	<u>1,192.26</u>
Total	<u>1,123.82</u>	<u>1,522.75</u>

Note 15 : Cash and Bank Balances

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Cash and cash equivalents		
Cash on hand	0.35	0.45
Cheques on hand	2.53	1.44
Balances with banks		
(i) in current accounts	1,184.93	287.61
(ii) In other deposit accounts with original maturity more than 3 months	-	1,000.00
Other bank balances		
(i) in current accounts (refer footnote 1)	502.25	791.91
Total	<u>1,690.06</u>	<u>2,081.41</u>

Footnote 1: These balances have restriction on repatriation.

Note 16 : Other assets

(₹ in Lakh)

Particulars	As at 31st March, 2015			As at 31st March, 2014		
	Non-current	Current	Total	Non-current	Current	Total
Interest accrued on investments	252.45	1,002.01	1,254.46	206.83	1,049.14	1,255.97
Others	-	0.08	0.08	-	2.79	2.79
Total	<u>252.45</u>	<u>1,002.09</u>	<u>1,254.54</u>	<u>206.83</u>	<u>1,051.93</u>	<u>1,258.76</u>

Note 17 : Revenue from operations

(₹ in Lakh)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Annual fees	643.84	322.41
Custody fees	5,104.18	5,277.94
Transaction fees	6,280.55	4,558.54
Software license fees	13.28	11.30
Communication fees	309.81	274.49
Other operational income	11.93	11.35
Total	<u>12,363.59</u>	<u>10,456.03</u>

Notes Forming Part of the Financial Statements



Note 18 : Other Income

(₹ in Lakh)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Interest income :		
- On non-current investments	2,335.86	2,172.90
- On fixed deposits with banks	57.99	128.59
- On overdue trade receivables	18.37	15.04
	<u>2,412.22</u>	<u>2,316.53</u>
Dividend income from current Investments	305.16	157.31
Support charges from related party	55.85	-
Profit on sale of current investments	8.71	0.10
Profit on Sale of Assets	1.52	-
Miscellaneous income	102.25	46.66
Total	<u><u>2,885.71</u></u>	<u><u>2,520.60</u></u>

Note 19 : Employee benefits expense

(₹ in Lakh)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
-Salaries and wages	2,384.11	1,869.96
-Contribution to provident and other funds (also refer note 27)	573.71	48.80
-Staff welfare expenses	127.08	93.85
-Deputation Cost	46.16	28.08
Total	<u><u>3,131.06</u></u>	<u><u>2,040.69</u></u>

Note 20 : Other expenses

(₹ in Lakh)

Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
-Annual fees		150.04		10.00
-Repairs and maintenance - system		1,735.72		1,581.34
-Repairs and maintenance - premises		150.40		134.93
-Repairs and maintenance - others		60.82		35.70
-Insurance (also refer note 26)		54.68		84.74
-Power and fuel		183.35		167.94
-Rent		214.07		174.27
-Communication expenses		501.77		452.25
-Travelling and conveyance expenses		209.68		176.35
-Legal and professional fees		161.80		215.30
-Printing and stationery expenses		92.31		60.26
-Rates and taxes		94.06		61.30
-Provision for diminution in value of non-current investments		8.73		79.63
-Donations		-		14.28
-Corporate Social Responsibility Expense		4.43		-
-Seminar and business promotion expenses		180.25		104.49
-Payment to Auditors (net off service tax set-off)				
--(a) Audit fees	12.00		12.00	
--(b) Tax audit fees	2.00		2.00	
--(c) Taxation matters	0.60		0.36	
--(d) Other services	6.20		6.00	
--(e) Reimbursement of expenses (out of pocket expenses)	0.20	21.00	-	20.36
-Directors sitting fees		39.20		11.40
-Provision for doubtful trade receivables		30.30		-
-Loss on fixed assets sold/written off		80.39		270.07
-Bad Debts Written off		249.59		93.60
-Miscellaneous expenses		120.37		69.39
Total		<u><u>4,342.96</u></u>		<u><u>3,817.60</u></u>



Notes Forming Part of the Financial Statements

21. Contingent Liabilities and Other Commitments (to the extent not provided for):

a) Contingent Liabilities:

Demand from the service tax authorities of ₹ 3,261.69 lakh (Previous year ₹ 3,261.69 lakh) in respect of FY 2004-05 to FY 2009-10 relate to service tax demanded in respect of depository participant services during that period. The matter is pending before Commissioner of Service Tax (Adjudication). In respect of the dispute, the Company is hopeful of succeeding in appeals and does not expect any significant liability to materialise.

b) Commitments:

Estimated amount of capital contracts remaining to be executed at the end of the year and not provided for (net of advances) is ₹ 23.80 lakh (previous period ₹ 69.12 lakh).

22. Expenditure/Earning in foreign exchange:

(₹ in Lakh)

Particulars	Current Year	Previous year
Travelling and conveyance expenses	39.36	16.62
Miscellaneous Income	-	2.41

23. Segment Reporting

The Company's business is to provide depository services to its clients in India which includes providing various services to the investors like, dematerialisation, re-materialisation, holding, transfer and pledge of securities in electronic form through close user group network of business partners (viz. Issuers / Registrars & Transfers Agents and Depository Participants) and providing facility to market intermediaries for "straight through processing", providing e-voting services to companies. All other activities of the Company revolve around the main business. As such, there are no reportable segments as per the Accounting Standard 17(AS-17) –'Segment Reporting'.

24. Related party Disclosures:

a) Names of related parties and relationship :

(i) IDBI Bank Limited	Company having substantial Interest
(ii) National Stock Exchange of India Limited	Company having substantial Interest
(iii) NSDL Database Management Limited	Wholly-owned subsidiary (control exists)
(iv) Key managerial personnel	Mr. G V Nageswara Rao, Managing Director and CEO

Nature and volume of transactions during the year with the above related parties

(₹ in Lakh)

Particulars	Current year	Previous year
(i) Transactions during the year :		
I. Companies having substantial Interest		
a) IDBI Bank Limited		
- Transaction Fees	35.55	28.66
- Annual fees	20.42	17.78
- Reimbursement of expenses	2.42	1.52
- Other operational income	-	-
- Interest Income on fixed deposit with Bank	49.34	46.87
- Interest (waiver)/Income – Other	0.24	(0.13)
- Miscellaneous expenses	0.20	0.23
- Dividend paid	300.00	300.00

Notes Forming Part of the Financial Statements



Particulars	Current year	Previous year
b) National Stock Exchange of India Limited		
- Miscellaneous expenses	0.15	0.19
- Transaction Fees	0.02	0.03
- Dividend paid	250.45	250.45
II. Subsidiary		
NSDL Database Management Limited		
- Expense	66.05	-
- Income	55.85	-
III. Key managerial personnel		
- Remuneration (reimbursed to NSDL e-Governance Infrastructure Limited)	-	31.84
- Remuneration	225.46	158.68
(ii) Payable/Receivable at the end of the period :		
Companies having substantial Interest		
a) IDBI Bank Limited		
- Security deposit payable	30.00	30.00
- Balance in current account	1,158.42	231.20
- Trade receivables	1.82	16.05
b) National Stock Exchange of India Limited		
Trade payable	0.12	0.13
Subsidiary Company		
a) NSDL Database Management Limited		
Trade Payable	5.97	-

Note: There are no provisions for doubtful debts or amounts written off/written back in respect of dues from/to related parties.

25. Operating Lease

The Company holds certain premises under operating leases. Rent includes expenses of ₹ 214.07 lakh (previous year ₹ 174.27 lakh). The tenor of the lease agreement is 33 months beginning from 28th November, 2013 to 27th August, 2015. The lock in period being 24 months after which either party will be entitled to terminate this agreement by giving 2 months' notice. The committed lease rentals in the future are:

(₹ in Lakh)

Particulars	Current Year	Previous Year
Not later than one year	5.44	12.26
Later than one year and not later than five years	-	5.44
Later than five years	-	-
	<u>5.44</u>	<u>17.70</u>

26. Insurance expenses in note 20 has been disclosed net of recoveries:

(₹ in Lakh)

Particulars	Current year	Previous Year
Insurance	95.13	133.48



Notes Forming Part of the Financial Statements

27. Employee benefits:

- a) The Company has recognized the following amounts in the Statement of Profit and Loss under the head Company's Contribution to Provident Fund and Other Funds. :

(₹ in Lakh)

Particulars	Current year	Previous year
Provident fund	89.76	72.19
Superannuation fund	56.76	45.17
Total	146.52	117.36

- b) Defined benefit plan for gratuity as per actuarial valuation:

- (i) Summary of actuarial assumptions :

Particulars	Current year	Previous year
Discount rate	7.99%	9.31%
Rate of return on plan assets	7.99%	8.70%
Salary escalation	8.00%	8.00%
Attrition rate	2.00%	2.00%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

- (ii) Reconciliation of defined benefit obligation :

(₹ in Lakh)

Particulars	Current year	Previous year
Liability at the beginning of the year	819.68	829.78
Interest cost	76.31	-
Current service cost	82.54	86.64
Benefits paid	(25.11)	(5.61)
Amount transferred to NSDL e-Governance Infrastructure Limited	-	(57.60)
Actuarial loss /(gain) on obligations	323.62	(33.53)
Liability at the end of the year	1,277.04	819.68

- (iii) Reconciliation of fair value of plan assets :

(₹ in Lakh)

Particulars	Current year	Previous year
Fair value of plan assets at the beginning of the year	789.47	728.91
Expected return on plan assets	68.68	63.41
Contributions by the Employer	0.68	-
Benefits paid	(25.11)	(5.61)
Transferred to NSDL e-Governance Infrastructure Limited	-	(57.60)
Actuarial (loss)/gain on plan assets	(5.53)	60.36
Fair value of plan assets at the end of the year	828.19	789.47

- (iv) Actual return on plan assets :

(₹ in Lakh)

Particulars	Current year	Previous year
Expected return on plan assets	68.68	63.41
Actuarial (loss)/gain on plan assets (net of amount transferred to NSDL e-Governance Infrastructure Limited in previous year ₹ 57.60 lakh)	(5.53)	2.76
Actual Return on Plan Assets	63.15	66.17

Notes Forming Part of the Financial Statements



(v) Amount to be recognised in balance sheet:

(₹ in Lakh)

Particulars	Current year	Previous Year
Present value of funded obligation	(1,277.04)	(819.68)
Fair value of plan assets at the end of the period	828.19	789.47
Amount recognised in balance sheet	(448.85)	(30.21)

(vi) Expenses to be recognised in Statement of Profit and Loss :

(₹ in Lakh)

Particulars	Current year	Previous Year
Current service cost	82.54	86.64
Interest cost	76.31	-
(Expected Return on Plan Assets)	(68.68)	(63.41)
Net Actuarial (gain) / loss to be recognized	329.15	(93.89)
Expenses recognised in the Statement of Profit and Loss	419.32	(70.66)

(vii) Balance Sheet reconciliation :

(₹ in Lakh)

Particulars	Current year	Previous Year
Opening net liability	30.21	100.87
Expenses as above	419.32	(70.66)
Employers contribution	(0.68)	-
Amount recognised in balance sheet	448.85	30.21

(viii) Description of plan assets (managed by an Insurance Company) :

Particulars	Current year	Previous Year
Central and State Govt. securities	Funds deployed	Funds deployed
Bonds/ debentures	by Life Insurance	by Life Insurance
Equity shares	Corporation of	Corporation of
Others	India.	India.

(ix) Experience Adjustments :

(₹ in Lakh)

Particulars	Current year	Previous Year
Experience adjustment		
- On plan liabilities	138.81	(82.40)
- On plan assets	(5.53)	2.77

The above details are as certified by the actuary and relied upon by the auditors.

Expected contribution in the next year ₹ 111.84 lakh (previous period ₹ 92.64 lakh).

The actuarial calculation used to estimate defined benefit commitment and expenses are based on above assumptions which if changed would affect the defined benefit commitments and expenses.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



Notes Forming Part of the Financial Statements

28. Earnings Per Share

In accordance with the Accounting Standard 20(AS-20)-'Earnings Per Share', as notified by the Companies (Accounting Standards) Rules, 2006:

Particulars	Current year	Previous Year
Profit for the year attributable to the equity shareholders (₹ In lakh)	4,398.28	3,995.75
Weighted average Number of equity shares during the year	40,000,000	40,000,000
Basic and Diluted Earnings Per Share	11.00	9.99
Face value of each share ₹	10	10

Diluted Earnings Per Share is equal to the Basic Earnings Per Share share in view of absence of any dilutive potential equity shares.

29. Investor Protection Fund (IPF):

The Securities Exchange Board of India (SEBI) has issued SEBI (Depositories and Participants) (Amendment) Regulations, 2012 on 11th September, 2012. According to these Regulations, Depositories are required to establish and maintain an Investor Protection Fund (IPF) for the protection of interest of the beneficial owners and every depository is required to credit twenty five per cent of its profits to the Investor Protection Fund. The norms towards contribution to and the utilisation of IPF are yet to be specified. During the year ended 31st March, 2015, the contribution to IPF works out to ₹1,513.73 lakh (previous year ₹1,291.21 lakh), being 25% of the profits of the Company before tax for the year ended 31st March, 2015 available after making such contribution. The balance in IPF as at 31st March, 2015 is ₹3,668.12 lakh.

If the contribution to IPF is calculated based on the operating profit of the Company before tax and available after making such contribution, then the contribution works out to ₹975.68 lakh for the year ended 31st March, 2015 (previous year ₹815.36 lakh) respectively. Had this basis of calculation been adopted since the inception of this requirement, the balance in IPF as at 31st March, 2015 would have been ₹1,407.46 lakh.

30. Provision for stamp duty:

During the previous year, the company had made a provision of ₹ 370.00 lakh (previous year ₹ 370.00 lakh) towards stamp duty pending adjudication in respect of immovable assets transferred during the previous year under the scheme of demerger.

The outflow on this account will arise upon completion of the adjudication process.

31. Comparatives:

Figures for the previous year have been regrouped/ reclassified wherever necessary to correspond with the figures for the current year.

For and on behalf of the Board of Directors

Sd/-
Abhijit A. Damle
Partner

Sd/-
C. M. Vasudev
Chairman
DIN:00143885

Sd/-
G. V. Nageswara Rao
Managing Director & CEO
DIN:00799504

Sd/-
P. P. Vora
Director
DIN: 00003192

Place : Mumbai
Date : April 27, 2015

Sd/-
Sudha B.
Chief Financial Officer

Sd/-
Deepak Shenoy
Company Secretary

Independent Auditors' Report



To The Members Of

National Securities Depository Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NATIONAL SECURITIES DEPOSITORY LIMITED (the "Company"), its subsidiary (the Company and its subsidiary constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2015;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117364W)

Sd/-

Abhijit A. Damle
(Partner)
(Membership No. 102912)

Place: Mumbai
Date: April 27, 2015



Consolidated Balance Sheet as at March 31, 2015

(₹ in Lakh)

Particulars	Note No.	As at 31st March, 2015		As at 31st March, 2014	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	3	4,000.00		4,000.00	
Reserves and surplus	4	31,883.99		27,921.25	
			35,883.99		31,921.25
Non-current liabilities					
Deferred tax liability	11(a)	27.72		12.74	
Other long-term liabilities	5	2,913.18	2,940.90	3,022.43	3,035.17
Current liabilities					
Trade payables	6	1,549.97		1,243.40	
Other current liabilities	7	6,896.71		5,144.73	
Short-term provisions	8	2,128.34	10,575.02	1,921.38	8,309.51
Total			49,399.91		43,265.93
ASSETS					
Non Current Assets					
Fixed assets:					
Tangible assets	9	1,411.81		1,394.93	
Intangible assets	9	380.78		223.02	
Capital work-in-progress		77.53	1,870.12	165.25	1,783.20
(iv) Intangible assets under development					
Non-current investments	10	29,233.58		24,889.67	
Deferred tax asset	11(b)	530.92		606.61	
Long-term loans and advances	12	990.59		1,324.93	
Other non-current assets	16	548.03	31,303.12	469.78	27,290.99
Current assets					
Current investments	13	8,505.15		3,172.89	
Trade receivables	14	1,491.35		1,680.74	
Cash and Bank balances	15	4,775.60		7,937.03	
Short-term loans and advances	12	222.88		230.11	
Other current assets	16	1,231.69	16,226.67	1,170.97	14,191.74
Total			49,399.91		43,265.93
See accompanying notes forming part of the consolidated financial statements (1 to 32)					

In terms of our report attached.
For **Deloitte Haskins & Sells**
Chartered Accountants

Sd/-
Abhijit A. Damle
Partner

Place : Mumbai
Date : April 27, 2015

For and on behalf of the Board of Directors

Sd/-
C. M. Vasudev
Chairman
DIN:00143885

Sd/-
G. V. Nageswara Rao
Managing Director & CEO
DIN:00799504

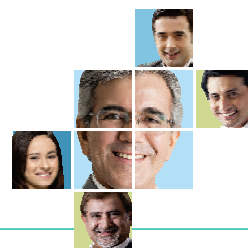
Sd/-
P. P. Vora
Director
DIN: 00003192

Sd/-
Sudha B.
Chief Financial Officer

Sd/-
Deepak Shenoy
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2015



(₹ in Lakh)

Particulars	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
INCOME			
Revenue from operations	17	15,978.15	13,247.32
Other income	18	3,359.57	3,097.42
Total revenue		19,337.72	16,344.74
EXPENSES			
Employee benefits expense	19	3,870.65	2,752.83
Depreciation and amortization expense	9	292.45	779.37
Finance cost	20	-	1.92
Contribution to Investor Protection Fund	30	1,513.73	1,291.21
Other expenses	21	6,593.53	5,840.57
Total expenses		12,270.36	10,665.90
Profit before tax		7,067.36	5,678.84
Tax expense			
Current tax		1,810.38	1,591.42
Earlier year provision written back		-	(280.10)
Deferred tax		90.67	23.48
		1,901.05	1,334.80
Profit after Tax		5,166.31	4,344.04
Profit from discontinuing operations		-	-
Tax expenses of discontinuing operations		-	-
Profit after tax from discontinuing operations		-	-
Profit after Tax		5,166.31	4,344.04
Basic and diluted earnings per equity share of ₹ 10 each	29	12.92	10.86
See accompanying notes forming part of the consolidated financial statements (1 to 32)			

In terms of our report attached.
For **Deloitte Haskins & Sells**
Chartered Accountants

Sd/-
Abhijit A. Damle
Partner

Place : Mumbai
Date : April 27, 2015

For and on behalf of the Board of Directors

Sd/-
C. M. Vasudev
Chairman
DIN:00143885

Sd/-
G. V. Nageswara Rao
Managing Director & CEO
DIN:00799504

Sd/-
P. P. Vora
Director
DIN: 00003192

Sd/-
Sudha B.
Chief Financial Officer

Sd/-
Deepak Shenoy
Company Secretary



Consolidated Cash Flow Statement

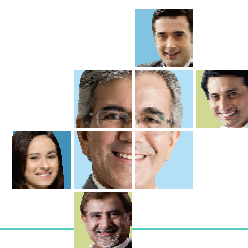
for the year ended March 31, 2015

(₹ in Lakh)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
A. Cash flow from operating activities		
Net Profit before Taxation	7,067.36	5,678.84
Adjustments for :		
Add -		
Loss on fixed assets sold/written off	80.39	270.07
Depreciation and amortisation expense	292.45	779.37
Provision for compensated absences	173.34	1.60
Provision for diminution in value of non-current investments	17.98	79.63
Provision for doubtful trade receivables	30.30	-
Bad Debts written off	249.59	93.60
Finance cost	-	1.92
Amortisation of share issue expenses	8.70	8.70
Less-		
Dividend income from current Investments	(305.16)	(157.31)
Interest Income	(2,923.25)	(2,879.77)
Profit on sale of current investments	(8.71)	(13.68)
Operating profit before working capital changes	4,682.99	3,862.97
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets-		
Long-term loans and advance	158.69	(216.08)
Trade receivables	(90.50)	(914.77)
Short-term loans and advance	7.23	312.26
Other current assets	2.71	5.56
Adjustments for increase / (decrease) in operating liabilities-		
Other long-term liabilities	(109.23)	(125.23)
Trade payables	306.56	(51.36)
Other current liabilities	2,059.09	1,752.72
Cash generated from operations	7,017.54	4,626.07
Net income tax paid	(1,694.16)	(1,710.14)
Net cash from operating activities (A)	5,323.38	2,915.93

Consolidated Cash Flow Statement

for the year ended March 31, 2015



	For the year ended 31st March, 2015	For the year ended 31st March, 2014
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advance	(420.43)	(510.29)
Proceeds from sale of fixed assets	2.67	26.33
Bank balances not considered as cash and cash equivalent		
-Place	(3,563.63)	(3,302.31)
-Matured	7,445.59	2,480.00
Purchase of current investments	(9,687.11)	(3,757.30)
Redemption of current investments	1,093.02	1,928.35
Purchase of non-current investments	(2,589.22)	(4,978.40)
Redemption of non-current investments	1,497.86	3,350.00
Dividend received from current investments	305.16	157.31
Interest received	2,790.75	2,638.10
Net cash (used in) investing activities (B)	(3,125.34)	(1,968.21)
C. Cash flow from financing activities		
Dividend paid	(1,000.00)	(1,000.00)
Dividend distribution tax paid	(169.95)	(169.95)
Interest expenses	-	(1.92)
Net cash (used in) financing activities (C)	(1,169.95)	(1,171.87)
Net (decrease) in cash and cash equivalents (A+B+C)	1,028.09	(224.15)
Cash and cash equivalents transferred under the scheme of demerger		-
Cash and cash equivalents at the beginning of the year	554.12	778.27
Cash and cash equivalents at the end of the period (refer note 1 below)	1,582.21	554.12
Note 1:		
Reconciliation of cash and cash equivalents with Balancesheet:	As at 31st March, 2015	As at 31st March, 2014
Cash and cash equivalents as per Balance sheet (also refer note 15)	4,775.60	7,937.03
Less: -Fixed Deposit with original maturity of more than 12 months	(2,691.14)	(6,591.00)
Less: Restricted cash balance	(502.25)	(791.91)
Total	1,582.21	554.12

See accompanying notes forming part of the consolidated financial statements (1 to 32)

In terms of our report attached.
For **Deloitte Haskins & Sells**
Chartered Accountants

Sd/-
Abhijit A. Damle
Partner

Place : Mumbai
Date : April 27, 2015

For and on behalf of the Board of Directors

Sd/-
C. M. Vasudev
Chairman
DIN:00143885

Sd/-
G. V. Nageswara Rao
Managing Director & CEO
DIN:00799504

Sd/-
P. P. Vora
Director
DIN: 00003192

Sd/-
Sudha B.
Chief Financial Officer

Sd/-
Deepak Shenoy
Company Secretary



Notes Forming Part of the Financial Statements

1. Corporate Information

National Securities Depository Limited (“the Holding Company”) was incorporated on 27th April 2012. The Holding Company is a Depository registered with SEBI under the provisions of Depositories Act, 1996 and Rules and Regulations framed thereunder. The Holding Company and its wholly owned subsidiary constitute the Group. The Group provides electronic infrastructure for dematerialisation of securities, facilitates electronic settlement of trades in Indian Securities Market and offers services as a managed service provider and sets-up system infrastructure, connectivity, software application and database management systems.

2. Basis of Consolidation and significant accounting policies

2.1 Basis of accounting and preparation of consolidated financial statements:

The consolidated financial statements of the Company and its subsidiary (together the ‘Group’) have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant

c. Following subsidiary company have been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly as at	
				31st March, 2015	31st March, 2014
NSDL Database Management Limited	Subsidiary	India	National Securities Depository Limited	100%	100%

d. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company’s separate financial statements.

2.3 Use of estimates:

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

provisions of the Companies Act, 2013 (“the 2013 Act”) / Companies Act, 1956 (“the 1956 Act”), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

2.2 Principles of consolidation:

The consolidated financial statements relate to National Securities Depository Limited (the ‘Company’) and its subsidiary. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the subsidiary company are drawn upto the same reporting date as that of the Company i.e., 31st March, 2015.
- The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

2.4 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.6 Revenue recognition:

Revenues from services are recognised on



an accrual basis upon rendering of services. Revenue is recognised when there is no significant uncertainty as regards its determination and realisation.

2.7 Other Income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.8 Fixed assets (tangible/intangible):

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress:

Projects under which tangible fixed assets that are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.9 Depreciation/Amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. During the year, the Company has reviewed and revised the estimated useful lives of the fixed assets w.e.f 1st April 2014 and depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Useful life adopted as per schedule II is as follows:

Asset	Useful life (years)
Computers and servers	3-6
Data and Tele – Communication Equipment	6
Electrical Installations	10
Office Equipment	5
Furniture and fixtures	10
Building	60

Computer software is amortised over 24 to 48 months or useful life whichever is lower.

2.10 Transactions in Foreign Currencies:

Initial recognition

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the year-end rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the Statement of Profit and Loss.

Measurement at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

2.11 Investments:

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties. Front-end discount / incentive earned in respect of direct subscription is adjusted against the cost of investment. Premium paid on acquisition of long term investment is amortised over the tenor of investment. Hitherto, it was a policy of the Company to write off premium paid on acquisition of long term investment in the year of acquisition. During the year, this policy was changed prospectively to amortise the premium paid over the tenor of investments. This change in policy has the effect of reducing the charge to Statement of Profit and Loss by ₹ 194.41 lakh lakh and increasing profit for the year by the like amount.

2.12 Employee benefits:

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences.

Defined Contribution Plan:

The Group's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

i. Superannuation:

The Group contributes a sum equivalent to 15% of annual basic salary of the eligible employees to an insurance company which administers



the fund. The Company recognises such contributions as an expense in the year they are incurred.

ii. Provident Fund:

Employees are entitled to receive benefits in respect of provident fund, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' basic salary). The contributions, as specified under the law, were made to the provident fund set up as an irrevocable trust by NSDL Group till July 31, 2014 and with effect from August 1, 2014 the contributions including accumulated balance with the said Trust were made to Recognised Provident Fund.

Defined Benefit Plans

i. Gratuity:

The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the projected unit credit method carried out at the Balance Sheet date. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

ii. Other Employee Benefits:

Compensated absences

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the services. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The Group has a scheme for compensated absences for employees. The Group accounts for the net present value of its obligations for compensated absences based on an independent external actuarial valuation carried out at the Balance Sheet date. The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

2.13 Tax on Income:

Current tax is determined on the basis of taxable income and tax credits computed for each of

the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in case of existence of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences in other cases, to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.14 Provisions and contingencies:

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised/disclosed in the financial statements.

2.15 Impairment of assets:

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the

Notes Forming Part of the Financial Statements



carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, except in case of revalued assets.

2.16 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

2.17 Operating Cycle

Based on the activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.18 Segment Reporting

The accounting policies used in the preparation of the financial statements of the Company are also applied for Segment Reporting. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not all allocable to segments on a reasonable basis, have been included under "Unallocated income/ expenses".

Note 3 : Share Capital

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Authorised		
100,000,000 equity shares of ₹ 10 each with voting rights	10,000.00	10,000.00
Issued, Subscribed and Fully Paid - Up		
40,000,000 equity shares of ₹ 10 each fully paid up with voting rights	4,000.00	4,000.00
	4,000.00	4,000.00

3a. Details of shares held by each shareholder holding more than 5% shares:

Name of the Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	Number of shares held	% Holding	Number of shares held	% Holding
IDBI Bank Ltd.	12,000,000	30.00	12,000,000	30.00
National Stock Exchange of India Ltd.	10,018,000	25.05	10,018,000	25.05
Administrator of specified undertaking of the Unit Trust of India	2,732,000	6.83	2,732,000	6.83

3b. The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, (except in case of interim dividend), is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all dues proportionate to their shareholding.

3c. Reconciliation of the shares outstanding at the end of the period	As at 31st March, 2015	As at 31st March, 2014
Opening balance	40,000,000	40,000,000
Number of shares issued on incorporation	-	-
Less: Reduction of share capital as per Court Order under the Scheme of Demerger	-	-
Add: Increased as per the Scheme of Demerger	-	-
Number of shares at the end of the year/period	40,000,000	40,000,000



Notes Forming Part of the Financial Statements

Note 4 : Reserves and surplus

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Investor protection reserve (also refer footnote below)		
Opening balance	700.00	700.00
Balance transferred under the Scheme of Demerger	-	-
Closing balance	700.00	700.00
General reserve		
Opening Balance	24,812.82	23,312.82
Balance transferred under the Scheme of Demerger	-	-
Add : Transferred from surplus in Statement of Profit and Loss	1,500.00	1,500.00
Closing balance	26,312.82	24,812.82
Surplus / (Deficit) in Statement of Profit and Loss		
(Deficit)/Profit in Statement of Profit and Loss as on 1st April, 2014	2,408.43	734.34
Add : Profit for the year/period	5,166.31	4,344.04
Less : Dividend proposed to be distributed to equity shareholders	(1,000.00)	(1,000.00)
Tax on dividend	(203.57)	(169.95)
Transferred to general reserve	(1,500.00)	(1,500.00)
	4,871.17	2,408.43
Total	31,883.99	27,921.25

Footnote: Not earmarked for any specific purpose.

Note 5 : Other long-term liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Others:		
Security deposit received from customers / depository participants	2,850.00	2,990.00
Income received in advance	19.38	14.43
Incentive payable to key managerial person	43.80	18.00
Total	2,913.18	3,022.43

Note 6 : Trade payables

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
- Amount due to micro, small and medium enterprises (also refer footnote below)	22.25	5.98
- Others	1,527.72	1,237.42
Total	1,549.97	1,243.40

Footnote: Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Notes Forming Part of the Financial Statements



Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Principal amount remaining unpaid to any supplier as at the end of the accounting period	22.05	5.98
Interest due thereon remaining unpaid to any supplier as at the end of the accounting period	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the period	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting period	0.20	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	22.25	5.98

Note 7 : Other current liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Security deposit received	299.29	179.29
Payables on purchase of fixed assets	81.15	98.60
Advances from customers	895.74	579.97
Income received in advance	508.03	1,068.12
Statutory remittances	174.56	141.81
Investor Protection Fund (also refer note 30)	3,668.12	2,154.39
Payable on Redemption of NSC/KVP and Government Securities	502.25	791.92
Others	249.90	93.40
Gratuity payable to Fund	517.67	37.23
Total	6,896.71	5,144.73

Note 8: Short-term provisions

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for compensated absences	554.77	381.43
Provision for proposed equity dividend	1,000.00	1,000.00
Provision for tax on proposed dividend	203.57	169.95
Provision for stamp duty (refer note 31)	370.00	370.00
Total	2,128.34	1,921.38



Notes Forming Part of the Financial Statements

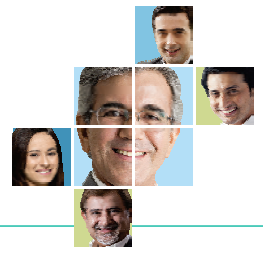
Note 9 : Fixed assets

(₹ in Lakh)

Sr. No.	Description	Gross block			Depreciation/Amortisation				Net block		
		As on 1st April, 2014	Additions	Disposals	As on 31st March, 2015	As on 1st April, 2014	For the year (refer note 2.9)	Eliminated on disposal of assets	As on 31st March, 2015	As on 31st March, 2015	As on 31st March, 2014
	Tangible Assets										
1	Buildings	3,573.58 (3,203.58)	- (370.00)	- -	3,573.58 (3,573.58)	2,997.16 (2,845.57)	9.46 (151.59)	- -	3,006.62 (2,997.16)	566.96 (576.42)	576.42 (358.01)
2	Plant and Equipment										
	(1) Computers	6,140.15 (11,611.60)	178.94 (320.44)	1,206.67 (5,791.89)	5,112.42 (6,140.15)	5,568.74 (10,848.16)	70.10 (217.78)	1,144.57 (5,497.21)	4,494.27 (5,568.73)	618.15 (571.42)	571.42 (763.44)
	(2) Data and Tele-Communication Equipment	1,874.68 (1,878.32)	25.07 (30.68)	327.96 (34.32)	1,571.79 (1,874.68)	1,721.34 (1,607.18)	13.44 (146.76)	311.56 (32.60)	1,423.22 (1,721.34)	148.57 (153.34)	153.34 (271.14)
	(3) Electrical Installations	199.92 (199.92)	- -	0.01 -	199.91 (199.92)	183.28 (181.22)	0.80 (2.06)	0.01 -	184.07 (183.28)	15.84 (16.64)	16.64 (18.70)
3	Office Equipment	403.95 (398.78)	0.86 (5.17)	61.27 -	343.54 (403.95)	358.17 (335.73)	11.64 (22.44)	57.50 -	312.31 (358.17)	31.23 (45.78)	45.78 (63.05)
4	Furniture and Fixtures	258.92 (258.92)	2.87 -	15.48 -	246.31 (258.92)	227.59 (221.06)	2.37 (6.53)	14.71 -	215.25 (227.59)	31.06 (31.33)	31.33 (37.86)
	Total	12,451.20	207.74	1,611.39	11,047.55	11,056.28	107.81	1,528.35	9,635.74	1,411.81	1,394.93
	Previous year	(17,551.12)	(726.29)	(5,826.21)	(12,451.20)	(16,038.92)	(547.16)	(5,529.81)	(11,056.27)	(1,394.93)	(1,512.20)
	Intangible Assets										
5	Computer Software (acquired)	9,157.03 (8,935.14)	342.40 (221.89)	- -	9,499.43 (9,157.03)	8,934.01 (8,701.80)	184.64 (232.21)	- -	9,118.65 (8,934.01)	380.78 (223.02)	223.02 (233.34)
	Total	9,157.03	342.40	-	9,499.43	8,934.01	184.64	-	9,118.65	380.78	223.02
	Previous year	(8,935.14)	(221.89)	-	(9,157.03)	(8,701.80)	(232.21)	-	(8,934.01)	(223.02)	(233.34)
	Grand Total	21,608.23	550.14	1,611.39	20,546.98	19,990.29	292.45	1,528.35	18,754.39	1,792.59	1,617.95
	Previous year	(26,486.26)	(948.18)	(5,826.21)	(21,608.23)	(24,740.72)	(779.37)	(5,529.81)	(19,990.28)	(1,617.95)	(1,745.54)

Footnote 1: The figures in bracket are of previous year ended 31st March, 2014.

Notes Forming Part of the Financial Statements



Note 10 : Non-current investments (Long Term Investments)

Particulars					As at 31st March, 2015		As at 31st March, 2014	
			No. of bonds / debentures / share	Face value	(₹ in Lakh)		(₹ in Lakh)	
Trade:								
Non-trade:								
(a) Investment in Government or Trust Securities (at cost)								
(i) 11.43% GOI, 2015			4,000	10,000	-		416.40	
(ii) 8.07% GOI, 2017			4,000	10,000	434.00	434.00	434.00	850.40
(b) Investment in Debentures or bonds (at cost) - Quoted	Rate of interest	Year of maturity						
(i) Tata Steel Limited	10.20	2015	30	1,000,000	-		308.61	
(ii) Indian Oil Corporation Limited	11.00	2018	130	1,000,000	1,485.38		1,485.38	
(iii) 10 year Zero Coupon Bhavishya Nirman Bond from National Bank for Agriculture and Rural Development	-	2018	3,551	20,000	300.06		300.06	
(iv) Housing Development Finance Corporation Limited	11.25	2018	150	1,000,000	1,755.15		1,755.15	
(v) Housing Development Finance Corporation Limited	11.95	2018	15	1,000,000	178.50		178.50	
(vi) Rural Electrification Corporation Limited	9.07	2018	140	1,000,000	1,453.52		1,453.52	
(vii) Steel Authority of India Limited	8.60	2019	40	1,000,000	406.40		406.40	
(viii) Steel Authority of India Limited	8.65	2019	70	1,000,000	707.63		707.63	
(ix) Infrastructure Development Finance Company Limited	8.90	2019	30	1,000,000	302.18		302.18	
(x) Axis Bank Limited	9.95	2019	35	1,000,000	379.92		379.92	
(xi) Indian Railway Finance Corporation Limited	8.20	2020	20	1,000,000	199.22		199.22	
(xii) Infrastructure Development Finance Company Limited	8.65	2020	20	1,000,000	201.90		201.90	
(xiii) Rural Electrification Corporation Limited	8.65	2020	50	1,000,000	479.25		479.25	
(xiv) Power Grid Corporation of India Limited	9.64	2021	32	1,250,000	406.72		406.72	
(xv) Power Finance Corporation of India Limited *	7.51	2021	600	100,000	599.40		599.40	
(xvi) Power Grid Corporation of India Limited	8.80	2022	16	1,250,000	202.00		202.00	
(xvii) National Highway Authority of India Limited *	8.20	2022	100,000	1,000	1,066.40		1,066.40	
(xviii) Rural Electrification Corporation Limited *	7.93	2022	90,000	1,000	950.98		950.98	
(xix) Power Grid Corporation of India Limited	9.33	2023	40	1,250,000	509.25		509.25	
(xx) Power Grid Corporation of India Limited	8.80	2024	56	1,250,000	703.85		703.85	
(xxi) Power Grid Corporation of India Limited	8.64	2024	20	1,250,000	-		251.50	
(xxii) Power Grid Corporation of India Limited	8.90	2024	20	1,250,000	245.87		245.87	
(xxiii) Infrastructure Development Finance Company Limited	9.03	2025	5	1,000,000	51.12		51.12	
(xxiv) Power Grid Corporation of India Limited	8.64	2025	20	1,250,000	-		251.50	
(xxv) Housing Development Finance Company Limited	8.96	2025	100	1,000,000	1,014.50		1,014.50	
(xxvi) Infrastructure Development Finance Company Limited	8.82	2025	38	1,000,000	371.07		371.07	
(xxvii) Power Grid Corporation of India Limited	8.90	2025	20	1,250,000	246.00		246.00	
(xxviii) Indian Railway Finance Corporation Limited	9.09	2026	200	1,000,000	2,028.00		2,028.00	
(xxix) National Highway Authority of India Limited *	8.30	2027	190,000	1,000	2,025.90		2,025.90	
(xxx) Power Finance Corporation of India Limited *	8.30	2027	100,000	1,000	1,040.00		1,040.00	
(xxxi) Power Finance Corporation of India Limited *	8.20	2022	90,000	1,000	948.93		948.93	
(xxxii) Power Finance Corporation of India Limited *	8.46	2028	40	1,000,000	400.56		400.56	
(xxxiii) Rural Electrification Corporation Limited *	8.46	2028	10,000	1,000	100.15		100.15	
(xxxiv) National Housing Bank *	8.68	2029	40,000	5,000	2,028.76		2,028.76	
(xxxv) Housing and Urban Development Corporation Limited*	8.10	2022	10,000	1,000	607.48			
(xxxvi) NTPC Limited*	8.66	2033	60,000	1,000	638.99			
(xxxvii) National Housing Bank *	8.68	2029	10,000	5,000	528.30			



Notes Forming Part of the Financial Statements

Particulars					As at 31st March, 2015		As at 31st March, 2014	
			No. of bonds / debentures / share	Face value	(₹ in Lakh)		(₹ in Lakh)	
(xxxviii) National Housing Bank *	8.76	2034	8,000	5,000	428.96			
(xxxix) Housing and Urban Development Corporation Limited*	8.76	2034	5,000	1,000	54.93			
(xli) Infrastructure Development Finance Company Limited	8.80	2025	1	1,000,000	10.00			
(xlii) Infrastructure Development Finance Company Limited	8.80	2025	3	1,000,000	29.77			
(xliii) Kokan Railway Corporation Limited	8.90	2016	1	1,000,000	9.87			
(xliv) Central Bank of India	8.95	2016	2	1,000,000	19.58			
(xlv) State Bank of India	8.96	2021	1	1,000,000	9.85			
(xlvi) Power Finance Corporation of India Limited	9.28	2017	2	1,000,000	20.32			
(xlvii) India Infrastructure Finance Company Limited	9.41	2037	3	1,000,000	33.59			
(xlix) LIC Housing Finance Limited	9.70	2017	1	1,000,000	10.12			
(xxxi) Export Import Bank of India	9.85	2017	1	1,000,000	10.25			
(xxxii) Tata Capital Financial Services Limited	9.95	2019	2	1,000,000	10.03			
(xxxiii) HDB Financial Services Limited	10.19	2024	1	1,000,000	10.41			
(xxxiv) Power Finance Corporation of India Limited	11.25	2018	1	1,000,000	11.65			
(xxxv) IDBI Bank Limited	11.30	2018	1	1,000,000	11.34			
(xxxvi) Rural Electrification Corporation Limited *	7.21	2022	10	1,000,000	101.35			
(xxxvii) 8.67% NHPC 2033*	8.67	2033	450	100,000	533.43			
(xxxviii) Indian Railway Finance Corporation Limited *	8.63	2029	40,000	1,000	420.32			
(xxxix) Indian Railway Finance Corporation Limited *	8.00	2022	60,000	1,000	615.55			
(xl) Housing Development Finance Corporation Limited	9.20	2016	1	1,000,000	10.10			
(xli) Housing and Urban Development Corporation Limited *	8.56	2028	100	1,000,000	1,107.50			
(xlii) India Infrastructure Finance Company Limited *	8.66	2034	30,000	1,000	345.60			
(xliii) Housing and Urban Development Corporation Limited *	8.51	2028	50,000	1,000	555.25			
(xliv) NHPC Limited *	8.67	2033	10,000	1,000	113.71			
						29,046.82		23,600.18
(c) Investment in Mutual Funds - (Unquoted)								
(i) Axis Fixed Term Plan - Series 42 Direct Plan - Growth			5,000,000	10	-			500.00
(ii) IDBI Mutual Fund FMP Series III- Direct Plan- Growth			2,000,000	10	-			200.00
(iii) IDFC Fixed Term Plan Series 57 - Direct Plan - Growth			5,000,000	10	-			500.00
(iv) HDFC Mutual Fund FMP series 29 -Direct Plan - Growth			3,000,000	10	-			300.00
(v) ICICI Prudential FMP series 76 -Direct Plan - Growth			5,000,000	10	500.00			-
(v) HDFC Fixed Maturity Plan growth option Oct 2013 Series -Direct - Growth			3,000,000	10	300.00			-
						800.00		1,500.00
						30,280.82		25,950.58
Less : Provision for diminution in value of investments						1,047.24		1,060.91
						29,233.58		24,889.67
* Investment in Tax free bonds								
Foot note 1: Classified as Current Investment as the remaining maturity is less than 12 months								
Aggregate value of listed but not quoted investments						7,337.88		1,500
Aggregate amount of unquoted investments						300.00		-
Aggregate amount of quoted investments						22,942.94		24,450.58
Aggregate market value of listed and quoted investments						22,618.25		23,405.19

Notes Forming Part of the Financial Statements



Note 11(a) : Deferred tax liability

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Deferred tax liability		
On difference between book balance and tax balance of fixed assets	59.12	24.05
Deferred tax asset		
Provision for employee benefits	31.40	11.31
Total	27.72	12.74

Note 11(b) : Deferred tax asset

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Deferred tax asset		
Difference between book balance and tax balance of fixed asset	328.70	471.05
Provision for employee benefits	167.36	118.73
Others	34.86	16.83
Total	530.92	606.61

Note 12 : Loans and advances

(₹ in Lakh)

Particulars	As at 31st March, 2015			As at 31st March, 2014		
	Long term	Short term	Total	Long term	Short term	Total
(Unsecured, considered good unless stated otherwise)						
Security deposits						
Considered good	258.47	-	258.47	308.10	5.00	313.10
Considered doubtful	11.00	-	11.00	11.00	-	11.00
	<u>269.47</u>	<u>-</u>	<u>269.47</u>	<u>319.10</u>	<u>5.00</u>	<u>324.10</u>
Less: Provision for doubtful deposits	(11.00)	-	(11.00)	(11.00)	-	(11.00)
	<u>258.47</u>	<u>-</u>	<u>258.47</u>	<u>308.10</u>	<u>5.00</u>	<u>313.10</u>
Capital Advances	35.01	-	35.01	94.45	-	94.45
Prepaid expenses	56.62	82.22	138.84	67.51	122.29	189.80
Advance income tax (net of provision)	469.80	-	469.80	586.01	-	586.01
Loans and advances to employees	12.12	7.94	20.06	15.30	3.34	18.64
Service tax credit receivable	158.57	114.76	273.33	253.56	93.28	346.84
Advance for Expenses	-	5.80	5.80	-	6.20	6.20
Advance from creditors	-	12.16	12.16	-	-	-
Total	<u>990.59</u>	<u>222.88</u>	<u>1,213.47</u>	<u>1,324.93</u>	<u>230.11</u>	<u>1,555.04</u>

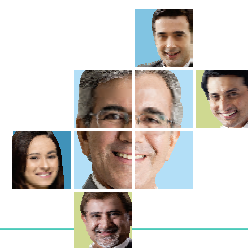


Notes Forming Part of the Financial Statements

Note 13 : Current investments

Particulars	As at 31st March, 2015			As at 31st March, 2014		
	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(₹ in Lakh)	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(₹ in Lakh)
Current portion of long-term investments (At cost):						
Investment in Government or Trust Securities (at cost) Quoted						
(a) (i) 11.43% GOI, 2015	4,000	10,000	416.40	-	-	-
(b) Investment in Debentures or bonds - Quoted						
(i) Indian Railway Finance Corporation Limited *	54	1,000,000	-	54	1,000,000	688.50
(ii) Tata Steel Limited	30	1,000,000	308.61			
(iii) Indian Overseas Bank	2	1,000,000	17.85			
(iv) Power Finance Corporation of India Limited	1	1,000,000	10.01			
(v) IDBI OMNI Bonds	1	1,000,000	10.00			
(vi) Housing Development Finance Corporation Limited	1	1,000,000	10.00			
(c) Investment in Debentures or bonds - unQuoted						
(i) ICICI Bank	1	1,000,000	10.01	-	-	-
Other Current Investments (At lower of cost and fair value, unless otherwise stated):						
(d) Investment in Mutual Funds (Unquoted)						
(i) Units of Axis Treasury Advantage Fund - Institutional Daily Dividend Reinvestment	55,310	1,005	572.43	53,534	1,004.68	537.85
(ii) Units of IDFC Ultra Short Term Fund - Daily Dividend Reinvestment	5,472,255	10	567.97	5,292,811	10.06	532.51
(iii) Units of Birla Sun Life Ultra Short Term Fund - Daily Dividend Reinvestment	536,810	102	557.95	519,722	101.10	525.46
(iv) Units of UTI Treasury Advantage Fund - Daily Dividend Reinvestment	54,867	1,002	566.90	53,056	1,002.35	531.81
(v) Units of Axis Liquid Fund - Daily Dividend Reinvestment	107	1,000	1.11	104	1,000.31	1.04
(vi) Units of IDFC Cash Fund - Daily Dividend Reinvestment	66	1,001	0.69	64	1,001.61	0.64
(vii) Units of HDFC Liquid Fund- Daily Dividend Reinvestment	51,060	10	526.51	-	-	-
(viii) Units of ICICI Prudential Liquid Plan- Daily Dividend Reinvestment	510,663	100	526.31	-	-	-
(ix) Units of IDBI Ultra Short Term Fund- Daily Dividend Reinvestment	64	1,021	0.69	-	-	-
(x) Units of L & T Ultra Short Term fund- Daily Dividend Reinvestment	2,994,815	10	319.18	-	-	-
(xi) Units of Peerless Liquid Fund - Daily Dividend Reinvestment	51,115	1,001	526.70	-	-	-
(xii) Units of Principal Debt Opportunity Conservative Fund- Daily Dividend Reinvestment	50,223	1,002	527.31	-	-	-
(xiii) Units of UTI Liquid Fund - Daily Dividend Reinvestment	50,159	1,019	524.97	-	-	-
(xiv) Axis Fixed Term Plan - Series 42 Direct Plan - Growth	5,000,000	10	500.00	-	-	-

Notes Forming Part of the Financial Statements



Particulars	As at 31st March, 2015			As at 31st March, 2014		
	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(₹ in Lakh)	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(₹ in Lakh)
(xv) IDBI Mutual Fund FMP Series III- Direct Plan- Growth	2,000,000	10	200.00	-	-	-
(xvi) IDFC Fixed Term Plan Series 57 - Direct Plan - Growth	5,000,000	10	500.00	-	-	-
(xvii) HDFC Mutual Fund FMP series 29 -Direct Plan - Growth	3,000,000	10	300.00	-	-	-
(xviii) HDFC Fixed Maturity Plans - Series 31 - Growth	2,000,000	10	200.00	-	-	-
(xix) HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale Growth option	9,07,496	31	203.58	907,496	10	203.58
(xx) HDFC Fixed Maturity Plan growth option Oct 2013 Series -Direct - Growth	-	-	-	3,000,000	10.00	300.00
(xxi) HDFC Fixed Maturity Plan growth option April 2014 Series - Direct - Growth	1,250,000	10.00	125.00	-	-	-
(xxii) HDFC Fixed Maturity Plan growth option Jun 2014 Series - Direct - Growth	5,000,000	10.00	500.00	-	-	-
			8,530.18			3,321.39
Less : Provision for diminution in value of investments			25.03			148.50
Total			8,505.15			3,172.89
* Investment in Tax free bonds						
Aggregate value of listed but not quoted investments			838.58			-
Aggregate amount of unquoted investments			8,183.70			2,632.89
Aggregate amount of quoted investments			346.47			688.50
Aggregate market value of listed and quoted investments			340.26			687.26

Note 14 : Trade Receivables

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	27.04	95.70
Unsecured, considered good	204.10	234.79
Unsecured, considered doubtful	30.30	-
	261.44	330.49
Less : Provision for doubtful trade receivables	30.30	-
	231.14	330.49
Other trade receivables		
Secured, considered good	357.75	568.18
Unsecured, considered good	902.46	782.07
	1,260.21	1,350.25
Total	1,491.35	1,680.74



Notes Forming Part of the Financial Statements

Note 15 : Cash and Bank Balances

(₹ in Lakh)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Cash and cash equivalents		
Cash on hand	0.35	0.45
Cheques on hand	2.53	1.44
Balances with banks		
(i) in current accounts	1,184.93	552.23
(ii) In other deposit accounts with original maturity more than 3 months	2,691.14	6,591.00
Other bank balances		
(i) in current accounts (refer footnote 1)	896.65	791.91
Total	4,775.60	7,937.03

Footnote 1: Balances with banks include ₹ 502.25 lakh (As at 31 March, 2014 ₹ 791.91 lakh) which have restriction on repatriation.

Note 16 : Other assets

(₹ in Lakh)

Particulars	As at 31st March, 2015			As at 31st March, 2014		
	Non-current	Current	Total	Non-current	Current	Total
Interest accrued on investments	417.82	1,129.58	1,547.40	357.47	1,159.48	1,516.95
Interest accrued on Fixed Deposit	-	102.03	102.03	-	-	-
Unamortised expenses - share issue expenses	-	-	-	-	8.70	8.70
Margin money deposits with a bank (earmarked as security for performance guarantee and other commitments)	130.21	-	130.21	112.31	-	112.31
Others	-	0.08	0.08	-	2.79	2.79
Total	548.03	1,231.69	1,779.72	469.78	1,170.97	1,640.75

Note 17 : Revenue from operations

(₹ in Lakh)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Annual fees	1,219.13	765.76
Custody fees	5,104.18	5,277.94
Transaction fees	8,782.92	6,442.36
Registration fees	536.90	464.12
Software license fees	13.28	11.30
Communication fees	309.81	274.49
Other operational income	11.93	11.35
Total	15,978.15	13,247.32

Notes Forming Part of the Financial Statements



Note 18 : Other Income

(₹ in Lakh)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Interest income :		
- On non-current investments	2,451.62	2,172.90
- On fixed deposits with banks	471.62	691.83
- On overdue trade receivables	18.37	15.04
- On income tax refund	-	-
	<u>2,941.61</u>	<u>2,879.77</u>
Dividend income from current Investments	305.16	170.89
Profit on sale of current investments	8.71	0.10
Profit on Sale of Assets	1.52	-
Miscellaneous income	102.57	46.66
Total	<u>3,359.57</u>	<u>3,097.42</u>

Note 19 : Employee benefits expense

(₹ in Lakh)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
-Salaries and wages	3,001.07	2,481.62
-Contribution to provident and other funds (also refer note 28)	676.78	103.77
-Staff welfare expenses	161.21	122.22
-Deputation Cost	31.59	45.22
Total	<u>3,870.65</u>	<u>2,752.83</u>

Note 20 : Finance cost

(₹ in Lakh)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
-Interest expense	-	1.92
Total	<u>-</u>	<u>1.92</u>

Note 21 : Other expenses

(₹ in Lakh)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
-Annual fees	150.04	10.00
-Repairs and maintenance - system	1,735.72	1,581.34
-Repairs and maintenance - premises	150.40	134.93
-Repairs and maintenance - others	55.10	35.70
-System support charges	1,228.29	1,221.46
-Insurance (also refer note 27)	67.69	97.45
-Processing charges	592.95	351.50



Notes Forming Part of the Financial Statements

(₹ in Lakh)

Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
-Power and fuel		183.35		167.94
-Rent		440.58		375.35
-Communication expenses		544.27		511.62
-Travelling and conveyance expenses		255.06		247.64
-Legal and professional fees		174.35		227.64
-Printing and stationery expenses		97.50		66.74
-Rates and taxes		94.06		61.30
-Provision for diminution in value of non-current investments		17.11		79.63
-Donations		-		14.28
-Corporate Social Responsibility Expense		4.43		-
-Seminar and business promotion expenses		180.25		104.49
-Payment to Auditors (net off service tax set-off)				
--(a) Audit fees	22.11		15.74	
--(b) Tax audit fees	3.21		3.10	
--(c) Tax matters	2.40		1.61	
--(d) Other services	1.00		6.00	
--(e) Reimbursement of Expenses	0.26	28.98	-	26.45
--(c) Taxation matters	-		-	
--(d) Other services	-		-	
--(e) Reimbursement of expenses (out of pocket expenses)	-		-	
-Directors sitting fees		52.10		19.80
-Provision for doubtful trade receivables		30.30		-
-Loss on fixed assets sold/written off		80.39		270.07
-Bad Debts Written off		249.59		93.60
-Preliminary expenses written off		-		-
-Marketing Expenses		2.39		14.85
-Reimbursement of administrative expenses		47.28		44.35
-Share issue expenses - amortised		8.70		8.70
-Miscellaneous expenses		122.65		73.74
Total		6,593.53		5,840.57



22. Contingent Liabilities and Other Commitments (to the extent not provided for):

a) Contingent Liabilities:

Demand from the service tax authorities of ₹ 3,261.69 lakh (Previous year ₹ 3,261.69 lakh) in respect of FY 2004-05 to FY 2009-10 relate to service tax demanded in respect of depository participant services during that period. The matter is pending before Commissioner of Service Tax (Adjudication). In respect of the dispute, the Company is hopeful of succeeding in appeals and does not expect any significant liability to materialise.

b) Commitments:

- i) Estimated amount of capital contracts remaining to be executed at the end of the year and not provided for (net of advances) is ₹ 103.45 lakh (previous year ₹ 201.04 lakh).
- ii) Other Commitments
Contractual guarantee ₹ 130.21 lakh (previous year ₹ 112.31 lakh)

23. Expenditure/(Earning) in foreign exchange:

(₹ in Lakh)

Particulars	Current year	Previous year
Travelling and conveyance expenses	39.36	16.62
Miscellaneous Income	-	(2.41)

24. Segment Reporting

The Group has identified business segments as its primary segment. Business segments are primarily Depository segment and Database management services segment. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Since the operations of the segments are in India no geographical segments have been identified.

Depository segment includes providing various services to the investors like, dematerialisation, rematerialisation, holding, transfer and pledge of securities in electronic form through close user group network of Business Partners (viz., Issuers, Registrars & Transfers Agents and Depository Participants), providing facility to market intermediaries for "Straight Through Processing" and providing e-voting services to companies.

Database management services includes data management services like National Skills Registry to IT / ITeS industry and transactions services like SEZ Online system on behalf of Ministry of Commerce & Industry, KYC registration agency (KRA) for centralization of the KYC records in the securities market, operations pertaining to the Repository of Insurance Policies as per the approval received from the Insurance Regulatory and Development Authority (IRDA).

(₹ in Lakh)

Particulars	For the year ended 31st March, 2015			For the year ended 31st March, 2014		
	Depository	Database	Total	Depository	Database	Total
Segment revenue						
Revenue	12,363.59	3,614.56	15,978.15	10,456.03	2,791.29	13,247.32
Less: Inter segment revenue	-	-	-	-	-	-
Total	12,363.59	3,614.56	15,978.15	10,456.03	2,791.29	13,247.32
Segment results	3,179.51	425.87	3,605.38	2,723.88	(60.91)	2,662.97
Add: Other unallocable income net of unallocable expense			520.37			138.02



Notes Forming Part of the Financial Statements

Particulars	For the year ended 31st March, 2015			For the year ended 31st March, 2014		
	Depository	Database	Total	Depository	Database	Total
Operating profit			4,125.75			2,800.99
Less: Interest expense			-			(1.92)
Add: Interest income			2,941.61			2,879.77
Profit before tax			7,067.36			5,678.84
Less: Tax expense			(1901.05)			(1,334.80)
Profit for the year			5,166.31			4,344.04

(₹ in Lakh)

	For the year ended 31st March, 2015				For the year ended 31st March, 2014			
	Depository	Database management	Un-allocable	Total	Depository	Database management	Un-allocable	Total
Segment assets	2,849.56	1,255.67	45294.69	49,399.91	3,201.54	1,242.06	38,821.47	43,265.07
Segment liabilities	10,407.91	1,350.85	1757.16	13,515.92	8,638.15	1,522.98	1,182.69	11,343.82
Capital expenditure	357.18	63.25	-	420.43	394.09	116.2	-	510.29
Depreciation	206.58	85.87	-	292.45	662.28	117.09	-	779.37
Other significant non-cash expenses (other than depreciation)	469.68	39.72	-	509.4	105.11	(9.91)	-	95.2

25. Related party Disclosures:

a) Names of related parties and relationship :

(i)	IDBI Bank Limited	Company having substantial Interest
(ii)	National Stock Exchange of India Limited	Company having substantial Interest
(iii)	Key managerial personnel	Mr. G V Nageswara Rao, Managing Director and CEO

Nature and volume of transactions during the year with the above related parties

(₹ in Lakh)

Particulars	Current year	Previous year
(i) Transactions during the year :		
I. Companies having substantial Interest		
a) IDBI Bank Limited		
- Transaction Fees	35.55	28.66
- Annual fees	20.42	17.78
- Reimbursement of expenses	2.42	1.52
- Other operational income	-	-
- Interest Income on fixed deposit with Bank	49.34	46.87
- Interest (waiver)/ Income – Other	0.24	(0.13)
- Miscellaneous expenses	0.20	0.23
- Dividend paid	300.00	300.00
b) National Stock Exchange of India Limited		
- Miscellaneous expenses	0.15	0.19
- Transaction Fees	0.02	0.03
- Dividend paid	250.45	250.45

Notes Forming Part of the Financial Statements



Particulars	Current year	Previous year
II. Key managerial personnel		
- Remuneration (reimbursed to NSDL e-Governance Infrastructure Limited)	-	31.84
- -Remuneration	225.46	158.68
(ii) Payable/Receivable at the end of the period :		
Companies having substantial Interest		
a) IDBI Bank Limited		
- Security deposit payable	30.00	30.00
- Balance in current account	1,158.42	231.20
- Trade receivables	1.82	16.05
b) National Stock Exchange of India Limited		
Trade payable	0.12	0.13

Note: There are no provisions for doubtful debts or amounts written off/written back in respect of dues from/to related parties.

26. Operating Lease

The Company holds certain premises under operating leases. Rent includes expenses of ₹474.20 lakh (previous year ₹ 375.35).

Sr. No.	Period	Tenure	Lock in
1.	28th November, 2013 to 27th August, 2015	33 months	24 months
2.	7th September, 2013 to 6th September 2016	60 months	36 months

The committed lease rentals in the future are:

Particulars	Current Year	Previous year
Not later than one year	258.16	264.98
Later than one year and not later than five years	126.36	384.52
Total	384.52	649.50

(₹ in Lakh)

27. Insurance expenses in note 20 has been disclosed net of recoveries:

Particulars	Current Year	Previous year
Insurance	95.13	133.48

(₹ in Lakh)

28. Employee benefits:

The Group has recognized the following amounts in the Profit and Loss Account under the head Company's Contribution to Provident Fund and Other Funds. :

Particulars	Current Year	Previous year
Provident fund	113.31	100.72
Superannuation fund	67.47	64.58
Total	180.78	165.30

(₹ in Lakh)



Notes Forming Part of the Financial Statements

a) Defined benefit plan for gratuity as per actuarial valuation:

(i) Summary of actuarial assumptions :

Particulars	Current Year	Previous year
Discount rate	8.00%	9.31%
Rate of return on plan assets	8.00%	8.70%
Salary escalation	8.00%	8.00%
Attrition rate	2.00%	2.00%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

(ii) Reconciliation of defined benefit obligation :

(₹ in Lakh)

Particulars	Current Year	Previous year
Opening defined benefit obligation	946.76	968.42
Interest cost	88.14	11.09
Current service cost	107.11	118.16
Benefits paid	(32.06)	(35.61)
Amount paid to NSDL e-Governance Infrastructure Ltd	-	(57.60)
Actuarial (gain)/ loss on obligations	363.88	(57.69)
Closing defined benefit obligation	1473.83	946.76

(iii) Reconciliation of fair value of plan assets :

(₹ in Lakh)

Particulars	Current Year	Previous year
Opening fair value of plan assets	909.52	815.59
Expected return on plan assets	79.12	70.95
Contributions	5.95	51.96
Assets transferred on demerger	(32.06)	(35.61)
(Amount transferred to NSDL Gratuity Fund)	-	(57.60)
Benefits paid	(32.06)	(35.61)
Actuarial gain/(loss) on plan assets	(6.37)	6.63
Closing fair value of plan assets	956.16	909.52

(iv) Actual return on plan assets :

(₹ in Lakh)

Particulars	Current Year	Previous year
Expected return on plan assets	79.12	70.95
Actuarial gain/(loss) on plan assets (net of amount transferred to NSDL e-Governance Infrastructure Limited in previous year ₹57.60 lakh)	(6.37)	6.63
Actual Return on Plan Assets	72.75	77.58

Notes Forming Part of the Financial Statements



(v) Amount to be recognised in Balance Sheet:

(₹ in Lakh)

Particulars	Current Year	Previous year
Present value of funded obligation	(1473.83)	(946.76)
Fair value of plan assets at the end of the year	956.16	909.52
Amount recognised in Balance Sheet	(517.67)	(37.24)

(vi) Expenses to be recognised in Statement of Profit and Loss :

(₹ in Lakh)

Particulars	Current Year	Previous year
Current service cost	107.11	118.16
Interest cost	88.14	11.09
Expected return on plan asset	(79.12)	(70.95)
Net Actuarial (gain) / loss to be recognized	372.01	(121.93)
Expenses recognised in the Statement of Profit and Loss	488.14	(63.63)

(vii) Balance Sheet reconciliation :

(₹ in Lakh)

Particulars	Current Year	Previous year
Opening net liability	37.24	152.83
Expenses as above	486.38	(63.63)
Employers contribution	(5.95)	(51.96)
Amount recognised in Balance Sheet	517.67	37.24

(viii) Description of plan assets (managed by an Insurance Company) :

(₹ in Lakh)

Particulars	Current Year	Previous year
Central and State Govt. securities	Funds deployed	Funds deployed
Bonds/ debentures	by Life Insurance	by Life Insurance
Equity shares	Corporation of	Corporation of
Others	India	India

(ix) Experience Adjustments :

(₹ in Lakh)

Particulars	Current Year	Previous year
Experience adjustment		
- On plan liabilities (Gains)/Losses	142.64	(76.27)
- On plan assets (Losses)/Gains	6.37	6.63

The above details are as certified by the actuary and relied upon by the auditors.

Expected contribution in the next year ₹ 137.77 lakh (previous year ₹106.14 lakh).

The actuarial calculation used to estimate defined benefit commitment and expenses are based on above assumptions which if changed would affect the defined benefit commitments and expenses.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



Notes Forming Part of the Financial Statements

29. Earnings Per Share

In accordance with the Accounting Standard 20(AS-20)-'Earnings per Share', as notified by the Companies (Accounting Standards) Rules, 2006:

Particulars	Current Year	Previous year
Profit for the year attributable to the equity shareholders (₹ In lakh)	5166.31	4,344.04
Weighted average Number of equity shares during the period	40,000,000	40,000,000
Basic and Diluted Earnings Per Share	12.92	10.86
Face value of each share ₹	10	10

Diluted Earnings Per Share is equal to the Basic Earnings per share in view of absence of any dilutive potential equity shares.

30. Investor Protection Fund (IPF):

The Securities Exchange Board of India (SEBI) has issued SEBI (Depositories and Participants) (Amendment) Regulations, 2012 on 11th September, 2012. According to these Regulations, Depositories are required to establish and maintain an Investor Protection Fund (IPF) for the protection of interest of the beneficial owners and every depository is required to credit twenty five per cent of its profits to the Investor Protection Fund. The norms towards contribution to and the utilisation of IPF are yet to be specified. During the year ended 31st March, 2015, the contribution to IPF works out to ₹ 1,513.73 lakh (previous year ₹ 1,291.21 lakh), being 25% of the profits of the Company before tax for the year ended 31st March, 2015 available after making such contribution. The balance in IPF as at 31st March, 2015 is ₹ 3,668.12 lakh.

If the contribution to IPF is calculated based on the operating profit of the Company before tax and available after making such contribution, then the contribution works out to ₹ 975.68 lakh for the year ended 31st March, 2015 (previous year ₹ 815.36 lakh) respectively. Had this basis of calculation been adopted since the inception of this requirement, the balance in IPF as at 31st March, 2015 would have been ₹1,407.46 lakh.

31. Provision for stamp duty:

During the previous year, the company had made a provision of ₹ 370.00 lakh (previous year ₹ 370.00 lakh) towards stamp duty pending adjudication in respect of immovable assets transferred during the previous year under the scheme of demerger.

The outflow on this account will arise upon completion of the adjudication process.

32. Comparatives:

Figures for the Previous year have been regrouped/ reclassified wherever necessary to correspond with the figures for the current year.

For and on behalf of the Board of Directors

Sd/-
Abhijit A. Damle
Partner

Sd/-
G. V. Nageswara Rao
Managing Director & CEO
DIN:00799504

Sd/-
C. M. Vasudev
Chairman
DIN:00143885

Sd/-
P. P. Vora
Director
DIN: 00003192

Place : Mumbai
Date : April 27, 2015

Sd/-
Sudha B.
Chief Financial Officer

Sd/-
Deepak Shenoy
Company Secretary



Form AOC-1

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

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

Part "A": Subsidiaries

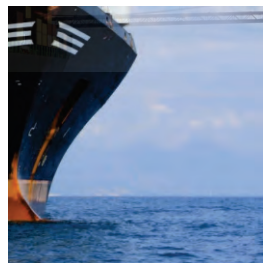
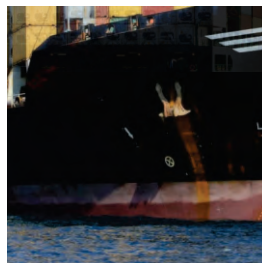
(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sr. No.	Particulars	Details
1	Name of the subsidiary	NSDL Database Management Limited (NDML)
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same that of holding company i.e. Financial Year ended March 31, 2015
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupees ₹
4	Share capital	61,05,00,000
5	Reserves & surplus	11,73,14,275
6	Total assets	91,88,55,651
7	Total Liabilities	1,91,041,376#
8	Investments	42,99,00,152
9	Turnover	42,10,32,219
10	Profit before taxation	10,12,39,206
11	Provision for taxation	2,44,36,000
12	Profit after taxation	7,68,03,206
13	Proposed Dividend	-
14	% of shareholding	100%

Excluding Share Capital and Reserves and Surplus



NSDL DATABASE MANAGEMENT LIMITED

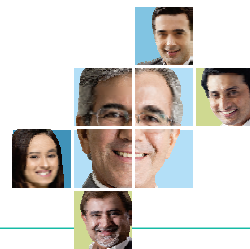




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Directors' Report



To the Members,

Your Directors are pleased to present the eleventh Annual Report along with the Audited Financial Statement of your Company for the financial year ended March 31, 2015.

1. Financial Review

Financial Results

(₹ in Lakhs)

Particulars	March 31, 2015	March 31, 2014
Income	4,210.32	3,368.10
Expenditure	3,112.06	2,737.03
Profit (Loss) before depreciation & prior-period adjustment	1,098.26	631.07
Depreciation	85.87	117.09
Profit (Loss) before Tax	1,012.39	513.98
Profit after tax	768.03	348.29
Balance brought forward from previous year	405.11	56.82
Profit (Loss) carried to the Balance Sheet	1,173.14	405.11

Statement on the Financial Performance of the Company

The FY 2014 -15 was ninth year of operations of NDML. During FY 2014-15, your Company has worked towards achieving higher operational and technical scale combined with excellence in the existing projects as well as engaging in such new projects that offer opportunity for delivering benefits of automation and process simplification to large user groups. Over the years, the Company has entered various areas requiring database management, automation and end to end integration of services. Currently, the Company has six operational projects viz. National Skills Registry (NSR) on behalf of NASSCOM (started in January 2006), SEZ Online (SEZ Online) on behalf of Ministry of Commerce and Industry (started in September 2009), KYC Registration Agency (KRA) regulated by SEBI (started in January 2012), 'PayGov India' on behalf of Department of Electronics and Information Technology (DeitY) (started in April 2012), Paper To Follow (P2F) on behalf of National Payment Corporation of India (started in April 2013) and National Insurance-policy Repository (NIR) regulated by IRDAI (started in August 2013).

During the year, the Company achieved a top line of ₹ 4,210.32 lakh resulting in a net profit of ₹ 768.03 lakh. The Company has for the first time turned around operationally and has achieved an operating profit of ₹ 416.64 lakh. The revenue expenditure for the year was ₹ 3,112.06 lakh. The Company expects to further expand the operations and revenues for its existing projects and leverage on the established cost structures so as to achieve better performance.

2. Dividend

Your directors do not propose any dividend for the current financial year.



Management Discussion and Analysis

3. State of Company's Affairs

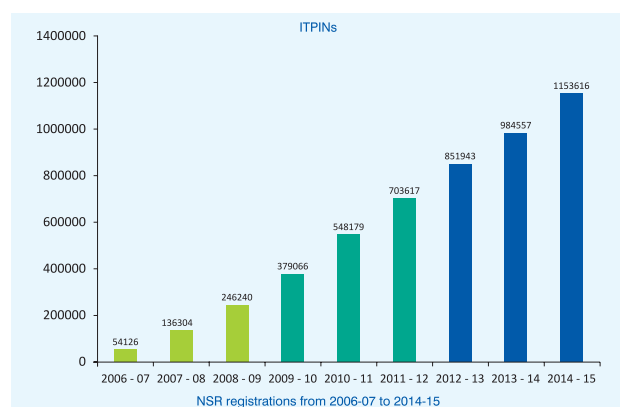
A. Progress of various projects

NSR Project

NSR system established by your Company is playing a key role in the IT / ITeS industry in the area of employee recruitment, background checks, engagement and relieving. Most of the large IT & ITeS companies have adopted NSR registration as a requirement for all their new employees and in many cases the Companies have encouraged their existing employees also to register. This collaborative effort by the Industry and its employees will result in a better industry environment such that each employee is registered on a central system, defined and extremely useful information is available, identity and biometric checks are done and pre-verified information relating to educational qualification and experience is available. This will boost confidence of the Companies in hiring employees coming from within the industry and also reduce the cost and time involved in background check process. As the industry sources its business from off-shore clients, having authenticated information of ITes personnel background also places the industry before its clients in a higher league where not only quality and cost but also security is of paramount importance.

As on March 31, 2015, 18 entities have been empanelled on NSR system for providing background checking services to NSR subscriber companies and registered professionals. Three agencies have been providing services as Points of Service (POS) for facilitation of NSR registration to Knowledge Professionals (KPs) from 30 cities. 172 companies have joined NSR. Many large sized companies have implemented NSR and made NSR registration a part of the joining / HR process. 172 companies subscribed with NSR comprise about 60 percent of the total employee strength in the Indian IT / ITeS industry. A comparison of the hiring during the previous year suggests that the registration with NSR is in line with the hiring trend of the industry.

So far 11.53 lakh (PY 9.84 lakhs) knowledge professionals



have registered on NSR and have been allotted ITPIN. Details of NSR registrations at the end of each financial year are reflected in the diagram above.

SEZ Online Project

Your Company is operating SEZ Online System on behalf of Ministry of Commerce and Industry (MOCI). SEZ Online is a nationwide integrated e-governance solution for facilitating processing of various transactions of SEZ developers, Co-developers, Units, Export Oriented Units (EOUs) and Deemed Exporters with the SEZ Administration. This project aims to improve speed and efficiency of transactions, bring about transparency in processing and enable better controls.

SEZ Online system is now being used in all operational SEZs by all operational units for processing of import, export and various other important transactions.

“Ease of Doing Business Initiative”: During the year under review, SEZ Online System played a frontline role in supporting “Ease of Doing Business Initiative” of Government of India for SEZs. MOCI had identified 37 different types of applications which should be submitted online by SEZ Units / Developers to Development Commissioner Office (DC Office) for review and approval. Further, MOCI had also identified the timelines for DC Office to dispose these application categories. SEZ Online has provided the online, secure and transparent platform for submission and processing of these applications in a time-bound manner.

Data Exchange with EDI System: One of the long standing aspirations of SEZ Constituents has been that SEZ Online system should interact electronically with EDI System of Customs and exchange important information to facilitate and support cargo clearance & movement. This would also reduce the need for paper based clearances and bring better controls. Under the guidance of MOCI and Department of Revenue; the framework of this data exchange has been identified, system development has been undertaken and data exchange on pilot basis has been initiated at Madras Export Promotion Zone from January 2015. Data exchange program has been suitably modified based on feed-back from users. It will be shortly launched for nation-wide service.

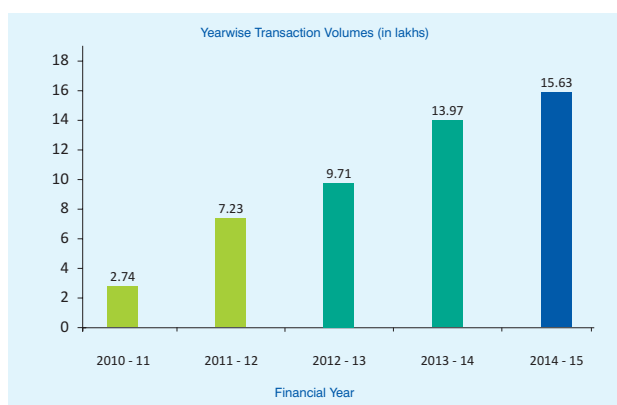
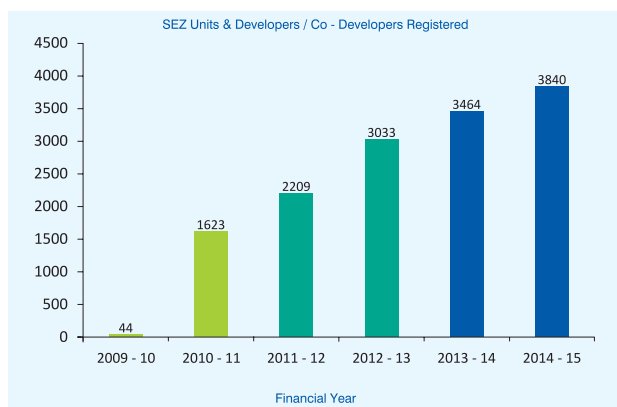
System is also providing data in desired formats to Director General of Commercial Intelligence & Statistics (DGCI&S) for compilation of trade data at country level.

System is connected with Reserve Bank of India for providing merchandise and software export data on a daily basis so as to facilitate monitoring the realization of export proceeds in foreign exchange in timely manner.



Implementation Status:

More than 3,500 SEZ units and 280 Developers / Co-Developers are now registered on the system. During FY 2014-15, 15.63 lakh transactions were submitted by SEZ Units / Developers and were reviewed and approved by Custom Officers through the system (13.97 lakh for FY 2013-14).



Future Roadmap for SEZ Online project:

System is being continuously further evolved and developed to provide more efficient and better facilities to the users and provide for an efficient risk management and transaction processing system which is compliant with regulatory provisions and accepted practices. System performance improvement has been at the forefront of application development during the year and would continue to be a focus area.

Review of SEZ sector:

SEZs have contributed quite significantly to the international trade for the country and have generated significant employment in various sectors such as Gems & Jewellery, Information Technology, etc. Free Trade Warehouses which have been recently set-up in the country have also boosted the trading and services aspects from SEZs. MOCI and DC Offices are pursuing with and facilitating all developers to progress their SEZ

plans to operationalization phase. New Foreign Trade Policy has announced support for SEZs. It is believed that SEZs would continue to grow in terms of new SEZs, new Units and therefore the volume of trade and the business. SEZ Online system would attempt to play its due role in facilitating this growth.

KYC Registration Agency (KRA)

Your Company is registered with Securities & Exchange Board of India (SEBI) as KYC Registration Agency. With a view to bring uniformity in the KYC requirements in the securities markets, SEBI has stipulated uniform KYC requirements to be effected by all SEBI registered market Intermediaries for their clients and has also issued the SEBI {KYC (Know Your Client) Registration Agency (KRA)}, Regulations, 2011. These Regulations create the framework for SEBI registered Intermediary for registration of KYC data and documents of its clients with a third party agency i.e. KYC Registration Agency (KRA). The client who is desirous of opening a demat/trading account or acquire Mutual Funds through a SEBI registered Intermediary shall submit the KYC details and the supporting documents to the Intermediary. The Intermediary will perform the initial KYC and upload the details on the system of KRA. KRA shall verify the KYC documents and after confirming the correctness, issue a letter to the concerned client confirming completion of the registration. The KYC information can be accessed by SEBI registered Intermediaries while dealing with the same client. As a result, once the client has done KYC with a SEBI registered Intermediary, he / she need not undergo the same process again with another Intermediary.

Your Company has established connectivity with other KRAs thereby facilitating Intermediaries registered with NDML KRA to download KYC information available with other KRAs. NDML KRA is facilitating inquiry of KYC status and download of KYC information through SMS. This facility allows Intermediary users to check status of KYC and download KYC information through SMS through registered Mobile Number.

As on March 31, 2015, 862 SEBI registered market Intermediaries have registered with NDML KRA and KYC records of 51.73 lakh applicants were uploaded in the KRA system.

SEBI has permitted other financial sector regulators to avail themselves of the services of KRAs registered with SEBI. Accordingly, Forward Market Commission (FMC) has issued guidelines for Common/Uniform Client Registration in commodity derivative markets through KRAs. These guidelines enable all the members of commodity market to avail the services of KRAs for the purpose of client registration and uploading/downloading of client data to/from the servers of the KRAs. Your



Management Discussion and Analysis

Company foresees growth in its KRA business due to this development.

'NDML Payment Services Platform (PayGov)' established under National e-Governance Plan (NeGP)

Department of Electronics & Information Technology (DeitY), Government of India (GoI) under its National e-Governance Plan (NeGP) has engaged your Company to assist it in collecting online payments from Citizens for various Government services. Your Company is providing the payment services using "Payment Aggregator" model so that Citizens can be provided with all modes of payment such as net banking, credit cards, debit cards, IMPS, wallets, etc. Technical and processing infrastructure for providing these services is sourced from service providers.

DeitY has issued advisory to all states and government departments to consider using PayGov platform for online payment services. PayGov is currently connected with 34 different Government departments / Utility service providers across various States and is facilitating payment of treasury as well as non-treasury payments. During the FY 2014-15, PayGov has processed 28.97 lakh online payment transactions. PayGov is now also being used as an integrated payment channel for Mobile Applications launched by Karnataka Government and Municipal Corporation of Greater Mumbai.

National Insurance-policy repository (NIR)

NIR commenced its operations from August 2013 upon receipt of its Certificate of Registration to act as an Insurance Repository from Insurance Regulator and Development Authority of India (IRDAI).

NIR empowers an individual to hold all its insurance policies (both life and non-life) in electronic form in a single e-Insurance Account (eIA). eIA will help the policy holder to have a single point of reference for its policies, safekeeping the policies, ease in transfer of information to the beneficiary and keeping a track of transactions in each policy that he/she holds.

Benefits to Policy holders:

- All Insurance policies under one umbrella
- Eliminates multiple KYC
- Eliminates communication to different insurance companies separately for updations
- Portfolio Tracking
- The problem of policy mutilation or loss of document is eliminated.

IRDAI issued guidelines on pilot implementation of Insurance Repository system in June 2014, which enabled system and process integration of NIR with all Life Insurance Companies for receiving policy credit in electronic form. NIR has signed agreement with 15 Life Insurance Companies and is in dialogue with other Life Insurance Companies for signing the agreement.

NIR has achieved a milestone of 1 lakh policies in electronic form on July 11, 2015 in over 94,700 e-Insurance Accounts. The total sum assured of policies held in the eIAs with NIR is over ₹14,000 crores. As on June 30, 2015, there are 48 active Approved Persons offering NIR services which include 8 Banks. The presence of NIR has grown from 300 branches of Approved Persons in 125 cities to over 8,869 branches of Approved Persons across 885 cities.

Your Company is pleased to inform that IRDAI has issued revised guidelines which enables premier services to be offered to policy holders and also announced data structure for non-life insurance policy for electronic issuance of non-life policies. Your Company is working on capitalizing this opportunity.

Paper to Follow (P2F) Process of Cheque Truncation System (CTS)

Your Company is managing 'Paper To Follow (P2F)' process of Cheque Truncation System (CTS) on behalf of National Payments Corporation of India (NPCI). NDML is required to manage P2F process at each of the 64 Grid CTS centers with suitable human resources and infrastructure. As on March 31, 2015, all 64 locations have been activated by NDML.

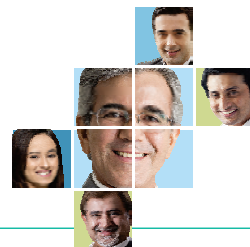
Other Projects

Your Directors feel that the Company will be able to gain ground and develop secure and user friendly systems for automation. Your Directors are confident that in the next few years, the Company would be able to take the current projects to new heights and establish new projects of national and social importance which would result in further improved operating and financial performance for the Company.

B. ISO 27001 Certification

In view of the continued quest of highest quality norms for information security, the Company had obtained internationally recognized ISO 27001 certification for implementation of information security management system (ISMS) for NSR project. Company received re-certification of the certificate of NSR project in March 2013 by the accredited Auditors, M/s. Det Norske Veritas (DNV-GL). During this year, the Company has executed the process for migration of ISO standards from

Management Discussion and Analysis



ISO 27001:2005 to ISO 27001:2013. The same will be audited by DNV-GL. Also the 2nd Surveillance audit of NSR project will be carried out by DNV-GL.

C. Internal Controls and Audit

Your Company has well established processes and clearly defined roles and responsibilities at various levels. Comprehensive operational manual and standard operating procedures have been put in place in various departments including operations and finance. There is an independent audit firm appointed for conducting internal and operational audit. The report of the Internal Auditor along with management response is placed before the Audit Committee which reviews the same and advises on improvements in the Internal controls.

D. Risk Management and Insurance

Taking into account various risk involved, your Company has taken adequate insurance cover for employees and assets. Your Company has also obtained a professional indemnity insurance policy for Insurance Repository activity as per the IRDAI requirement.

Also, Directors and Officers Liability Insurance policy has been taken by NSDL (holding company) to cover the liability of the Directors and officers of both NSDL and NDML.

E. Other Measures

Your Company has appointed a Compliance Officer to ensure compliance with various laws. The Compliance

Officer reports on the compliance on matters relating to the relevant applicable laws quarterly at Board meetings. The Company also seeks outside legal advice, wherever needed.

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

4. Disclosure Related to Financial Transactions

4.1 Deposits

The Company has not accepted any deposit under Section 73 of the Companies Act, 2013 from the public.

4.2 Particulars of Loans, Guarantees or Investments

Details of Loans and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

4.3 Particulars of Contracts or Arrangements with Related Party

During the period under review, the Company had not entered into any material transaction with any of its related parties. None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 27 of Financial Statements, forming part of the Annual Report.



5. As a NSDL Group Company, the Company's philosophy on Corporate Governance is based on the fundamental principle of fair, ethical and transparent governance practices by adopting highest standards of professionalism, integrity, honesty, equity, transparency, accountability and ethical behavior in all facets of operations and dealing with all its stakeholders. These values and principles set the context to manage affairs of your Company in a fair and transparent manner. Through the Governance mechanism in the Company, the Board alongwith it's Committees upholds fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in your Company's governance practices. Your Company aims at maintaining highest standards in complying with all applicable laws and regulations, conducting its business in an ethical manner and protecting the interests of investors and other stakeholders. The governance practices of your Company are under continuous review and continuously benchmarked to the best practices.

I. Board of Directors

Your Board reviews long term as well as short term strategies of your Company from time to time and ensures statutory and ethical conduct with high quality financial reporting. Your Company is provided with direction and guidance by professional Board comprising eminent persons with considerable professional expertise and experience in finance, legal, banking and other related fields.

Your Company has highly professional and experienced management team consisting of business / functional heads who look after the day-to-day affairs of the Company under the direction of Director-in-charge who functions under the overall supervision and control of the Board.

A. Composition and size of the Board

The Board comprised of five (5) Directors as on March 31, 2015, out of which four are non-whole time Directors. Three of the non-whole time Directors are Independent Directors. Chairman of the Board is an Independent Director.

1. Mr. P. P. Vora

Mr. P. P. Vora, aged 71 years, is an eminent Chartered Accountant. He has the industry experience of more than 40 years and is specialized in spearheading financial/ accounting function. He has retired as Chairman and Managing Director of IDBI Bank Ltd. (erstwhile Industrial Development Bank of India (IDBI)). At present, he is a Director on Board of NSDL, Reliance Capital Trustee Company Limited, Reliance Home Finance Limited, J. Kumar Infraprojects Limited, Sterling Add Life India Private Limited (earlier known as Sterling Add Life India Limited) and Rama Cylinders Private Limited.

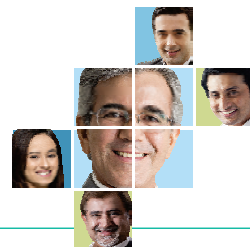
2. Mr. C. M. Vasudev

Mr. C. M. Vasudev, aged 72 years, holds a master's Degree in Economics and Physics. He has retired from the Indian Administrative Services (IAS). He has extensive experience working at policy-making levels in the financial sector. He has worked as Executive Director of World Bank and also chaired World Bank's committee on development effectiveness with responsibility for ensuring effectiveness of the World Bank's operations. He has worked for the Ministry of Finance for more than 8 years. He has worked as a government nominee Director on the Boards of many companies in the financial sector such as State Bank of India, IDBI, ICICI, IDFC, NABARD and the National Housing Bank and was also a member of the Central Board of the RBI. He was the member secretary of the Narasimhan Committee on financial sector reforms.

He was an Independent Non-Executive Chairman of the Board of HDFC Bank Limited. At present, he is a Director on the Board of NSDL, NSDL e-Governance Infrastructure Limited, National Securities Clearing Corporation Limited, ICRA Management Consulting Services Ltd., Uttarakhand Jal Vidyut Nigam Limited, Uttarakhand Power Corporation Limited, Star Paper Mills Limited, Bedrock Ventures Private Limited, Power Exchange India Limited, Centennial Development Advisory Services India Private Limited and Skills Academy Private Limited.

3. Mr. K. Sivaprakasam

Mr. K. Sivaprakasam, aged 67 years, is a member of Institute of Chartered Accountants of India and Institute of Cost and Works Accountants of India. He is also CAIIB and also holds a Bachelor of Commerce and Law. He served as Managing Director of Credit Analysis & Research Limited and has over 32 years of experience in credit appraisal of commercial loans, appraisals of project loans, resources management and treasury operations, forex services and rehabilitation



financing, investment and asset management services, secondary market operations, etc.

At present, he is a Director on the Board of Clearcorp Dealing System (I) Limited and Srei Mutual Fund Trust Private Limited.

4. Mr. G. V. Nageswara Rao

Mr. G. V. Nageswara Rao, aged 54 years, is MBA from IIM-Ahmedabad, a Chartered Accountant and a Cost Accountant. He has a unique blend of experience of over 27 years covering the whole gamut of financial services in India including capital markets and securities business, retail banking, corporate and investment banking, project finance and life insurance. Mr. Rao has a deep understanding of and strategic insight into financial services businesses in India with a track record of building and managing several successful businesses.

He is currently MD & CEO of NSDL. Before joining NSDL, Mr. Rao has held position as the MD & CEO of IDBI Federal Life Insurance Company Ltd., of IDBI Bank Ltd. and of IDBI Capital Market Services Ltd.

5. Mr. Rajesh Doshi

Mr. Rajesh Doshi, aged 59 years, is an Alumni of the Indian Institute of Technology (Mumbai), with Bachelor's Degree in Electrical Engineering. He started his career with Tata Infotech Ltd. He has been associated with National Securities Depository Limited (NSDL) since its inception in 1996 with overall responsibility to set-up and manage IT infrastructure and development, implementation and maintenance of application for NSDL's projects.

B. Board Procedures and Meetings

The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness. A minimum of four Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice in advance to all the Directors to address the specific needs of the Company. However, in case of a special and urgent business need, the Board also approves by Circular Resolution, important items of business (other than items as specified under Section 179 of the Companies Act, 2013) which cannot be deferred till the next Board Meeting. The date of the subsequent Board meetings are decided with the mutual consent of all the Directors present at the ongoing Board meeting. The Board meetings are usually held at the registered office of the Company.

The agenda for the Board Meeting is prepared in consultation with the Director-in-charge. All material information is incorporated in agenda and the same with the appropriate supporting documents, is circulated well in advance for facilitating meaningful and focused discussions at the meeting. All significant developments and material events are brought to the notice of the Board as a part of the agenda paper in advance of the meeting or by way of presentation and discussion material during the meeting.

During the year under review, Six (6) Board meetings were held on May 19, 2014, July 14, 2014, September 24, 2014, November 13, 2014, January 21, 2015 and February 12, 2015.

Details of attendance of each director at the Board Meetings held during the year under review are as follows:

Sr. No.	Name of the Director	Category	Attendance Particulars		No. of other Directorships	No. of Committee Positions held	
			No. of Board Meetings held during tenure	No. of Board meetings attended		Member	Chairman
1	Mr. P. P. Vora	Non-Executive Chairman/ Independent	6	6	6	3	4
2	Mr. C. M. Vasudev	Non-Executive/ Independent	6	6	8	6	1
3	Mr. K. Sivaprakasam	Non-Executive/ Independent	6	4	1	1	1
4	Mr. M. S. Sundara Rajan*	Non-Executive/ Independent	6	1	11#	3#	3#



Sr. No.	Name of the Director	Category	Attendance Particulars		No. of other Directorships	No. of Committee Positions held	
			No. of Board Meetings held during tenure	No. of Board meetings attended		Member	Chairman
5	Mr. Ravi Narain**	Non-Executive	6	6	12#	8#	2#
6	Mr. G. V. Nageswara Rao	Non-Executive/ promoter representative	6	6	1	1	0
7	Mr. Rajesh Doshi	Director-in-charge	6	6	N.A.	1	0

* Mr. M.S. Sundara Rajan has resigned as Director w.e.f. July 14, 2014

** Mr. Ravi Narain has resigned as Director w.e.f. March 20, 2015

Information as available on the date of cessation.

Note:

1. The Directorships held by Directors as mentioned above, do not include Directorships in Foreign Companies, Section 8 Companies and Private Limited Companies which are not the holding or subsidiary Company of a Public Company.
2. While considering Memberships/Chairmanships of Committees, only the Audit Committee and Stakeholder's Relationship Committees in all Public Limited Companies have been considered.

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit and Nomination and Remuneration Committee as per the evaluation criteria approved by the Board.

C. Board Level Changes:

The Board of Directors had appointed Mr. G. V. Nageswara Rao as Additional Director of the Company. He was appointed as Director at the Tenth Annual General Meeting (AGM) held on September 24, 2014 by the members.

At the said AGM, the member's also appointed the existing Independent Director's viz. Mr. P. P. Vora, Mr. C.M. Vasudev and Mr. K. Sivaprakasam who had given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 as Independent Directors.

Further, pursuant to Section 196, 197, Schedule V and 203 of the Companies Act, 2013, members also approved appointment of Mr. Rajesh Doshi as Director-in-Charge/Manager of the Company w.e.f. February 1, 2014 for an interim period, not exceeding five years, till a new Managing Director & CEO is appointed by the Company.

Further, during the year, Mr. M. S. Sundara Rajan and Mr. Ravi Narain ceased to be a Director of the Company w.e.f. July 14, 2014 and March 20, 2015 respectively.

The Board wishes to place on record its deep appreciation and gratitude for the valuable contribution made by them during their tenure as Director.

D. Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting:

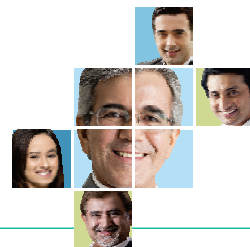
In accordance with the provisions of Section 152 (6) of the Companies Act, 2013, Mr. G. V. Nageswara Rao is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

E. Declaration by an Independent Director(s):

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

F. Independent Directors meeting:

During the year under review, the Independent Directors met on March 26, 2015. All the Independent Directors were present at the meeting.



II. Board Committees

The Board has constituted various Committees of Directors to take informed decisions in the best interest of the Company. These Committees monitor the activities falling within their terms of reference. The Board Committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas/activities which concern the Company and require a closer review. The Board Committees are set up with the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by members of the Board as a part of good governance practice. The minutes of the meetings of the Committees are placed before the Board for review. Currently, the Board has three committees, viz:

- Audit Committee
- Nomination and Remuneration Committee (earlier known as Remuneration Committee)
- Share Allotment and Transfer Committee (earlier known as Share Allotment Committee)

A. Audit Committee

The Audit Committee of NDML assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing, internal controls and reporting practices of the Company and its compliance with the legal and other regulatory requirements. The Committee consists of four directors out of which three are Independent Directors in accordance with the provisions of Section 177 of the Companies Act, 2013. The Committee meets once in each quarter to review the quarterly accounts, budgetary controls, internal audit reports and discuss with the auditors about the scope of audit, internal control systems and procedures including the observation of auditors. The Committee reviews the quarterly and annual financial statements before submission to the Board and ensures compliance of internal control systems. The Committee in each quarter also reviews the details of investment of surplus funds of the Company as per Investment policy approved by the Board. The Committee is governed by the scope as mentioned in the provisions of Section 177(4) of the Companies Act, 2013.

Mr. P. P. Vora, Chairman of the Board is also Chairman of the Audit Committee and attends all General Meetings.

During the year under review, Four (4) meetings of the Audit Committee were held on May 19, 2014, July 14, 2014, November 13, 2014 and February 12, 2015.

Details of attendance of each director at the Audit Committee Meetings held during the year are as follows:

Sr. No.	Name of the Member	Total No. of meetings held	Total No. of meetings attended
1.	Mr. P. P. Vora	4	4
2.	Mr. C. M. Vasudev	4	4
3.	Mr. K. Sivaprakasam	4	2
4.	Mr. Ravi Narain(*)	4	4
5.	Mr. Rajesh Doshi	4	4

(*) Mr. Ravi Narain ceased to be member w.e.f. March 20, 2015.

B. Nomination and Remuneration Committee (earlier known as Remuneration Committee)

The Company had Remuneration Committee to review overall employee compensation structure and related policies with following directors as members:

Sr. No.	Name of the Member	Position held
1.	Mr. P. P. Vora	Chairman of the committee & Board
2.	Mr. K. Sivaprakasam	Member
3.	Mr. Ravi Narain	Member

The provisions of the Companies Act, 2013 states that the Company shall constitute a Nomination and Remuneration Committee (NRC) and that the chairperson of the Company shall not chair the Committee. Accordingly, the Board renamed the Remuneration Committee as Nomination & Remuneration Committee in its meeting dated May 19, 2014 for the purpose of discharging its functions required under Companies Act, 2013 and re-constituted the same as follows:



Nomination and Remuneration Committee

Sr. No.	Name of the Member	Position held
1.	Mr. C. M. Vasudev	Chairman of the committee
2.	Mr. P. P. Vora	Member
3.	Mr. Ravi Narain*	Member

*Mr. Ravi Narain ceased to be a member w.e.f. March 20, 2015.

During the year under review, Two (2) meetings of the Nomination and Remuneration Committee were held on May 19, 2014 and July 14, 2014.

Details of attendance of each director at the Nomination and Remuneration Committee Meeting held during the year are as follows:

Sr. No.	Name of the Member	Total No. of meetings held	Total No. of meetings attended
1.	Mr. C. M. Vasudev*	2	1
2.	Mr. P. P. Vora	2	2
3.	Mr. K. Sivaprakasam**	2	1
4.	Mr. Ravi Narain***	2	2

*Mr. C. M. Vasudev appointed as Chairman of the Committee in the Board meeting dated May 19, 2014.

**Mr. K. Sivaprakasam ceased to be a member in the Board meeting dated May 19, 2014.

***Mr. Ravi Narain ceased to be a member w.e.f. March 20, 2015.

As per the provisions of Section 178 of the Companies Act, 2013, the Company has a Remuneration and Director's appointment Policy in place which has been duly approved by the Board of Directors in its meeting.

C. Share Allotment and Transfer Committee

The Share Allotment and Transfer Committee is formed for the purpose of allotment of shares and approve the share transfers lodged with the Company after all necessary approvals. The Committee consists of two members with Mr. P. P. Vora as Chairman of the Committee. As there were no changes in the Authorised or Issued capital of the Company during the year and no transfer case lodged, the Committee did not meet. Composition of the Committee is given below:

Sr. No.	Name of the Member
1.	Mr. P. P. Vora
2.	Mr. Rajesh Doshi

III. Details of Key Managerial Personnel (KMPs):

Pursuant to Section 203 read with Rule 8 of Chapter XIII of the Companies Act, 2013, the details of the KMPs of the Company is as follows:

Sr. No.	Name of KMPs	Designation	Date of Appointment
1.	Mr. Rajesh Doshi	Manager	01.02.2014
2.	Ms. Sudha B.	Chief Financial Officer	10.02.2014
3.	Ms. Nehal Thaker	Company Secretary	10.02.2012

IV. Code of Ethics

The Company has a Code of Ethics which prescribes policies on confidentiality, conflict of interest and securities investment procedure and restrictions thereon. The Code is applicable to all Directors and Employees of the Company.



Implementation of Code of Ethics is based on acceptance by the concerned Director / employee and submission of required declarations, disclosures or occurrence of any events.

V. General Body Meetings

The details of the Annual General Meetings (AGM) held during the last three years are given below:

AGM	Date	Venue
Eighth	July 05, 2012	Board Room, National Securities
Ninth	July 02, 2013	Depository Limited, Trade World, 5th Floor,
Tenth	September 24, 2014	Kamala Mills Compound, Lower Parel, Mumbai- 400 013

The Eleventh AGM is scheduled to be held on September 14, 2015 at 10.30 a.m. at the Board Room of National Securities Depository Limited, Trade World, 5th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013.

6. Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to the material departures, if any;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- that they have 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 the Company and for preventing & detecting fraud and other irregularities;
- that they have prepared the annual accounts on a going concern basis; and
- that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

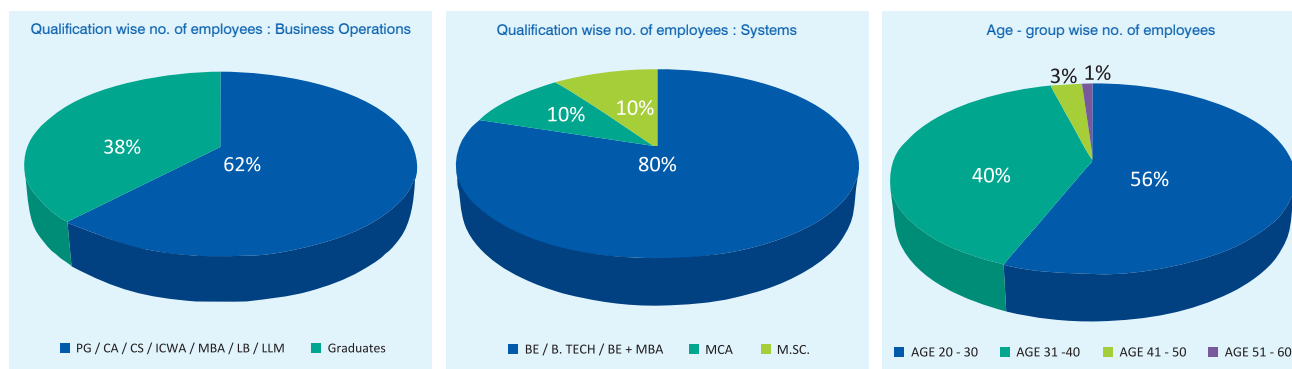
7. Human Resources

Your Company emphasizes on the quality of its human resources as it believes the employees are the most important and valuable assets. Your Company has created favorable work environment and strives to provide fair and transparent policies to its employees. Your Company believes in creating a knowledge organization and recognizes the significance of skills and training in the growth of an individual and the Company. Various training and orientation programmes are conducted, both in-house as well as external programmes. Officials across various levels are exposed to programmes according to training needs. During the year under review, Leadership programme and 'Team building & Interpersonal Skills' programme were conducted for employees at middle management level to increase their efficiency and enhance their leadership qualities. Other training programmes on Information Security Policies Awareness, Business Continuity Planning, Positive Work Environment, etc. are also conducted in order to keep abreast the employees in these areas. Company also nominates employees to participate in various seminars specific to business and other related areas and also for specific technical training.

This has enabled all employees for learning, contributing and growing and enables your Company to retain and attract talented employees.



Qualification-wise and Age group-wise break up of employees is as follows:



Positive Work Environment

Positive Work Environment (PWE) Policy was in place at NDML in accordance with the Vishakha Guidelines since the year 2012. Pursuant to the enactment of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the PWE policy viz.; NDML Policy for Positive Work Environment has been put in place in accordance with the aforesaid Act. Further, the Internal Complaints Committee (ICC) was formulated as per the requirements. In order to create awareness among employees of the Company, training program was conducted for the employees, including the management of the Company. It may be noted that during the year 2014-15, no grievance was reported to the Committee.

8. Auditors

A. Statutory Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants, Auditors of the Company, have been re-appointed as Statutory Auditors to hold office from the conclusion of the Tenth Annual General Meeting for a period of 4 years, subject to ratification of their appointment at every AGM. Deloitte Haskins & Sells LLP have confirmed their consent for re-appointment for FY 2015-16. Deloitte Haskins & Sells LLP have confirmed that they fulfill the conditions as prescribed under Rule 4 of Chapter X read with Section 139 of the Companies Act, 2013.

Re-appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai as statutory auditors for FY 2015-16 will be considered for ratification by the shareholders in the Eleventh Annual General Meeting.

B. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Ashish Garg, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure A".

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation or adverse remark given by the Auditors in their Report.

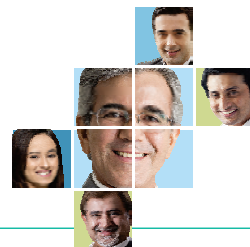
9. Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed as "Annexure B" and forms part of this report.

10. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/Outgo

a) Conservation of Energy and Technology absorption

As the Company does not have any manufacturing activities, particulars required to be disclosed with respect to the conservation of energy and technology absorption in terms of Section 134(3)(m) of the Companies Act, 2013, are not applicable. The Company has, however, used information technology extensively in its operations.



b) Foreign Exchange earnings/outgo during the period under review

(₹)

Sr. No.	Particulars	F.Y. 2014-15	F.Y. 2013-14
1	Foreign Exchange Earnings- Actual inflow in foreign currency	Nil	Nil
2	Foreign Exchange Outgo/Expenditure incurred – Actual outflow in foreign currency	Nil	Nil

11. Particulars of Employees

During the year, remuneration of no employee falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

12. Appreciation

Your Directors place on record their sincere appreciation of the support provided by NASSCOM, Government of India - Ministry of Commerce & Industry, Government of India- Ministry of Communications & Information Technology, Securities and Exchange Board of India, Insurance Regulatory and Development Authority, Department of Electronics and Information Technology, National Payment Corporation of India, Ministry of Human Resource Development, various Insurer Companies availing NIR services, various State/Central Government Departments availing services of PayGov platform, Point of Service entities, Empanelled Background Checkers and Subscribers of the NSR, Developers, Co-Developers, Unit Holders, Export Oriented Units, Investors, Market Intermediaries, Registrars, Policy holders, Approved persons, Consultants, Service providers and Suppliers and Bankers. Your Directors also express deep sense of appreciation to all the employees for their professionalism, commitment and dedicated efforts which have made the organization's growth and success possible. Finally, the Directors wish to express their gratitude to the promoter viz. National Securities Depository Limited for its valuable guidance and contribution throughout the year.

For and on behalf of the Board of Directors

Sd/-

Mr. P. P. Vora
CHAIRMAN

Place: Mumbai
Date: August 10, 2015



Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED – March 31, 2015**

[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,

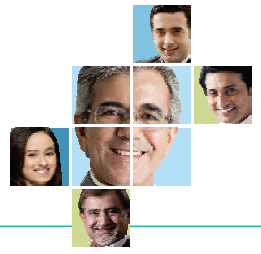
The Members,
NSDL Database Management Limited
4th Floor, 'A' Wing, Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by NSDL Database Management Limited for the financial year ended on March 31, 2015 according to the provisions of:

- | | |
|---|---|
| <ul style="list-style-type: none"> (i) The Companies Act, 2013 (the Act) and the rules made there under; (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; <u>which is not applicable to the Company</u> (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; | <ul style="list-style-type: none"> (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; <u>which is not applicable to the Company</u> (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- <ul style="list-style-type: none"> (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; <u>which is not applicable to the Company</u> (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; <u>which is not applicable to the Company</u> (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; <u>which is not applicable to the Company</u> (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; <u>which is not applicable to the Company</u> (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; <u>which is not applicable to the Company</u> (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; <u>which is not applicable to the Company</u> and (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; <u>which is not applicable to the Company</u> |
|---|---|



(vi) Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency (KRA)}, Regulations, 2011

(vi) Guidelines on Insurance repositories and electronic issuance of insurance policies issued by IRDA

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India. which is not applicable to the Company

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s), If applicable; which is not applicable to the Company

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that

took place during the period under review were carried out in compliance with the provisions of the Act.

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, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and recorded in the minutes.

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

Sd/-
Ashish Garg
FCS No : 5181
C P No : 4423

Place : Indore

Date : August 10, 2015



Independent Auditors' Report

To The Members of NSDL Database Management Limited Report on the Financial Statements

We have audited the accompanying financial statements of **NSDL DATABASE MANAGEMENT LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend

on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

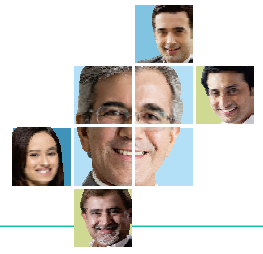
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified

Independent Auditors' Report



under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Sd/-
Mukesh Jain
(Partner)
(Membership No.108262)

Place: Mumbai

Date: April 27, 2015



Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business / activities / results during the year, clauses (ii), (vi), (ix), (x), and (xi) of paragraph 3 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and no unclaimed deposits. Consequently Sections 73 to 76 or any other relevant provisions in respect of unclaimed deposit is not applicable.
- (vi) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Income-Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-tax, Service tax and Cess which have not been deposited as on March 31, 2015 on account of disputes.
- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (vii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (viii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Sd/-

Mukesh Jain
(Partner)
(Membership No.108262)

Place: Mumbai

Date: April 27, 2015

Balance Sheet as at March 31, 2015



(Amount in ₹)

Particulars	Note No.	As at March 31, 2015		As at March 31, 2014	
I. EQUITY AND LIABILITIES					
1. Shareholders' funds					
(a) Share capital	3	610,500,000		610,500,000	
(b) Reserves and surplus	4	117,314,275	727,814,275	40,511,069	651,011,069
2. Non-current liabilities					
(a) Deferred tax liability (net)	11	2,772,000		1,274,000	
(b) Other long term liabilities	5	11,938,398	14,710,398	13,443,450	14,717,450
3. Current liabilities					
(a) Trade payables	6	56,553,196		49,811,428	
(b) Other current liabilities	7	109,641,821		81,601,155	
(c) Short term provisions	8	10,135,961	176,330,978	7,527,620	138,940,203
Total			918,855,651		804,668,722
II. ASSETS					
1. Non current assets					
(a) Fixed assets					
(i) Tangible assets	9	22,939,108		26,944,565	
(ii) Intangible assets	9	14,889,347		6,547,762	
(iii) Capital work in progress		7,752,649		16,524,894	
		45,581,104		50,017,221	
(b) Non-current investment	10	346,042,451		-	
(c) Long term loans and advances	12	39,977,884		59,478,284	
(d) Other non-current assets	13	29,557,561	461,159,000	26,294,063	135,789,568
2. Current assets					
(a) Current investments	14	83,857,701		50,357,512	
(b) Trade receivables	15	37,349,821		15,798,648	
(c) Cash and cash equivalents	16	308,553,848		585,562,373	
(d) Short term loans and advances	17	4,974,599		5,256,419	
(e) Other current assets	18	22,960,682	457,696,651	11,904,202	668,879,154
See accompanying notes forming part of the financial statements (1 to 31)					
Total			918,855,651		804,668,722

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Mukesh Jain
Partner

Place : Mumbai
Date : April 27, 2015

For and on behalf of the Board of Directors

Sd/-
P. P. Vora
Chairman

Sd/-
Rajesh Doshi
Director

Sd/-
Sudha B.
Chief Financial Officer

Sd/-
G. V. Nageswara Rao
Director

Sd/-
Nehal Thaker
Company Secretary



Statement of Profit and Loss for the year ended March 31, 2015

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
INCOME			
Revenue from operations	19	361,456,540	279,129,186
Other income	20	59,575,679	57,681,451
Total income		421,032,219	336,810,637
EXPENSES			
Employee benefit expenses	21	79,073,729	71,214,198
Depreciation and amortization expense	9	8,587,396	11,709,016
Finance costs	22	-	191,918
Other expenses	23	232,131,888	202,296,783
Total expenses		319,793,013	285,411,915
Profit before tax		101,239,206	51,398,722
Tax expense			
Current tax		(22,938,000)	(15,432,000)
Deferred tax		(1,498,000)	(1,138,000)
Total tax expenses		24,436,000	16,570,000
Profit for the year		76,803,206	34,828,722
Basic and diluted earnings per equity share of ₹ 10 each	29	1.26	0.57
See accompanying notes forming part of the financial statements (1 to 31)			

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Mukesh Jain
Partner

Place : Mumbai
Date : April 27, 2015

For and on behalf of the Board of Directors

Sd/-
P. P. Vora
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Director

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G. V. Nageswara Rao
Director

Sd/-
Sudha B.
Chief Financial Officer

Sd/-
Nehal Thaker
Company Secretary

Cash Flow Statement for the year ended March 31, 2015



(Amount in ₹)

	For the year ended March 31, 2015	For the year ended March 31, 2014
A. Cash flow from operating activities		
Profit before tax	101,239,206	51,398,722
Adjustment for:		
Depreciation and amortisation expense	8,587,396	11,709,016
Interest expense	-	191,918
Net loss on sale of investments	86,394	-
Adjustments to the carrying amount of investments	838,273	-
Provision for compensated absences	2,608,341	(990,969)
Amortisation of share issue expenses	870,000	870,000
Interest income on fixed deposit	(41,363,146)	(56,323,939)
Interest income on bond	(11,575,646)	-
Gain on sale of current investment	-	(1,357,512)
Operating profit before working capital changes	61,290,818	5,497,236
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(21,551,173)	(7,263,035)
Short-term loans and advances	281,820	429,428
Long-term loans and advances	14,688,495	(12,977,907)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	6,741,768	215,375
Other current liabilities	30,214,835	(1,843,468)
Other long-term liabilities	(1,505,052)	(1,323,512)
Cash generated / (used in) from operations	90,161,511	(17,265,883)
Net income tax paid	(18,126,083)	(13,835,692)
Net cash flow from / (used in) operating activities (A)	72,035,428	(31,101,575)
B. Cash flow from investing activities		
Bank balances not considered as Cash and cash equivalents		
- Placed	(356,363,043)	(230,230,520)
- Matured	644,558,760	248,000,000



Cash Flow Statement for the year ended March 31, 2015

(Amount in ₹)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Investments in bonds & mutual funds		
- Purchased	(388,194,790)	(30,000,000)
- Sale	7,727,483	10,000,000
Interest received	39,539,244	46,725,782
Capital expenditure on fixed assets (including Capital work in progress and net of capital creditors)	(6,325,448)	(11,619,732)
Proceeds from sale of fixed assets	-	639,604
Net cash flow from / (used in) investing activities (B)	(59,057,794)	33,515,134
C. Cash flow from financing activities		
Interest expense	-	(191,918)
Net cash flow used in financing activities (C)	-	(191,918)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	12,977,634	2,221,641
Cash and cash equivalents at the beginning of the year (Note 16)	26,462,373	24,240,732
Cash and cash equivalents at the end of the year (Note 16)	39,440,007	26,462,373
	12,977,634	2,221,641

	As at March 31, 2015	As at March 31, 2014
Notes:		
Cash and cash equivalents (Note 16)		
Cash and bank balances	308,553,848	585,562,373
Less: - Fixed Deposit with original maturity of more than 3 months	(269,113,841)	(559,100,000)
	39,440,007	26,462,373

See accompanying notes forming part of the financial statements (1 to 31)

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Mukesh Jain
Partner

Place : Mumbai
Date : April 27, 2015

For and on behalf of the Board of Directors

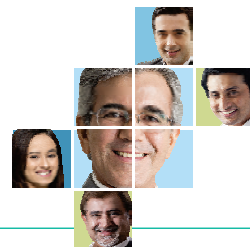
Sd/-
P. P. Vora
Chairman

Sd/-
Rajesh Doshi
Director

Sd/-
Sudha B.
Chief Financial Officer

Sd/-
G. V. Nageswara Rao
Director

Sd/-
Nehal Thaker
Company Secretary



1. Nature of the business

The Company is engaged in providing services to its clients relating to automation and re-engineering of business processes so that benefits of niche technology and electronic data can be used to enhance the process working and end-user experience. The Company offers services as a managed service provider and sets-up system infrastructure, connectivity, software application and database systems so that users can access and use the same to complete their business processes in optimum manner. Company recovers its cost of operation and setting-up the system by charging the clients for use of the service. The Company is currently providing "National Skills Registry" services to IT / ITeS industry so that employees of the industry can register for the system and the employer companies can access and use information of the employees. Company also operates SEZ Online system on behalf of Ministry of Commerce & Industry. This system facilitates SEZ Units and Developers to file their transactions relating to operating in SEZ and processing of such transactions by SEZ authorities. The Company is also working as a "KYC Registration Agency (KRA)" so that KYC details of the clients of such market Intermediaries as are regulated by Securities & Exchange Board of India (SEBI) can be maintained in electronic format. The Company is also offering payment gateway services for e-Governance projects. In the previous year, the Company received the certificate of registration from Insurance Regulatory and Development Authority (IRDAI) for setting up an Insurance Repository. The Company has since commenced operations pertaining to the Repository of Insurance Policies. The Company is actively pursuing new business opportunities in process automation and e-governance domain.

2. Basis of preparation and significant accounting policies:

a) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation.

b) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the

Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

d) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

e) Revenue recognition:

The Company follows the accrual system of accounting and recognises all items of income accordingly.

- Registration fees received are recognised in the year of registration.
- Annual fees income is recognised proportionately over the period during which the services are to be rendered.
- Transaction fees are recognised in the period in which the related services are rendered.

f) Other income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

g) Fixed assets – (tangible/intangible):

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the



Notes Forming Part of the Financial Statements

asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

h) Depreciation and amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation method, rates / useful life are as follows:

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Categories of Assets	Useful Lives in Current Year	Useful Lives in Previous Year
Servers and Central System	6 years	4 years
Computers	3 years	4 years
Communication equipment	6 years	4 years
Office equipment	5 years	5 years

The depreciation expense in the Statement of Profit and Loss for the year is lower by ₹ 32,47,442/- consequent to the change in the useful life of the assets.

Intangible assets are amortised on the straight line basis over their useful life.

Computer software is amortised over 48 months or useful life whichever is lower.

i) Investments:

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes

acquisition charges such as brokerage, fees and duties. Front-end discount / incentive earned in respect of direct subscription is adjusted against the cost of investment. Premium paid on acquisition of long term investment is amortised over the tenure of investment.

j) Employee benefits:

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined Contribution Plan:

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Superannuation: The Company contributes a sum equivalent to 15% of annual basic salary of the eligible employees to an insurance company which administers the fund. The Company recognises such contributions as an expense in the year they are incurred.

Provident Fund: Employees are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' basic salary). The contributions, as specified under the law, were made to the provident fund set up as an irrevocable trust by NSDL Group till July 31, 2014 and w.e.f. August 2014, the contributions were made to Recognised Provident Fund.

Defined Benefit Plan:

Gratuity: The Company makes annual contributions to the Fund administered by trustees and managed by an insurance company. The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the projected unit credit method carried out at the Balance Sheet date. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised



during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The Company has a scheme for compensated absences for employees. The Company accounts for the net present value of its obligations for compensated absences based on an independent external actuarial valuation carried out at the Balance Sheet date. The cost of short-term compensated absences is accounted as under:

- i. in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- ii. in case of non-accumulating compensated absences, when the absences occur.

k) Tax on Income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable

income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred taxes relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

l) Provisions and contingencies:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

m) Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

n) Operating Cycle

Based on the nature of products / 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.

o) Share issue expenses

Share issue expenses incurred by the Company are amortised equally over a period of five years.



Notes Forming Part of the Financial Statements

Note 3 : Share Capital

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Authorised		
80,000,000 (previous year 80,000,000) Equity Shares of ₹ 10 each	800,000,000	800,000,000
Issued, subscribed and fully paid-up		
61,050,000 (previous year 61,050,000) Equity Shares of ₹ 10 each fully paid-up with voting rights	610,500,000	610,500,000
Total	610,500,000	610,500,000

Note 3a.

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, (except in case of interim dividend), is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, proportionate to their share holding.

3b. Reconciliation of the shares outstanding at the end	As at March 31, 2015	As at March 31, 2014
Number of shares at the beginning	61,050,000	61,050,000
Add: Issued during the year	-	-
Number of shares at the end	61,050,000	61,050,000

3c. Details of shareholders holding more than 5% shares	As at March 31, 2015	As at March 31, 2014
Name of the Shareholder		
National Securities Depository Limited and its nominees		
Number of shares held	61,050,000	61,050,000
% of Holding	100	100

Note 4 : Reserves and surplus

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
<u>Surplus / (Deficit) in the statement of profit and loss</u>		
Opening balance	40,511,069	5,682,347
Add: Profit for the year	76,803,206	34,828,722
Closing balance	117,314,275	40,511,069
Total	117,314,275	40,511,069

Note 5 : Other long-term liabilities

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Others		
- Security deposits received from customers and agents	10,000,000	12,000,000
- Income received in advance	1,938,398	1,443,450
Total	11,938,398	13,443,450

Notes Forming Part of the Financial Statements



Note 6 : Trade payables

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade payables		
- Amount due to Micro and Small Enterprises	370,626	396,523
- Others	56,182,570	49,414,905
Total	56,553,196	49,811,428

Note 6a:

Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 :

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
(i) (a) Principal amount remaining unpaid to any supplier	370,626	396,523
(b) Interest on (i)(a) above	-	-
(ii) The amount of interest paid along with the principal payment made to the supplier beyond the appointed date during 2014-15	-	-
(iii) Amount of Interest due and payable on delayed payments	-	-
(iv) Amount of Further interest remaining due and payable for the earlier years	-	-
(v) Total outstanding dues of Micro and Small Enterprises		
- Principal	370,626	396,523
- Interest	-	-

Note 7 : Other current liabilities

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Income received in advance	36,226,803	33,209,910
(b) Other current liabilities		
- Statutory remittance	3,324,105	4,627,743
- Security deposits received from customers and agents	3,056,913	3,056,913
- Payables on purchase of fixed assets	7,565,288	9,739,457
- Gratuity payable to fund	6,881,642	702,368
(c) Advance from customer	52,587,070	30,264,764
Total	109,641,821	81,601,155

Note 8: Short-term provisions

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Provisions for employee benefits		
- Compensated absences	10,135,961	7,527,620
Total	10,135,961	7,527,620



Notes Forming Part of the Financial Statements

Note 9 : Fixed assets

(Amount in ₹)

Sr. No.	Description	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK	
		As on April 1, 2014	Additions	Disposals	As on March 31, 2015	As on April 1, 2014	For the year	Eliminated on disposal of assets	As on March 31, 2015	As on March 31, 2015
	Tangible assets									
1	Computers	80,769,172 (66,827,073)	859,453 (20,660,245)	- (6,718,146)	81,628,625 (80,769,172)	57,641,021 (57,949,228)	4,034,044 (5,770,335)	- (6,078,542)	61,675,065 (57,641,021)	19,953,560 (23,128,151)
2	Communication equipment	13,625,052 (13,075,541)	- (549,511)	- -	13,625,052 (13,625,052)	10,282,589 (7,115,087)	720,679 (3,167,502)	- -	11,003,268 (10,282,589)	2,621,784 (3,342,463)
3	Office equipment	674,698 (361,310)	4,719 (313,388)	- -	679,417 (674,698)	200,747 (68,435)	114,906 (132,312)	- -	315,653 (200,747)	363,764 (473,951)
	Total	95,068,922	864,172	-	95,933,094	68,124,357	4,869,629	-	72,993,986	22,939,108
	Previous Year	(80,263,924)	(21,523,144)	(6,718,146)	(95,068,922)	(65,132,750)	(9,070,149)	(6,078,542)	(68,124,357)	(26,944,565)
	Intangible assets									
1	Computer software (acquired)	31,028,433 (23,092,590)	12,059,352 (7,935,843)	- -	43,087,785 (31,028,433)	24,480,671 (21,841,804)	3,717,767 (2,638,867)	- -	28,198,438 (24,480,671)	14,889,347 (6,547,762)
	Total	31,028,433	12,059,352	-	43,087,785	24,480,671	3,717,767	-	28,198,438	14,889,347
	Previous Year	(23,092,590)	(7,935,843)	-	(31,028,433)	(21,841,804)	(2,638,867)	-	(24,480,671)	(6,547,762)
	Grand Total	126,097,355	12,923,524	-	139,020,879	92,605,028	8,587,396	-	101,192,424	37,828,455
	Grand Total of Previous Year	(103,356,514)	(29,458,987)	(6,718,146)	(126,097,355)	(86,974,554)	(11,709,016)	(6,078,542)	(92,605,028)	(33,492,327)

Foot note: The figures in bracket are of previous year as on March 31, 2014

Note 10 : Non-current investments (Long Term Investments)

Particulars	Rate of Interest	Year of maturity	No. of bonds / debentures / share / units	Face value per bond / NAV	As at	As at
					March 31, 2015	March 31, 2014
					(Amount in ₹)	(Amount in ₹)
(a) Investment in debentures or bonds (at cost) - Quoted						
(i) Indian Railway Finance Corporation Limited *	8.63%	2029	40,000	1,000	42,032,000	-
(ii) Indian Railway Finance Corporation Limited *	8.00%	2022	60,000	1,000	61,555,000	-
(iii) Housing Development Finance Corporation Limited	9.20%	2016	1	1,000,000	1,010,000	-
(iv) Housing and Urban Development Corporation Limited *	8.56%	2028	100	1,000,000	110,750,000	-
(v) India Infrastructure Finance Company Limited*	8.66%	2034	30,000	1,000	34,560,000	-
(vi) Housing and Urban Development Corporation Limited *	8.51%	2028	50,000	1,000	55,525,000	-
(vii) NHPC Limited *	8.67%	2033	10,000	1,000	11,371,000	-
(b) Investment in mutual funds (Quoted)						
HDFC Fixed Maturity Plan growth option Oct 2013 Series -Direct - Growth			3,000,000	10	30,000,000	-
					346,803,000	-
Less: Provision of diminution in value of investment					(760,549)	-
Total					346,042,451	-
* Tax free bond						
Aggregate value of listed but not quoted investments					30,000,000	-
Aggregate amount of unquoted investments					30,000,000	-
Aggregate amount of quoted investments					316,803,000	-
Aggregate market value of listed and quoted investments					320,111,800	-

Notes Forming Part of the Financial Statements



Note 11: Deferred tax liability (net)

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
<u>Liabilities</u>		
On difference between book balance and tax balance of fixed assets	5,912,255	2,405,058
<u>Assets</u>		
Provision for employee benefits	3,140,255	1,131,058
Total	2,772,000	1,274,000

Note 12: Long term loans and advances

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
(Unsecured considered good)		
Security deposits	21,525,334	26,525,334
Advance tax (net of provision)	2,316,530	7,128,435
- Balances with Government authorities		
Service tax credit receivable	15,857,004	25,356,376
Prepaid expenses	279,016	468,139
Total	39,977,884	59,478,284

Note 13: Other non current assets

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Interest accrued on fixed deposits	16,536,599	15,063,543
Margin money deposits with a bank (earmarked as security for performance guarantee and other commitments)	13,020,962	11,230,520
Total	29,557,561	26,294,063

Note 14 : Current investments

Particulars	As at March 31, 2015			As at March 31, 2014		
	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(Amount in ₹)	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(Amount in ₹)
Current portion of long-term investments (At cost):						
(a) Investment in Debentures or bonds - Unquoted						
ICICI Bank	1	1,000,000	1,000,600	-	-	-
Other Current Investments (At lower of cost and fair value, unless otherwise stated):						
(b) Investment in Mutual Funds (Quoted)						
(i) HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale Growth option of ₹ 10 each	9,07,496	30.55	20,357,512	907,496	28.03	20,357,512



Notes Forming Part of the Financial Statements

Particulars	As at March 31, 2015			As at March 31, 2014		
	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(Amount in ₹)	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(Amount in ₹)
(ii) HDFC Fixed Maturity Plan growth option Oct 2013 Series -Direct - Growth	-	-	-	3,000,000	10.00	30,000,000
(iii) HDFC Fixed Maturity Plan growth option April 2014 Series - Direct - Growth	1,250,000	10.00	12,500,000	-	-	-
(iv) HDFC Fixed Maturity Plan growth option Jun 2014 Series - Direct - Growth	5,000,000	10.00	50,000,000	-	-	-
			83,858,112			50,357,512
Less: Provision of diminution in value of investment			(411)			-
Total			83,857,701			50,357,512
Aggregate value of listed but not quoted investments			83,858,112			50,357,512
Aggregate amount of unquoted investments			83,858,112			50,357,512

Note 15 : Trade receivables

(Amount in ₹)

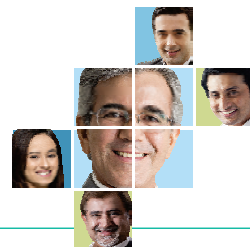
Particulars	As at March 31, 2015	As at March 31, 2014
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	-	-
Others		
Secured, considered good	2,235,655	1,843,141
Unsecured, considered good	35,114,166	13,955,507
	<u>37,349,821</u>	<u>15,798,648</u>
Less: Provision for doubtful trade receivables	-	-
Total	<u>37,349,821</u>	<u>15,798,648</u>

Note 16 : Cash and cash equivalents

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
- Balances with banks	39,440,007	26,462,373
Other bank balances		
In other deposit accounts		
- original maturity more than 3 months	269,113,841	559,100,000
Total	<u>308,553,848</u>	<u>585,562,373</u>

Notes Forming Part of the Financial Statements



Note 17 : Short term loans and advances

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
<u>Unsecured, considered good</u>		
- Security deposits	-	500,000
- Prepaid expenses	3,178,121	4,136,555
- Advance for expenses	580,151	619,864
- Advance from creditors	1,216,327	-
Total	4,974,599	5,256,419

Note 18 : Other current assets

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Unamortised expenses - share issue expenses	-	870,000
Interest accrued on bonds	12,878,493	-
Interest accrued on fixed deposits	10,082,189	11,034,202
Total	22,960,682	11,904,202

Note 19 : Revenue from operations

(Amount in ₹)

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
Registration fees	53,690,250		46,411,500	
Annual fees	57,529,036		44,335,336	
Transaction fees	<u>250,237,254</u>		<u>188,382,350</u>	
		361,456,540		279,129,186
Total		361,456,540		279,129,186

Note 20 : Other Income

(Amount in ₹)

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
<u>Interest income</u>				
Interest on bonds	11,575,646		-	
Interest from banks on fixed deposits	<u>41,363,146</u>	52,938,792	<u>56,323,939</u>	56,323,939
<u>Other income</u>				
Gain on sale of current investment		-		1,357,512
Other income - support services		6,621,839		-
Liabilities / provisions no longer required written back		15,048		-
Total		59,575,679		57,681,451



Notes Forming Part of the Financial Statements

Note 21 : Employee benefit expenses

(Amount in ₹)

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
- Salary, wages and bonus		61,696,402		61,165,905
- Contribution to provident and other funds		10,307,156		5,496,453
- Staff welfare expenses		3,412,694		2,837,483
- Deputation costs		3,657,477		1,714,357
Total		79,073,729		71,214,198

Note 22 : Finance costs

(Amount in ₹)

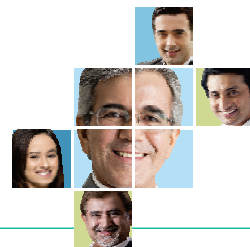
Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
Interest expense		-		191,918
Total		-		191,918

Note 23 : Other Expenses

(Amount in ₹)

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
(i) System support charges		125,865,890		122,146,513
(ii) Processing charges		59,295,313		35,149,869
(iii) Communication expenses		4,250,001		5,936,908
(iv) Rent		26,012,880		20,108,034
(v) Printing and stationery expenses		518,502		647,937
(vi) Auditors' remuneration				
- Audit fees	411,400		374,000	
- Tax audit fees	121,000		110,000	
- Tax matters	180,000		125,000	
- Other services	80,000		-	
- Reimbursement of expenses	5,665	798,065	-	609,000
(vii) Directors' sitting fees		1,290,000		840,000
(viii) Insurance		1,301,262		1,270,904
(ix) Legal and professional charges		1,255,294		1,233,500
(x) Travelling expenses		4,538,343		7,129,187
(xi) Marketing expenses		239,011		1,485,120
(xii) Administrative expenses		4,727,891		4,435,079
(xiii) Share issue expenses - amortised		870,000		870,000
(xiv) Other expenses		244,769		434,732
(xv) Loss on sale of investment		86,394		-
(xvi) Premium amortised on purchase of bond		838,273		-
Total		232,131,888		202,296,783

Notes Forming Part of the Financial Statements



24. Contingent Liabilities and Other Commitment (to the extent not provided for):

- a) Contingent Liabilities: ₹ Nil (previous year: ₹ Nil)
- b) Commitments:
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 7,965,152/- (Previous year ₹ 13,191,585/-)
 - Other Commitments:
Contractual guarantee ₹ 13,020,962/- (Previous year: ₹ 11,230,520/-)

25. Expenditure incurred in foreign exchange: ₹ Nil (Previous year: ₹ Nil)

26. The Company's business is to provide Data Management Services to its clients. All other activities of the Company revolve around the main business. As such, there are no reportable segments as per the Accounting Standard 17(AS-17) – 'Segment Reporting', as notified by the Companies (Accounting Standards) Rules, 2006.

27. Related party Disclosures:

Names of related party	Relationship
National Securities Depository Limited	Holding Company
Mr. Rajesh Doshi, Manager (w.e.f. 01st February,2014)	Key Managerial Personnel

Nature and volume of transaction during the year with above related parties

Particulars	Current Year (₹)	Previous Year (₹)
Transactions during the year:		
Holding Company - National Securities Depository Limited		
- Support Charges Recovery (Income)	6,605,276	-
- System Support Charges (Expenses)	3,036,547	-
- Deputation Cost (Expenses)	2,548,162	-
- Receivable at the year end	5,96,903	-

28. Operating Lease

The Company has entered into operating lease arrangements for office premises. Rent includes expenses of ₹ 26,012,880/- (previous year ₹ 20,108,034/-). The lease arrangement is for a period of 60 months and non-cancellable for a period of 36 months. The committed lease rentals in the future are:

Particulars	Current Year (₹)	Previous Year (₹)
Not later than one year	25,272,000	25,272,000
Later than one year and not later than five years	12,636,000	37,908,000
Later than five years	-	-

29. Earnings per share

In accordance with the Accounting Standard 20(AS-20)-'Earnings per Share', as notified by the Companies (Accounting Standards) Rules, 2006:

Particulars	Current Year (₹)	Previous Year (₹)
Profit for the year attributable to the equity shareholder	76,803,206	34,828,722
Actual number of equity shares	61,050,000	61,050,000
Weighted average number of equity shares outstanding	61,050,000	61,050,000
Basic and Diluted Earnings per Share of face value ₹ 10 each per share	1.26	0.57



Notes Forming Part of the Financial Statements

30. Employee benefit plans:

a) Defined contribution plans:

The company has recognized following amounts as Company's contribution to Provident Fund and other funds:

Particulars	Current Year (₹)	Previous Year (₹)
Provident Fund	2,354,830	2,852,928
Superannuation Fund	1,070,684	1,941,157
Total	3,425,514	4,794,085

b) Defined benefit plans:

The Company offers the following employee benefit schemes to its employees:

- Gratuity expense included in contribution to provident and other funds in Note 21.

The following table sets out the funded status of the defined benefit scheme and the amount recognised in the financial statements:

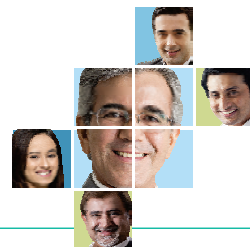
A. Assumptions	Current Year	Previous Year
Discount rate	8.00%	9.31%
Rate of Return on Plan Assets	8.00%	8.70%
Salary Escalation	8.00%	8.00%
Mortality Table	Indian assured lives mortality (2006-08) Ultimate	Indian assured lives mortality (2006-08) Ultimate

B. Table showing change in Benefit Obligation	Current Year (₹)	Previous Year (₹)
Liability at the beginning of the year	12,708,209	13,864,096
Interest cost	1,183,134	1,109,128
Current service cost	2,457,515	3,151,646
Benefit paid	(695,489)	(3,000,000)
Actuarial (gain)/loss on obligations	4,025,649	(2,416,661)
Liability at the end of the year	19,679,018	12,708,209

C. Table of Fair value of Plan Assets	Current Year (₹)	Previous Year (₹)
Fair value of plan assets at the beginning of the year	12,005,841	8,668,051
Expected return on plan assets	1,044,508	754,120
Contributions including transferred from NSDL on transfer of employees	526,557	5,196,045
Benefit paid	(695,489)	(3,000,000)
Actuarial gain/(loss) on plan assets	(84,041)	387,625
Fair value of plan assets	12,797,376	12,005,841
Total actuarial gain / (loss) to be recognised	(4,285,501)	2,804,286

D. Actual Return on Plan Assets	Current Year (₹)	Previous Year (₹)
Expected return on plan assets	1,044,508	754,120
Actuarial gain/(loss) on plan assets	(84,041)	387,625
Actual return on plan assets	960,467	1,141,745

Notes Forming Part of the Financial Statements



E. Amount Recognised in Balance sheet	Current Year (₹)	Previous Year (₹)
Liability at the end of the year	19,679,018	12,708,209
Fair value of plan assets at the end of the year	12,797,376	12,005,841
Difference	(6,881,642)	(702,368)
Unrecognised past service cost	Nil	Nil
Amount recognised in balance sheet	(6,881,642)	(702,368)

F. Amount Recognised in Income Statement	Current Year (₹)	Previous Year (₹)
Current service cost	2,457,515	3,151,646
Interest cost	1,183,134	1,109,128
Expected return on plan assets	(1,044,508)	(754,120)
Net actuarial (gain) / loss to be recognised	4,285,501	(2,804,286)
Expenses recognised in statement of profit and loss	6,881,642	702,368

G. Balance Sheet Reconciliation	Current Year (₹)	Previous Year (₹)
Opening net liability	702,368	5,196,045
Expenses as above	6,705,831	702,368
Employers contribution	(526,557)	(5,196,045)
Amount recognised in balance sheet	6,881,642	702,368

The details of the Company's Post- retirement benefit plans for Gratuity for its employees are given above which is certified by the actuary and relied upon by the auditors.

Expected contribution in the next year is ₹ 2,592,535/- (Previous Year ₹ 2,841,323/-).

The actuarial calculation used to estimate defined benefit commitment and expenses are based on the above assumptions which if changed would affect the defined benefit commitments and expenses. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

31. The previous year's figures have also been regrouped / reclassified to conform to this year's Classification.

For and on behalf of the Board of Directors

Sd/-
P. P. Vora
Chairman

Sd/-
Rajesh Doshi
Director

Sd/-
G. V. Nageswara Rao
Director

Sd/-
Sudha B.
Chief Financial Officer

Sd/-
Nehal Thaker
Company Secretary

Place : Mumbai
Date : April 27, 2015





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