

INDEPENDENT AUDITOR'S REPORT

To The Members of National Securities Depository Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **National Securities Depository Limited** ("the Parent") and its subsidiaries, (the Parent its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the

other information. The other information comprises the information included in the Board's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Board's report is expected to be made available to us after the date of this auditor's report.

- Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by other auditors.
- When we read the Board's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.



INDEPENDENT AUDITOR'S REPORT (contd.)

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT (contd.)

Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statements/financial information reflect total assets of ₹48,869.17 Lakhs as at 31 March, 2021, total revenues of ₹14,341.06 Lakhs and net cash inflows amounting to ₹5,255.56 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the IndAS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies.

For Deloitte Haskins & Sells Chartered Accountants LLP

Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Sd/-

Pallavi A. Gorakshakar

Partner

(Membership No:105035)

(UDIN: 21105035AAAAGX1611)

Place : Mumbai

Date : 8th June, 2021



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of National Securities Depository Limited (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (contd.)

of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating

effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Sd/-
Pallavi A. Gorakshakar
Partner

(Membership No:105035)
(UDIN: 21105035AAAAGX1611)

Place : Mumbai
Date : 8th June, 2021



CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2021

(₹ in Lakh)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-Current Assets			
a) Property, plant and equipment	3	3,289.13	2,446.41
b) Capital work-in-progress		651.99	27.25
c) Other intangible assets	3	2,503.50	1,807.27
d) Intangible asset under development		1,035.16	1,039.35
e) Right of use of assets	3	857.12	1,173.05
f) Financial assets			
i) Non-current investments	4	56,600.81	61,934.23
ii) Other financial assets	5	14,472.62	886.75
g) Deferred tax assets (net)	6(a)	484.40	343.61
h) Income tax assets (net)		642.36	668.11
i) Other non-current assets	7	151.95	1,488.96
Total Non-Current Assets		80,689.04	71,814.99
Current Assets			
a) Financial assets			
i) Current investments	8	16,239.87	14,475.97
ii) Trade receivables	9	10,879.71	8,128.02
iii) Cash and cash equivalents	10	8,112.56	2,913.82
iv) Bank balances other than (iii) above	11	30,277.57	7,422.88
v) Other financial assets	5	861.91	536.56
b) Other current assets	7	2,814.08	1,491.69
Total Current Assets		69,185.70	34,968.94
Total Assets		149,874.74	106,783.93
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	12	4,000.00	4,000.00
b) Other equity	13	97,929.53	80,674.24
Total Equity		101,929.53	84,674.24
Liabilities			
Non-Current Liabilities			
a) Financial liabilities			
i) Lease liability	28	582.45	960.78
ii) Other financial liabilities	14	363.16	273.19
b) Deferred tax liability (Net)	6(b)	43.85	121.96
c) Other non-current liabilities	15	79.17	18.03
d) Provisions	18	116.82	44.40
Total Non-Current Liabilities		1,185.45	1,418.36
Current Liabilities			
a) Financial liabilities			
i) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	16	303.02	233.70
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	3,111.06	2,434.83
ii) Lease liability	28	348.53	253.50
iii) Other financial liabilities	17	23,147.49	7,823.88
b) Provisions	18	3,053.88	2,904.72
c) Current tax liability (net)		2,206.26	1,105.09
d) Other current liabilities	19	14,589.52	5,935.61
Total Current Liabilities		46,759.76	20,691.33
Total Liabilities		47,945.21	22,109.69
Total Equity and Liabilities		149,874.74	106,783.93
See accompanying notes to the Consolidated Financial Statements		1 to 41	

In terms of our report attached.

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants

Sd/-

Pallavi A. Gorakshakar

Partner

Place : Mumbai

Date : 8th June, 2021

For and on behalf of the Board of Directors

Sd/-

B.A. Prabhakar

Chairman

DIN: 02101808

Sd/-

Chandresh Shah

Chief Financial Officer

Sd/-

G V Nageswara Rao

Managing Director and CEO

DIN:00799504

Sd/-

Nikhil Arya

Company Secretary
A42548

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakh)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
INCOMES			
Revenue from operations	20	46,575.20	32,606.96
Other income	21	5,855.47	5,328.47
Total Income		52,430.67	37,935.43
EXPENSES			
Employee benefits expense	22	8,806.13	7,344.16
Depreciation and amortisation expense	3	1,701.81	1,283.00
Finance cost	28	86.38	109.66
Contribution to investor protection fund	32	883.55	518.53
Other expenses	23	16,294.65	12,458.72
Total Expenses		27,772.52	21,714.07
Profit before Tax		24,658.15	16,221.36
Tax Expense			
Current tax		6,009.34	3,628.64
Deferred tax	6	(207.64)	116.51
Total Tax Expenses		5,801.70	3,745.15
Profit after Tax		18,856.45	12,476.21
Other Comprehensive Income			
Items that will not be reclassified to profit or loss :			
i) Actuarial gain/(loss) on post retirement benefit plans		(0.24)	155.71
ii) Income tax relating to items that will not be reclassified to profit or loss		(0.92)	(36.18)
Total Other Comprehensive Income		(1.16)	119.53
Total Comprehensive Income for the year		18,855.29	12,595.74
Basic and Diluted earnings per equity share of ₹10 each	31	47.14	31.19
See accompanying notes to the Consolidated Financial Statements	1 to 41		

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

For and on behalf of the Board of Directors

Sd/-
Pallavi A. Gorakshakar
 Partner

Sd/-
B.A. Prabhakar
 Chairman
 DIN: 02101808

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

Place : Mumbai
 Date : 8th June, 2021

Sd/-
Chandresh Shah
 Chief Financial Officer

Sd/-
Nikhil Arya
 Company Secretary
 A42548



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
A. Cash Flow from Operating Activities		
Profit before tax	24,658.15	16,221.36
Adjustments for :		
Depreciation and amortisation expense	1,701.81	1,283.00
Provision for compensated absences	284.68	218.86
Provision for investor awareness	514.97	453.00
Provision for doubtful trade receivables	587.74	273.58
Bad debts written off	3.20	23.24
Contribution to investor protection fund	883.55	518.53
Fair value gain on investments in mutual funds	(1,416.00)	(1,325.52)
Dividend income from current investments	(44.44)	(163.79)
Loss / (Profit) on sale of property, plant and equipment	67.33	9.80
Profit on sale of investments	(155.73)	-
Interest income	(3,844.41)	(3,339.95)
Operating Profit before Working Capital Changes	23,240.85	14,172.11
Changes in Working Capital :		
(Increase) / decrease other assets	(1,282.60)	(182.37)
(Increase) / decrease other financial assets	(13,784.68)	(230.68)
(Increase) / decrease trade receivables	(3,342.63)	(1,249.56)
Increase / (decrease) trade payables	749.07	964.14
Increase / (decrease) other financial liabilities	1,531.58	1,800.55
Increase / (decrease) provisions	(579.23)	119.53
Increase / (decrease) other liabilities	8,715.05	455.68
Cash generated from Operations	15,247.41	15,849.40
Net income tax paid	(4,893.68)	(4,274.06)
Net Cash generated from Operating Activities (A)	10,353.73	11,575.34
B. Cash Flow from Investing Activities		
Capital expenditure on property, plant and equipment, intangible assets, capital advance	(2,336.53)	(4,054.34)
Proceeds from sale of property, plant and equipment	1.17	-
Bank balances not considered as cash and cash equivalents		
i) Placed	(17,024.05)	(7,124.48)
ii) Matured	6,900.86	7,367.73
Purchase of non-current investments	6,335.69	(8,208.88)
Sale / Redemption of non-current investments	-	10.27
Proceeds / (Purchase) of current investments (Net)	(1,194.44)	(3,311.34)
Dividend received from current investments	44.44	163.79
Interest received	3,717.87	3,340.91
Net Cash used in Investing Activities (B)	(3,554.99)	(11,816.34)
C. Cash Flow from Financing Activities		
Dividend paid	(1,600.00)	(1,200.00)
Dividend distribution tax paid	-	(246.66)
Net Cash used in Financing Activities (C)	(1,600.00)	(1,446.66)
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	5,198.74	(1,687.66)
Cash and Cash Equivalents at the beginning of the year	2,913.82	4,601.48
Cash and Cash Equivalents at the end of the year (Refer Note 10)	8,112.56	2,913.82
See accompanying notes to the Consolidated Financial Statements	1 to 41	

In terms of our report attached.

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Pallavi A. Gorakshakar
PartnerSd/-
B.A. Prabhakar
Chairman
DIN: 02101808Sd/-
G V Nageswara Rao
Managing Director and CEO
DIN:00799504Place : Mumbai
Date : 8th June, 2021Sd/-
Chandresh Shah
Chief Financial OfficerSd/-
Nikhil Arya
Company Secretary
A42548

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakh)

A. Equity Share Capital		
As at 1st April, 2019		4,000.00
Changes in equity share capital during the year (Note 12)		-
As at 31st March, 2020		4,000.00
Changes in equity share capital during the year (Note 12)		-
As at 31st March, 2021		4,000.00

B. Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	General Reserve	Retained Earnings	Actuarial Gains / (Losses)	
Balance as at 1st April, 2019	36,312.82	33,345.76	(133.42)	69,525.16
Profit after tax	-	12,476.21	-	12,476.21
Dividends (including dividend distribution tax)	-	(1,446.66)	-	(1,446.66)
Other Comprehensive Income	-	-	119.53	119.53
As at 31st March, 2020	36,312.82	44,375.31	(13.89)	80,674.24
Profit after tax	-	18,856.45	-	18,856.45
Dividends	-	(1,600.00)	-	(1,600.00)
Other Comprehensive Income	-	-	(1.16)	(1.16)
As at 31st March, 2021	36,312.82	61,631.76	(15.05)	97,929.53

See accompanying notes to the Consolidated Financial Statements 1 to 41

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

For and on behalf of the Board of Directors

Sd/-
Pallavi A. Gorakshakar
 Partner

Sd/-
B.A. Prabhakar
 Chairman
 DIN: 02101808

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

Place : Mumbai
 Date : 8th June, 2021

Sd/-
Chandresh Shah
 Chief Financial Officer

Sd/-
Nikhil Arya
 Company Secretary
 A42548



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

1. General Information

Company Overview

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

2. Significant Accounting Policies

2.1 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, with effect from April 1, 2016. The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis of Preparation

These Consolidated Financial statements of the National Securities Depository Limited ("the Holding Company") and its subsidiaries (together the 'Group') have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015, prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India and transition date is considered as April 1, 2015.

These Consolidated Financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments which are measured at fair values at the end of each of the reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, Level 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety which are described as follows:

Level 1 — inputs are quoted (unadjusted) prices in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 — inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability either directly or indirectly.

Level 3 — inputs are unobservable inputs for the assets or liability.

2.3 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company. Total comprehensive income of subsidiaries is attributed to the owners of the Company.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Principles of Consolidation

The Consolidated Financial statements relate to National Securities Depository Limited (the 'Holding Company') and its subsidiaries. The Consolidated Financial statements have been prepared on the following basis:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

- a. The financial statements of the subsidiary companies are drawn upto the same reporting date as that of the Group for each of the reporting period covered by these Consolidated Financial statements.
- b. The financial statements of the Holding Company and its subsidiary companies 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.
- c. Following subsidiary companies 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 at each reporting period covered under these Consolidated Financial Statements.
NSDL Database Management Limited	Subsidiary	India	National Securities Depository Limited	100%
NSDL Payments Bank Limited	Subsidiary	India	National Securities Depository Limited	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 Group's separate financial statements.

2.4. Revenue Recognition

- a) Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is recognised when there is no significant uncertainty as regards its determination and realisation.
- b) Interest income is accounted on accrual basis. For financial instruments measured at amortised cost interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.
- c) Dividend income is accounted for when the right to receive it is established.

2.5. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

As a Lessee -

Effective from April 1, 2019, the Company has adopted Ind AS 116, At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been adjusted towards rent expenses in the Statement of Profit and Loss.

2.6. 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 Group 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 Group make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' basic salary).

Defined Benefit

ii. Gratuity

The Group 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. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit cost are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

i. Other Employee Benefits

Performance Incentive and Compensated Absences:

The 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

2.7. Tax on Income

Income tax expense represents the sum of the tax currently payable and deferred tax.

i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii. Deferred Tax

Deferred tax is recognised on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

iii. Current and Deferred Tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.8. Property, Plant & Equipment

Property, Plant & Equipment carried at cost less accumulated depreciation and amortisation and impairment losses, if any. The cost 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.

i. 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 interest attributable.

2.9. Intangible Assets

Intangible assets purchased are measured at cost as of the date of acquisition less accumulated amortization and accumulated impairment, if any.

2.10. Depreciation and Amortisation

Depreciation is charged so as to write off the cost of assets other than Capital work-in-progress less its estimated residual value over the useful lives as prescribed in Schedule II to the Companies Act, 2013, using the straight-line method.

Intangible assets are amortized on a straight line basis. Computer software is amortised over 24 months or useful life, whichever is lower. However, In case of its subsidiary NSDL Database Management Limited, Computer software is amortised over 48 months or useful life, whichever is lower.

2.11. Provision 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 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.

Contingent Liabilities and Assets

Contingent liabilities are when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised but are disclosed in the notes.

Contingent asset is a possible asset that arises from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. Contingent assets are neither recognised nor disclosed in the financial statements.

2.12. Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. All financial instruments are recognised initially at fair value.

2.13. Financial Assets

Financial assets are (Investment in Mutual Funds, Non- Convertible Debentures, Bonds) classified into the following specified categories: financial assets "at amortised cost", "fair value through other comprehensive income", "fair value through Profit or Loss". The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset at the time of initial recognition.

Financial assets are recognised by the Group as per its business model. All financial assets are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Income and expense is recognised on an effective interest basis for debt instrument. All other investments are classified as Fair Value Through Profit or Loss (FVTPL). The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement

and recognition of impairment loss. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include -

- Significant financial difficulty of the users or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables. For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

De-recognition of Financial Assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.14. Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deduction all of its liabilities.

Financial Liabilities

i. Initial Recognition and Measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

ii. Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Derecognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2.15. Expected Credit Losses on Trade Receivables

For trade receivables the Company measures the loss allowance at an amount equal to life time expected credit losses. Further, for the purpose of measuring life time expected credit losses for trade receivables, the company follows simplified approach as permitted under Ind AS 109.

2.16. Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand, balances in current account and demand deposits with banks having an original maturity of three months or less. These do not include bank balances earmarked/restricted for specific purposes

Bank balances other than cash and cash equivalents comprises of demand deposits with banks having an original maturity of more than three months.

2.17. Use of Estimates and Judgement

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes, expenses, disclosure of contingent assets and disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

Impairment of Trade Receivables: The Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer status, customer creditworthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances are made.

Employee Benefits: Defined employee benefit assets / liabilities determined based on the present value of future obligations using assumptions determined by the Company with advice from an independent qualified actuary.

2.18. 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.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)
FOR THE YEAR ENDED 31st MARCH, 2021**

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT, OTHER INTANGIBLE ASSETS, AND RIGHT OF USE

Gross Block	Property, Plant and Equipment										Other Intangible Assets	Right of Use
	Buildings	Computers	Data and Tele-Communication Equipment	Electrical Installations	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicle	Total	Computer Software (acquired)		
As at 31st March, 2019	3,517.82	6,065.84	1,416.33	202.14	403.06	253.82	-	46.30	11,905.31	11,790.76	-	
Additions during the year	-	745.64	24.33	9.77	11.53	28.24	51.81	-	871.32	679.19	1,551.75	
Deductions	-	(3.96)	-	-	(1.59)	-	-	-	(5.55)	-	-	
As at 31st March, 2020	3,517.82	6,807.52	1,440.66	211.91	413.00	282.06	51.81	46.30	12,771.08	12,469.95	1,551.75	
Additions during the year	-	1,350.63	118.75	7.70	6.62	4.43	3.13	-	1,491.26	1,463.16	31.72	
Deductions	-	(32.84)	(14.04)	(2.63)	(0.65)	(6.22)	(9.70)	-	(66.08)	-	-	
As at 31st March, 2021	3,517.82	8,125.31	1,545.37	216.98	418.97	280.27	45.24	46.30	14,196.26	13,933.11	1,583.47	

(₹ in Lakh)

Accumulated Depreciation and Amortisation	Property, Plant and Equipment										Other Intangible Assets	Right of Use
	Buildings	Computers	Data and Tele-Communication Equipment	Electrical Installations	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicle	Total	Computer Software (acquired)		
As at 31st March, 2019	3,042.62	4,819.64	1,279.44	187.62	339.68	227.09	-	5.76	9,901.85	10,185.54	-	
Depreciation / amortisation for the year	8.92	362.24	20.85	2.14	15.97	5.06	4.65	7.33	427.16	477.14	378.70	
Deductions	-	(3.76)	-	-	(0.58)	-	-	-	(4.34)	-	-	
As at 31st March, 2020	3,051.54	5,178.12	1,300.29	189.76	355.07	232.15	4.65	13.09	10,324.67	10,662.68	378.70	
Depreciation / amortisation for the year	8.92	517.13	22.95	2.02	16.41	6.47	6.00	7.33	587.23	766.93	347.65	
Deductions	-	(1.54)	(3.23)	-	-	-	-	-	(4.77)	-	-	
As at 31st March, 2021	3,060.46	5,693.71	1,320.01	191.78	371.48	238.62	10.65	20.42	10,907.13	11,429.61	726.35	

(₹ in Lakh)

Net Block	Property, Plant and Equipment										Other Intangible Assets	Right of Use
	Buildings	Computers	Data and Tele-Communication Equipment	Electrical Installations	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicle	Total Tangible Assets	Computer Software (acquired)		
As at 31st March, 2020	466.28	1,629.40	140.37	22.15	57.93	49.91	47.16	33.21	2,446.41	1,807.27	1,173.05	
As at 31st March, 2021	457.36	2,431.60	225.36	25.20	47.49	41.65	34.59	25.88	3,289.13	2,503.50	857.12	

(₹ in Lakh)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 4 : Non-Current Investments

	Particulars	Rate of Interest (%)	Year of Maturity	Nos.	Face Value / NAV (₹)	As at 31st March, 2021	As at 31st March, 2020
(a)	Investment in Debentures or Bonds (at amortised cost)						
1	India Infrastructure Finance Company Limited	9.41	2037	3	1,000,000	35.03	35.12
2	Power Finance Corporation of India Limited *	7.35	2035	50,000	1,000	527.41	527.72
3	NTPC Limited*	7.37	2035	12,491	1,000	129.41	129.41
4	Power Finance Corporation of India Limited *	7.35	2035	1,540	1,000	15.92	15.92
5	Rural Electrification Corporation Limited *	7.18	2035	11,450	1,000	117.24	117.24
6	National Housing Bank *	8.76	2034	8,000	5,000	430.78	431.80
7	Housing and Urban Development Corporation Limited*	8.76	2034	5,000	1,000	54.92	55.09
8	India Infrastructure Finance Company Limited*	8.66	2034	70,000	1,000	863.11	871.00
9	India Infrastructure Finance Company Limited *	8.66	2034	30,000	1,000	341.31	343.01
10	NTPC Limited*	8.66	2033	92,899	1,000	1,140.93	1,150.03
11	NHPC Ltd*	8.67	2033	49,420	1,000	611.49	615.44
12	India Infrastructure Finance Company Limited*	7.40	2033	50,000	1,000	556.00	558.86
13	NHPC Limited *	8.67	2033	10,000	1,000	119.72	120.24
14	India Infrastructure Finance Company Limited *	7.40	2033	50,000	1,000	556.05	558.81
15	National Highway Authority of India Limited *	7.35	2031	189,883	1,000	2,152.05	2,161.24
16	Indian Renewable Energy Development Agency Limited*	7.49	2031	50,000	1,000	510.25	510.46
17	National Bank for Agriculture and Rural Development*	7.35	2031	440,010	1,000	4,782.57	4,809.00
18	Indian Railway Finance Corporation Limited *	7.35	2031	99,000	1,000	1,091.33	1,096.30
19	Housing and Urban Development Corporation Limited*	7.39	2031	100,000	1,000	1,134.64	1,142.62
20	National Highway Authority of India *	7.35	2031	28,313	1,000	303.88	303.94
21	National Highway Authority of India *	7.35	2031	50,000	1,000	565.14	567.28
22	National Bank For Agriculture And Rural Development *	7.35	2031	120,000	1,000	1,297.27	1,303.97
23	Indian Railway Finance Corporation Limited *	7.28	2030	11,074	1,000	125.38	126.24
24	National Highway Authority of India *	7.28	2030	50	1,000,000	542.61	543.16
25	Indian Railway Finance Corporation Limited *	7.28	2030	12,080	1,000	124.86	124.86
26	National Housing Bank *	8.68	2029	30,000	5,000	1,616.43	1,626.92
27	Indian Railway Finance Corporation Limited *	8.40	2029	63,000	1,000	723.83	727.80
28	Indian Railway Finance Corporation Limited *	8.63	2029	40,000	1,000	447.05	448.25
29	National Housing Bank *	8.68	2029	20,000	5,000	987.55	1,000.68
30	NHPC Ltd*	8.54	2028	81,428	1,000	955.15	961.62
31	Power Finance Corporation of India Limited *	8.46	2028	40	1,000,000	420.01	420.33
32	Rural Electrification Corporation Limited *	8.46	2028	60,000	1,000	700.65	709.37
33	Rural Electrification Corporation Limited *	8.46	2028	157	10,00,000	1,854.10	1,876.22
34	Indian Railway Finance Corporation Limited *	8.48	2028	100	10,00,000	1,149.21	1,156.10
35	Indian Railway Finance Corporation Limited *	7.34	2028	60,000	1,000	625.67	626.38
36	India Infrastructure Finance Company Limited*	8.26	2028	80	1,000,000	885.78	891.00
37	National Housing Bank *	8.46	2028	90	1,000,000	1,014.04	1,021.42
38	Housing and Urban Development Corporation Limited*	8.56	2028	20	1,000,000	235.80	238.57
39	Housing and Urban Development Corporation Limited *	8.56	2028	100	1,000,000	1,119.80	1,126.77
40	Housing and Urban Development Corporation Limited *	8.51	2028	50,000	1,000	554.82	558.34
41	National Housing Bank *	8.46	2028	50	1,000,000	587.29	593.75
42	NTPC Limited*	8.48	2028	100,000	1,000	1,173.50	1,188.31
43	National Highway Authority of India Limited *	8.30	2027	140,000	1,000	1,513.69	1,521.26
44	Power Finance Corporation of India Limited *	8.30	2027	50,000	1,000	529.86	531.37
45	Indian Railway Finance Corporation Limited *	7.38	2027	100	1,000,000	1,128.69	1,139.93
46	Indian Railway Finance Corporation Limited *	8.10	2027	50,000	1,000	574.69	582.57
47	Rural Electrification Corporation Limited *	8.12	2027	100,000	1,000	1,167.86	1,182.55
48	NTPC Limited*	7.15	2025	21	1,000,000	219.37	219.44
49	IDFC FIRST Bank Limited	9.03	2025	5	1,000,000	55.57	55.62



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 4 : Non-Current Investments (contd.)

	Particulars	Rate of Interest (%)	Year of Maturity	Nos.	Face Value / NAV (₹)	As at 31st March, 2021	As at 31st March, 2020
50	IDFC FIRST Bank Limited	8.80	2025	4	1,000,000	42.36	42.35
51	Indian Renewable Energy Development Agency Limited*	7.17	2025	60	1,000,000	623.52	622.13
52	Rural Electrification Corporation Limited *	7.17	2025	50	1,000,000	540.37	546.06
53	HDB Financial Services Limited	10.19	2024	1	1,000,000	10.20	10.25
54	Housing and Urban Development Corporation Limited*	8.51	2024	50,000	1,000	537.76	546.78
55	Indian Railway Finance Corporation Limited *	7.18	2023	75,000	1,000	782.27	786.03
56	NTPC Limited*	8.41	2023	150,000	1,000	1,617.37	1,639.44
57	Power Finance Corporation of India Limited *	7.19	2023	100,000	1,000	1,042.17	1,054.93
58	NTPC Limited*	8.41	2023	50,000	1,000	538.90	547.70
59	Rural Electrification Corporation Limited *	7.21	2022	10	1,000,000	102.93	103.14
60	Power Finance Corporation of India Limited *	7.21	2022	50	1,000,000	524.32	531.06
61	Housing and Urban Development Corporation Limited*	8.10	2022	60,000	1,000	-	605.77
62	Power Finance Corporation of India Limited *	8.20	2022	90,000	1,000	-	946.94
63	National Highway Authority of India Limited *	8.20	2022	100,000	1,000	-	1,057.66
64	Rural Electrification Corporation Limited *	7.93	2022	90,000	1,000	-	967.63
65	Indian Railway Finance Corporation Limited *	8.00	2022	60,000	1,000	-	626.89
66	Power Grid Corporation of India Limited	9.64	2021	32	1,250,000	-	439.47
67	Power Finance Corporation of India Limited *	7.51	2021	600	100,000	-	620.39
	Sub-total					44,731.88	50,317.92
(b)	Investment in Mutual Funds (at FVTPL)						
1	Nippon India Fixed Horizon Fund - XXXVIII - Series 05			5,000,000	12.39	627.66	574.99
2	Sundaram Fixed Term Plan-IK 1098 DAYS			5,000,000	12.41	625.63	586.13
3	Kotak FMP Series 235 - 1140 Days			5,000,000	12.45	627.94	587.72
4	Franklin India FMP SR 4 PL F (1286 Days)			10,000,000	12.60	1,272.88	1,165.25
5	Nippon India Fixed Horizon Fund - XXXIX - Series 09			10,000,000	12.62	1,274.88	1,169.84
6	Kotak FMP Series 248			10,000,000	12.64	1,276.54	1,172.21
7	Sundaram Fixed Term Plan - IS 1120 Days			50,00,000	11.95	603.01	552.57
8	SBI Debt fund series C 49			10,000,000	11.90	1,200.87	1,103.06
9	SBI Debt fund series C 50			10,000,000	11.85	1,195.33	1,099.46
10	Kotak FMP Series 267			5,000,000	11.87	598.74	551.27
11	Franklin India Fixed Maturity Plans-Series 4 Plan B 1098 days				-	-	581.78
12	Kotak Mahindra MF FMP Series 235 -1140D Dir Growth 26Ag21				-	-	587.72
13	SBI Mutual Fund Series 8 (1178 Days)			5,000,000	11.78	589.00	541.43
14	SBI Mutual Fund Series 14 (1102 Days)			3,000,000	11.58	347.40	319.36
	Sub-total					10,239.88	10,592.78
(C)	Investment in ETF Bonds (at FVTPL)						
1	Edelweiss Bharat Bond ETF		2023	100,000	1,000	1,116.98	1,023.53
2	Edelweiss Bharat Bond ETF		2025	49,997	1,000	512.07	-
	Sub-total					1,629.05	1,023.53
	Total					56,600.81	61,934.23
	* Investment in tax free bonds						
	Aggregate amount of quoted investment					56,600.81	61,934.23
	Aggregate market value of quoted investment					61,070.77	65,806.64
	Aggregate amount of unquoted investments					-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 5 : Other Financial Assets

(₹ in Lakh)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Non-Current	Current	Non-Current	Current
Security deposits	687.29	219.98	632.85	217.72
Interest accrued on fixed deposits	7.42	261.49	5.16	137.21
Deposits with maturity of more than twelve months*	13,721.91	-	99.50	-
Margin money deposits with a bank (earmarked as security for performance guarantee and other commitments)	56.00	-	149.12	-
Others	-	380.44	0.12	181.63
Total	14,472.62	861.91	886.75	536.56

* Includes FD earmarked for future payments.

Note 6(a) : Deferred Tax Asset (net)

(₹ in Lakh)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Deferred Tax Asset :			
Lease Liability (Refer Note 28)		2.31		0.46
Employee benefits		273.11		228.44
Provision for doubtful debts / advances		301.22		170.14
		576.64		399.04
Less: Deferred Tax Liability :				
Property, plant and equipment		92.24		55.43
		92.24		55.43
Net Deferred Tax Asset		484.40		343.61

The movement in Deferred Tax Asset and Liabilities:

(₹ in Lakh)

Particulars	As at 31st March, 2020		Credited / (Charged) to Statement of Profit and Loss	As at 31st March, 2021	
	Deferred Tax Asset :				
Lease Liability (Refer Note 28)	0.46	1.85		2.31	
Employee benefits	228.44	44.67		273.11	
Provision for doubtful debts / advances	170.14	131.08		301.22	
	399.04	177.60		576.64	
Less: Deferred Tax Liability :					
Property, plant and equipment	55.43	36.81		92.24	
	55.43	36.81		92.24	
Net Deferred Tax Asset	343.61	140.79		484.40	

The movement in Deferred Tax Asset and Liabilities:

(₹ in Lakh)

Particulars	As at 1st April, 2019		Credited / (Charged) to Statement of Profit and Loss	As at 31st March, 2020	
	Deferred Tax Asset :				
Property plant and equipment	23.03	(23.03)		-	
Lease Liability (Refer Note 28)	-	0.46		0.46	
Employee Benefit	214.54	13.90		228.44	
Provision for doubtful debts / advances	116.79	53.35		170.14	
Other	37.65	(37.65)		-	
	392.01	7.03		399.04	
Less: Deferred Tax Liability :					
Property, plant and equipment	-	55.43		55.43	
	-	55.43		55.43	
Net Deferred Tax Asset	392.01	(48.40)		343.61	



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 6(b) : Deferred Tax Liability

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred Tax Liability :		
Property, plant and equipment	41.73	25.22
Fair value gain on investments	95.20	142.45
	136.93	167.67
Less: Deferred Tax Asset :		
Employee benefits	64.03	35.33
Provision for doubtful debts	18.02	2.76
Lease Liability (Refer Note 28)	11.03	7.62
	93.08	45.71
Net Deferred Tax Liability	43.85	121.96

The movement in Deferred Tax Liabilities and Asset:

(₹ in Lakh)

Particulars	As at 31st March, 2020	Credited / (Charged) to Statement of Profit and Loss	As at 31st March, 2021
Deferred Tax Liability :			
Property, plant and equipment	25.22	16.51	41.73
Fair value gain on investments	142.45	(47.25)	95.20
	167.67	(30.74)	136.93
Less: Deferred Tax Asset :			
Employee benefits	35.33	28.70	64.03
Provision for doubtful debts	2.76	15.26	18.02
Lease Liability (Refer Note 28)	7.62	3.41	11.03
	45.71	47.37	93.08
Net Deferred Tax Liability	121.96	(78.11)	43.85

The movement in Deferred Tax Liabilities and Asset:

(₹ in Lakh)

Particulars	As at 1st April, 2019	Credited / (Charged) to Statement of Profit and Loss	As at 31st March, 2020
Deferred Tax Liability :			
Property, plant and equipment	24.15	1.07	25.22
Fair value gain on investments	72.63	69.82	142.45
	96.78	70.89	167.67
Less: Deferred Tax Asset :			
Employee benefits	41.03	(5.70)	35.33
Provision for doubtful debts	1.90	0.86	2.76
Lease Liability (Refer Note 28)	-	7.62	7.62
	42.93	2.78	45.71
Net Deferred Tax Liability	53.85	68.11	121.96

Note 7 : Other Assets

(₹ in Lakh)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Non-current	Current	Non-current	Current
Capital advances	47.86	-	1,345.08	-
Prepaid expenses	103.72	284.84	131.66	303.20
Advance to employees for expenses	-	63.85	-	61.21
GST credit receivable	-	1,772.83	-	1,116.64
Security deposits	-	6.83	3.25	-
Others	0.37	685.73	8.97	10.64
Total	151.95	2,814.08	1,488.96	1,491.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 8: Current Investments

(₹ in Lakh)

Particulars	Rate of Interest (%)	Nos.	Face Value / NAV (₹)	As at 31st March, 2021	As at 31st March, 2020	
(a) Current portion of Long-Term Investments :						
Investment in Debentures or Bonds (at amortised cost)						
1	Housing and Urban Development Corporation Limited*	8.1	60,000	1,000	604.75	-
2	Power Finance Corporation of India Limited *	8.2	90,000	1,000	939.99	-
3	National Highway Authority of India Limited *	8.2	100,000	1,000	1,050.69	-
4	Rural Electrification Corporation Limited *	7.93	90,000	1,000	960.86	-
5	Power Grid Corporation of India Limited	9.64	32	1,250,000	439.47	-
6	Power Finance Corporation of India Limited *	7.51	600	100,000	621.50	-
7	Indian Railway Finance Corporation Limited *	8	60,000	1,000	624.45	-
Sub-total					5,241.71	-
(b) Other Current Investments :						
Investment in Mutual Funds (at FVTPL)						
1	Units of Axis Liquid Fund - Direct Growth		34,034	2,266.92	777.60	750.21
2	Units of IDFC Liquid Fund		-	-	-	739.94
3	Units of Birla Sunlife Liquid Fund - Direct Growth		276,601	328.93	-	883.91
4	Units of UTI Treasury Advantage Fund - Daily Dividend Reinvestment		70,122	1,001.63	708.14	665.15
5	Units of Axis Liquid Fund -Direct Plan- Daily Dividend		144	1,000.96	1.45	1.40
6	Units of IDFC Liquid Fund - Direct Plan - Daily Dividend		88	1,001.67	0.89	0.86
7	Units of HDFC Liquid Fund- Daily Dividend Reinvestment		66,760	1,019.82	685.67	663.97
8	Units of HDFC Liquid Fund- Direct Growth		-	-	-	309.11
9	Units of ICICI Prudential Liquid Fund Dir Growth		230,867	302.33	703.53	678.24
10	Units of IDBI Ultra Short Term Fund- Daily Dividend Reinvestment		87	1,031.19	0.91	0.86
11	Units of L&T Liquid Fund - Direct Growth		-	-	-	780.99
12	Units of Principal Debt Opportunity Conservative Fund- Daily Dividend Reinvestment		64,707	930.36	607.18	581.36
13	Units of UTI Liquid Fund - Daily Dividend Reinvestment		66,772	1,019.45	685.79	663.18
14	Units of L&T Banking & PSU debt fund		2,988,465	20.10	601.04	554.84
15	Units of Sundaram Corporate bond fund		3,767,812	31.92	1,206.55	1,107.45
16	Units of KOTAK Liquid Fund - Direct Growth		-	11.87	-	1,025.04
17	HDFC Low Duration Fund *		-	-	-	407.94
18	HDFC Corporate Bond Fund-Direct Plan-Growth		-	-	-	609.65
19	IDFC Corporate Bond Fund - Direct Growth option		-	-	-	599.02
20	ICICI Prudential Banking & PSU Debt fund-Direct Plan - Growth		-	-	-	306.84
21	ICICI Prudential Banking & PSU Debt fund-Direct Plan - Growth		-	-	-	102.00
22	Kotak Banking and PSU Debt Fund - Dir - Growth		-	-	-	410.94
23	Nippon Liquid Fund		8,250	5,032.07	415.14	400.17
24	SBI Liquid Fund		6,435	3,221.25	207.29	200.07
25	NIPPON BPSU - Dir - Growth		-	-	-	400.00
26	Franklin India Fixed Maturity Plans-Series 4 Plan B 1098 days		5,000,000	12.54	627.00	-
27	Kotak Mahindra MF FMP Series 235 -1140D Dir Growth 26Ag21		5,000,000	12.56	628.00	-
28	Aditya Birla Sun Life Liquid Mutual Fund- Direct Growth Plan		103,367	331.53	342.70	-
29	SBI Liquid Fund-Direct Growth		701	3,196.44	-	457.58



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 8 : Current Investments (contd.)

(₹ in Lakh)

	Particulars	Rate of Interest (%)	Nos.	Face Value / NAV (₹)	As at 31st March, 2021	As at 31st March, 2020
30	SBI Overnight Fund Direct Growth		9,569	3,351.74	320.72	-
31	ICICI Prudential Overnight Fund-DP-Growth		-	-	-	438.82
	Sub-total				8,519.60	13,739.54
	Investments in Treasury Bills				2,478.56	736.43
	Total				16,239.87	14,475.97
* Investment in tax free bonds						
Note - The Repurchase Price / NAV has been considered as the Quoted Market Price						
	Aggregate amount of quoted investment				16,239.87	14,475.97
	Aggregate market value of quoted investment				16,146.53	14,475.97
	Aggregate amount of unquoted investments				-	-

*After scheme re-categorization mandate of SEBI in 2018, schemes got merged and now there is no wholesale plan and retail plan, Pursuant to the scheme merger the company has received 9,22,772 units of HDFC Low Duration Fund as on 10th May, 2019 instead of HDFC Low Duration Fund-Wholesale-Growth (units in Previous scheme 9,07,496 units)

Note 9 : Trade Receivables

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade receivables considered good - Secured,	378.38	187.93
Trade receivables considered good - Unsecured,	10,501.33	7,940.09
Unsecured, considered doubtful	1,274.66	686.92
	12,154.37	8,814.94
Less: Expected credit loss (Refer Note 2.15)	1,274.66	686.92
Total	10,879.71	8,128.02

Footnote: .

1) The average credit period on sale of services is 30 days. No interest is charged on trade receivables for the first 30 days from the date of invoice. Thereafter, interest is charged at the range of 12% to 24% p.a. on certain categories of receivables.

2) The Company has appropriate levels of control procedures for new customers which ensures the potential customer's credit quality. Credit limits attributed to customers are reviewed periodically by the Management.

3) Movement in Expected Credit Loss

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning of the year	686.92	413.35
Provision during the year	592.71	281.80
Reversal during the year	4.97	8.23
Balance at the end of the year	1,274.66	686.92

Note 10 : Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash on hand	0.55	0.55
Cheques on hand	8.90	21.46
Balances with banks:		
i) in current accounts	6,874.28	786.02
ii) in sweep fixed deposit	1,228.83	2,105.79
Total	8,112.56	2,913.82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 11 : Bank Balances other than Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Other bank balances:		
i) in current accounts*	13,253.52	522.02
ii) In other deposit accounts with original maturity more than 3 months	16,849.93	6,850.86
iii) Margin money deposits with a bank (earmarked as security for performance guarantee and other commitments)	174.12	50.00
iv) Others	-	-
Total	30,277.57	7,422.88

* These balances have restriction on repatriation.

Note 12 : Equity Share Capital

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
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
Total	4,000.00	4,000.00

12 (a) Details of Shares held by each Shareholder holding more than 5% :

Number of shareholders	As at 31st March, 2021		As at 31st March, 2020	
	Number of Shares held	% Holding	Number of Shares held	% Holding
IDBI Bank Ltd.	10,440,000	26.10	10,440,000	26.10
National Stock Exchange of India Ltd	9,600,000	24.00	9,600,000	24.00
HDFC Bank Limited	3,979,900	9.95	3,979,900	9.95
Administrator of the Specified Undertaking of the Unit Trust of India- Unit Scheme 1964	2,732,000	6.83	2,732,000	6.83

12 (b) 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.

12 (c) Reconciliation of the Shares outstanding at the beginning and end of the year:

Particulars	No of shares	(₹ in Lakh)
Balance as at 1st April, 2020	40,000,000	4,000
Add: Issue of Shares	-	-
Balance as at 31st March, 2021	40,000,000	4,000

12 (d) On 8th June, 2021, the Board of Directors of the Company have recommended a final dividend of ₹ 5.00 per share (PY ₹ 4 per share) in respect of the year ended 31st March, 2021, subject to approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 2,000.00 Lakh (PY ₹ 1600.00 Lakh).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 13 : Other Equity

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
General Reserve		
Balance at the beginning of the year	36,312.82	36,312.82
Add: Transferred from retained earning	-	-
Balance as at the end of the year	36,312.82	36,312.82
Retained Earnings		
Balance at the beginning of the year	44,375.31	33,345.76
Profit for the year	18,856.45	12,476.21
Less: Dividend (Refer Note 12(d))	(1,600.00)	(1,200.00)
Dividend distribution tax	-	(246.66)
Balance as at the end of the year	61,631.76	44,375.31
Other Comprehensive Income		
Balance at the beginning of the year	(13.89)	(133.42)
Other comprehensive income for the year	(1.16)	119.53
Balance as at the end of the year	(15.05)	(13.89)
Total	97,929.53	80,674.24

Note 14 : Other Financial Liabilities (Non-Current)

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Others:		
Incentive payable to employees	360.12	273.19
Credit balances in Trade Receivables	3.04	-
Total	363.16	273.19

Note 15 : Other Non-Current Liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Others:		
Income received in advance	79.17	18.03
Total	79.17	18.03

Note 16 : Trade Payables

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Amounts due to micro enterprise and small enterprises*	303.02	233.70
Others	3,111.06	2,434.83
Total	3,414.08	2,668.53

* Dues to micro enterprise and small 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 TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 16 : Trade Payables (contd.)

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

(₹ in Lakh)

Particulars	As at	
	31st March, 2021	31st March, 2020
Principal amount remaining unpaid to any supplier as at the end of the accounting period.	303.02	233.70
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.	-	-
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	303.02	233.70

Note 17 : Other Financial Liabilities (Current)

(₹ in Lakh)

Particulars	As at	
	31st March, 2021	31st March, 2020
Security deposit received from customers / depository participants	5,790.13	5,262.67
Payables on purchase of Property, plant and equipment, intangible assets	95.31	111.66
Payable to Investor Protection Fund Trust (Refer Note 32)	900.69	546.37
Payable on redemption of NSC/KVP and government securities	1,290.99	522.02
Payables to staff	1,587.46	1,144.78
Gratuity payable to Fund (Refer Note 30)	365.68	167.76
Annual custody charges payable	36.15	19.44
Payable for stamp duty collection	4,135.97	-
Advance received for auction of DP demat accounts*	7,810.13	-
Others	1,134.98	49.18
Total	23,147.49	7,823.88

* Advance received for Auction of Demat Accounts for DP Karvy Stock Broking Limited. The matter is subjudice with Bombay High Court.

Note 18 : Provisions

(₹ in Lakh)

	As at		As at	
	31st March, 2021		31st March, 2020	
	Non-current	Current	Non-current	Current
Provision for Employee Benefit				
Provision for compensated absences	116.82	1,223.47	44.40	1,011.21
Other Provision				
Provision for investor awareness (Refer Note 33)	-	1,830.41	-	1,893.51
Total	116.82	3,053.88	44.40	2,904.72

Note 19 : Other Current Liabilities

(₹ in Lakh)

Particulars	As at	
	31st March, 2021	31st March, 2020
Advances from customers	5,217.19	4,370.84
Income received in advance	673.46	755.13
Statutory remittances	894.86	598.53
Other Payables	7,804.01	211.11
Total	14,589.52	5,935.61



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 20 : Revenue from Operations

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Annual fees	2,351.04	2,311.92
Custody fees	16,217.76	12,052.18
Registration fees	326.17	676.25
Transaction fees	21,102.16	16,572.53
Software license fees	17.10	29.99
Communication fees	374.71	333.33
Income from banking services	6,171.46	603.18
Other operating income	14.80	27.58
Total	46,575.20	32,606.96

Note 21 : Other Income

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest income :		
i) On non-current investments	3,270.45	3,149.13
ii) On fixed deposits with banks	573.96	190.82
iii) On overdue trade receivables	300.73	167.78
Sub-total	4,145.14	3,507.73
Dividend income from current Investments	44.44	163.79
Fair value gain on investments in mutual funds	1,416.00	1,325.52
Profit on sale of investments	155.73	-
Bad debts recovered	17.68	44.68
Extinguishment of Lease Liability	10.92	-
Rent recovery (Ind AS 116 - Leases)	31.43	49.66
Amounts written back	17.24	208.36
Miscellaneous income	16.89	28.73
Total	5,855.47	5,328.47

Note 22 : Employee Benefits Expenses

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Salaries and wages	7,748.76	6,302.27
Contribution to provident and other funds (Refer Note 30)	816.41	741.96
Staff welfare expenses	190.45	257.73
Deputation Cost	50.51	42.20
Total	8,806.13	7,344.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 23 : Other Expenses

(₹ in Lakh)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Annual fees		347.89		266.88
Repairs and maintenance - system		2,983.37		2,806.91
Repairs and maintenance - premises		206.86		252.38
Repairs and maintenance - others		471.90		443.86
System support charges		1,164.66		1,703.75
Insurance (Refer Note 29)		143.94		131.23
Processing charges		879.47		1,051.25
Power and fuel		153.19		223.62
Rent (net of recovery)		201.62		271.36
Communication expenses		1,220.44		1,223.74
Travelling and conveyance expenses		163.31		360.58
Legal and professional fees		629.94		740.21
Printing and stationery expenses		360.74		493.62
Rates and taxes		236.64		545.60
Corporate social responsibility expense (Refer Note 34)		322.83		301.71
Seminar and business promotion expenses		51.86		174.23
Payment to auditors (net of GST set-off) :				
(a) Audit fees	46.43		43.70	
(b) Tax audit fees	3.75		3.55	
(c) Taxation matters	1.50		1.50	
(d) Other services	17.40	69.08	15.60	64.35
Directors sitting fees		180.58		216.78
Provision for investor awareness (Refer Note 33)		514.97		453.00
Provision for doubtful trade receivables		587.74		273.58
Bad debts written-off		3.20		23.24
Loss on sale of Assets / written off		63.16		0.25
Capital WIP written off		4.17		9.55
Marketing expenses		2.11		0.84
Business & remittance expenses		4,390.42		-
Miscellaneous expenses		940.56		426.20
Total		16,294.65		12,458.72

Note 24 : Contingent Liabilities and Other Commitments (to the extent not provided for):

Contingent Liabilities:

- Demand from the service tax authorities of ₹ 5,236.21 Lakh (Previous year ₹ 5,236.21 Lakh) in respect of FY 2004-05 to FY 2008-09 relate to service tax demanded in respect of depository participant services during that period. The Group has received order from the Central Excise and Service Tax Appellate Tribunal (CESTAT) on 12th June 2020, and it subsequently filed a civil appeal in the Supreme Court and the Service Tax Department has filed a counter affidavit with the Supreme Court. The Holding Company is in the process of further appeal and is hopeful of succeeding in appeals and does not expect any significant liability to materialise.
- Demand from income tax authorities for AY 2013-14, AY 2014-15, AY 2015-16, AY 2017-18, AY 2018-19, and AY 2019-20 for ₹ 213.61 Lakh (Previous year ₹ 213.61 Lakh), ₹ 347.13 Lakh (Previous year ₹ 347.13 Lakh), ₹ 522.82 Lakh (Previous year ₹ 522.82 Lakh), ₹ 2,040.94 Lakh (Previous year ₹ 2,040.94), ₹ 3,065.32 Lakh (Previous year ₹ 295.94), and ₹ 799.03 Lakh (Previous year ₹ 805.84) respectively. The Group has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 24 : Contingent Liabilities and Other Commitments (to the extent not provided for) (Contd.) :

- c) Fixed Deposits placed with Corporation Bank against which lien is marked and Bank Guarantee issued by Corporation Bank to Unique Identification Authority of India (UIDAI) on behalf of NSDL Payments Bank Limited for ₹ 25.00 Lakh (Previous year ₹ 25.00 Lakh)

Commitments:

- a) Estimated amount of capital contracts not provided (net of advances) for the year ended 31st March, 2021 is ₹ 291.83 Lakh (Previous year ₹ 568.08 Lakh).
b) Other Commitments: Contractual guarantee: ₹ 230.12 Lakh (Previous year ₹ 199.12 Lakh)

Note 25 : Expenditure in Foreign Currency

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Travelling	-	71.75
Membership fees	5.48	15.16
Professional fees	5.41	23.59
Network Connectivity charges	132.98	144.81
Total	143.87	255.31

Note 26 : Segment Reporting

The Group's operating segments are established on the basis of those components of the group that are evaluated regularly by the Chief Operating Decision Maker (CODM), in deciding how to allocate resources and in assessing performance. The Managing Director has been identified as the CODM.

The Operating segments have been identified taking into account nature of products and services, the differing risk and returns and the internal business reporting systems. The Group has three operating and reporting segments; viz. Depository, Database Management Services, and Banking Services. Since the operations of the segments are in India, no geographical segments have been identified.

Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Depository Segment (DP) includes providing various services to the investors like, dematerialisation, rematerialisation, holding, transfer and pledge of securities in electronic form, providing facility to market intermediaries for "Straight through Processing" and providing e-voting services to companies.

Database Management Services (DMS) 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.

Banking Services segment (BS) includes accepting demand deposits in the form of savings bank deposits, to provide payment/remittance/recharge services through its mobile application, issue of debit cards for point of sale/Ecommerce and ATM transactions, accepting demand deposits in the form of current account deposits, offering domestic money transfer through Business Correspondent, offering mutual fund investment services through mobile app, offering Bank verification services for corporate brokers, offering insurance investment services through mobile app.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 26 : Segment Reporting (contd.)

(₹ in Lakh)

Particulars	For the year ended 31st March, 2021				For the year ended 31st March, 2020			
	Depository	Database Management	Banking Services	Total	Depository	Database Management	Banking Services	Total
Segment Revenue								
Revenue	33,555.35	6,848.39	6,171.46	46,575.20	24,956.57	7,047.21	603.18	32,606.96
Less: Inter segment revenue	-	-	-	-	-	-	-	-
Total	33,555.35	6,848.39	6,171.46	46,575.20	24,956.57	7,047.21	603.18	32,606.96
Segment Results	17,354.32	2,828.20	(1,293.46)	18,889.06	9,715.68	2,715.64	(1,430.10)	11,001.22
Add: Other unallocable income (net of unallocable expense)				1,710.33				1,822.07
Add: Interest income				4,145.14				3,507.73
Less: Finance cost				86.38				109.66
Profit Before Tax				24,658.15				16,221.36
Less: Tax expense				(5,801.70)				(3,745.15)
Profit for the year				18,856.45				12,476.21

Particulars	For the year ended 31st March, 2021					For the year ended 31st March, 2020				
	Depository	Database Management	Banking Services	Un-allocable	Total	Depository	Database Management	Banking Services	Un-allocable	Total
Segment Assets	29,375.23	4,876.25	10,955.47	104,667.79	149,874.74	13,844.52	3,083.92	4,714.45	85,141.04	106,783.93
Segment Liabilities	18,322.77	3,641.66	10,477.15	15,503.63	47,945.21	15,773.46	3,806.94	780.22	1,749.07	22,109.69
Capital Expenditure	1,290.06	396.69	646.59	-	2,333.34	1,703.45	232.39	566.75	-	2,502.59
Depreciation/Amortisation	743.02	338.51	620.28	-	1,701.81	476.35	303.20	503.45	-	1,283.00
Material non-cash items other than Depreciation/Amortisation	1,919.59	63.53	6.34	-	1,989.46	1,246.45	21.91	-	-	1,268.35

Note 27 : Related Party Disclosures:

a) Names of Related Parties and Relationship:

1	IDBI Bank Limited	Company having substantial Interest
2	National Stock Exchange of India Limited	Company having substantial Interest
3	Key Managerial Personnel (Holding Company)	
	Mr. B. A. Prabhakar	Public Interest Director
	Mr. G V Nageswara Rao	Managing Director and CEO
	Prof. G. Sivakumar	Public Interest Director
	Dr. Rajani Gupte	Public Interest Director
	Mr. B. Sambamurthy	Public Interest Director
	Mr. Rajeev Kumar (w.e.f. 8th July, 2020)	Shareholder Director
	Ms. Priya Subbaraman (w.e.f. 23rd October, 2020)	Shareholder Director



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 27 : Related Party Disclosures: (contd.)

b) Nature and Volume of Transactions during the year with the above Related Parties:

(₹ in Lakh)

	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
(i)	Transactions during the year :		
	I. Companies having Substantial Interest		
	a) IDBI Bank Limited		
	-Transaction fees	47.27	38.55
	-Annual fees	11.30	11.33
	-Annual custody fees	23.83	23.11
	-Reimbursement of expenses	1.42	1.56
	-Interest Income on fixed deposit with bank	316.72	127.68
	-Interest (waiver)/ income – other	1.14	2.14
	-Miscellaneous expenses	0.37	0.43
	-Investor awareness expense	5.25	-
	-Dividend paid	417.60	313.20
	b) National Stock Exchange of India Limited		
	-Transaction fees	142.32	58.71
	-Miscellaneous expenses	-	0.13
	-Dividend paid	384.00	288.00
	II. Key Managerial Personnel		
	a) Sitting Fees to directors	110.80	126.80
	b) Remuneration to MD (Refer note ii):		
	-Short-term employee benefit	374.49	350.28
	-Long-term employee benefit	-	-
(ii)	(Payable)/Receivable at the end of the year :		
	Companies having Substantial Interest		
	a) IDBI Bank Limited		
	-Security deposit payable	(30.00)	(30.00)
	-Balance in current account	0.33	11.02
	-FDs	5,517.63	846.75
	-Trade receivables	11.82	21.94
	b) National Stock Exchange of India Limited		
	-Trade receivables	94.94	41.88
	Key Managerial Personnel		
	a) Payable to key managerial person	254.97	254.48

Notes:

- (i) There are no provisions for doubtful debts or amounts written off/written back in respect of dues from/to related parties.
- (ii) Managerial Remuneration does not include provision made for compensated absence and gratuity since the same is determined at aggregate basis for the component based on independent actuarial valuation except to the extent of amount paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 28 : Lease Liability:

Statement showing movement in Lease Liabilities:

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Lease Liability at the beginning of the year	1,214.28	-
Add/(less): Agreements reassessed as lease contracts	-	1,489.29
Additions	31.72	51.11
Deductions/Adjustments	-	-
Finance cost accrued during the period	84.97	108.57
Payment of lease liabilities	399.99	434.69
Lease Liability at the end of the year	930.98	1,214.28

Statement showing carrying value of Right of Use Assets:

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Right of Use Assets at the beginning of the year	1,173.05	1,500.64
Additions	31.72	51.11
Deductions/Adjustments	-	-
Depreciation	347.65	378.70
Right of Use Assets at the end of the year	857.12	1,173.05

Statement showing breakup value of the Current and Non-Current Lease Liabilities:

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current lease liabilities	348.53	253.50
Non- Current lease liabilities	582.45	960.78
Total	930.98	1,214.28

Statement showing agreement maturities of Lease Liabilities on an undiscounted basis:

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Due for :		
Up to One year	402.30	378.29
One year to Five years	612.97	1,015.52
More than Five years	37.84	14.44
Total	1,053.11	1,408.25

Statement showing amount recognised in Statement of Profit and Loss:

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest on lease liabilities	84.97	108.57
Depreciation on right of use assets	347.65	378.70
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-of-use assets	-	-
Expenses relating to short-term leases	-	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-
Total	432.62	487.27



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 28 : Lease Liability: (contd.)

Statement showing amount recognised in Statement of Cash Flows:

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total cash outflow for leases	389.07	434.69

Note 29 : Expenses in note 23 has been disclosed net of recoveries as under:

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Insurance	56.32	67.24

Note 30 : Employee Benefits:

a) The Group has recognized the following amounts in the statement of profit and loss under the head Group's contribution to provident fund and other funds. :

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provident fund	315.02	291.76
ESIC	1.32	1.40
Superannuation fund	175.83	161.13
Total	492.17	454.29

b) Gratuity:

(i) Summary of Actuarial Assumptions:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Discount rate	5.58% - 6.86%	5.21 - 6.82%
Rate of return on plan assets	5.58% - 6.86%	5.21 - 6.82%
Salary escalation	7.00%	7.00% - 8.00%
Attrition rate		
- Less than 5 years	18% - 20%	2% - 30%
- More than 5 years	4% - 5%	2% - 5%
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	As at 31st March, 2021	As at 31st March, 2020
Liability at the beginning of the year	2,904.02	2,501.83
Interest cost	197.94	194.64
Current service cost	314.72	295.49
Benefits paid	(326.05)	(93.62)
Actuarial loss/(gain) on obligations	(14.63)	5.68
Closing defined benefit obligation	3,076.00	2,904.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 30 : Employee Benefits: (contd.)

(iii) Reconciliation of Fair Value of Plan Assets:

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fair value of plan assets at the beginning of the year	2,745.23	2,186.53
Interest income	186.97	170.11
Contributions by the employer	119.43	320.82
Benefits paid	(326.05)	(93.62)
Actuarial (gain)/loss on plan assets	(14.89)	161.39
Closing Fair Value of Plan Assets	2,710.69	2,745.23

(iv) Amount to be recognized in Balance Sheet

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Present value of funded obligation	(3,076.00)	(2,904.02)
Fair value of plan assets at the end of the year	2,710.69	2,745.23
Amount recognized in Balance Sheet	(365.31)	(158.79)

(v) Expenses to be recognized in Statement of Profit and Loss:

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current service cost	314.72	295.49
Interest cost	10.97	24.53
Expenses recognized in the Statement of Profit & Loss	325.69	320.02

(vi) Expenses to be recognized in other Comprehensive Income:

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Actuarial (gain)/ loss on obligation	(14.63)	5.68
Actuarial (Gain) or Loss on	14.89	(161.39)
Net (Income)/Expense for the period recognized in OCI	0.26	(155.71)

(vii) Balance Sheet Reconciliation:

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening net liability	158.79	315.30
Expenses recognized in statement of profit or loss	325.69	320.02
Expenses recognized in OCI	0.26	(155.71)
Employers contribution	(119.43)	(320.82)
Amount recognized in Balance Sheet	365.31	158.79



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 30 : Employee Benefits: (contd.)

(viii) Description of Plan Assets (managed by an Insurance Company):

Information of major categories of plan assets of gratuity fund is not available with the Group, and hence not disclosed as per the requirements of Ind AS 19 "Employee Benefits".

(ix) Expected contribution in the next year ₹354.75 Lakh (Previous year ₹ 293.92 Lakh)

(x) Sensitivity Analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in Lakh)

Particulars	Defined Benefit Obligation	
	Increase in Assumption	Decrease in Assumption
Discount rate (1% movement)	(264.87)	307.62
Future salary appreciation (1% movement)	303.88	(266.67)
Attrition rate (1% movement)	(11.62)	12.36

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

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.

Note 31 : Earnings Per Share:

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Profit for the year attributable to the equity shareholders (₹ in Lakh)	18,856.45	12,476.21
Weighted average Number of equity shares during the year	40,000,000	40,000,000
Basic and Diluted Earnings per Share (₹)*	47.14	31.19
Face value of each share (₹)	10.00	10.00

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 32 : Investor Protection Fund (IPF):

32.1 On January 21, 2016, The Securities Exchange Board of India (SEBI) has issued SEBI (Depositories and Participants) (Amendment) Regulations, 2016 ("the Amended Regulations"). According to these Amended Regulations, depositories are required to establish and maintain an Investor Protection Fund (IPF) for the protection of interest of beneficial owners and every depository shall credit five per cent of its profits from depository operations every year to the Investor Protection Fund.

The contribution to IPF for the period ended 31st March, 2021 works out to ₹ 883.55 Lakh (Previous year ₹ 518.53 Lakh), being 5% of the profits from depository operations of the Holding Company before tax for the year available after making such contribution.

32.2 Further, SEBI vide its Circular dated June 7, 2016 issued guidelines for utilization of IPF. The guidelines require administration of IPF by creation of a trust administered by Depository. As required by the Guidelines, the Holding Company created irrevocable Trust 'National Securities Depository Limited Investor Protection Fund Trust' (NSDL IPF Trust). The Holding Company transferred ₹ 518.83 Lakh (Previous year ₹ 622.68 Lakh) to NSDL IPF Trust for the period ended 31st March, 2021. The amount as at 31st March, 2021 includes contribution to IPF for the year ended 31st March, 2021, and other amounts recovered from depository participants as required by the guidelines.

Note 33 : Other Provisions: Provision for Investor Awareness:

SEBI vide its circular no. CIR/MRD/DP/18/2015 dated December 9, 2015 (the "Circular") has revised the annual custody/issuer charges to be collected by the depositories from the issuers with effect from financial year 2015-16. The Circular has also directed the Depositories to set aside 20% of the incremental revenue received from the issuers.

Pursuant to the Circular, the Holding Company has set aside ₹ 514.97 Lakh (Previous year ₹ 453.00 Lakh) being 20% of incremental revenue on issuer income for the year ended March 31, 2021.

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	1,893.51	1,440.51
Addition	514.97	453.00
Payment/ Utilisation	(578.07)	-
Closing Balance	1,830.41	1,893.51

Note 34 : Expenses towards Corporate Social Responsibility:

(₹ in Lakh)

Sr. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
a)	Gross amount required to be spent by the Group entities during the year.	322.47	301.35
b)	Amount spent during the period on:	322.83	301.71

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2021		
		In Cash/ Cheque/ Transfer	Yet to be spent	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	322.83	-	322.83



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 34 : Expenses towards Corporate Social Responsibility: (contd.)

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2020		
		In Cash/ Cheque/ Transfer	Yet to be spent	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	190.23	111.48	301.71

Note 35 : Fair Value Measurement:

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Financial Assets		
a) Amortised Cost		
Investments in debt instrument	52,452.15	51,054.35
Trade receivables	10,879.71	8,128.02
Cash and cash equivalents	8,112.56	2,913.82
Other bank balances	30,277.57	7,422.88
Other financial assets	15,334.53	1,423.31
	117,056.52	70,942.38
b) FVTPL		
Investment in mutual funds	18,759.48	24,332.33
Investment in Exchange traded Fund	1,629.05	1,023.53
	20,388.53	25,355.86
Total	137,445.05	96,298.24
Financial Liabilities		
a) Amortised Cost		
Trade payables	3,414.08	2,668.53
Lease liability	930.98	1,214.28
Other financial liabilities	23,510.65	8,097.07
Total	27,855.71	11,979.88

The fair values of the above financial assets and liabilities approximate their carrying amounts except in case of investment in bonds and debentures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 35 : Fair Value Measurement: (contd.)

Fair value hierarchy of financial assets and financial liabilities measured at amortised cost:

(₹ in Lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2021	Fair value	Carrying value	Fair value hierarchy
Financial Assets			
Investments in debt instrument	54,350.21	52,452.15	Level 2
Trade receivables	10,879.71	10,879.71	Level 3
Cash and cash equivalents	8,112.56	8,112.56	Level 3
Other bank balances	30,277.57	30,277.57	Level 3
Other financial assets	15,334.53	15,334.53	Level 3
Total	118,954.58	117,056.52	
Financial Liabilities			
Trade payables	3,414.08	3,414.08	Level 3
Lease liability	930.98	930.98	Level 3
Other financial liabilities	23,510.65	23,510.65	Level 3
Total	27,855.71	27,855.71	

Fair value hierarchy of financial assets and financial liabilities measured at amortised cost:

(₹ in Lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2020	Fair value	Carrying value	Fair value hierarchy
Financial Assets			
Investments in debt instrument	54,190.33	51,054.35	Level 2
Trade receivables	8,128.02	8,128.02	Level 3
Cash and cash equivalents	2,913.82	2,913.82	Level 3
Other bank balances	7,422.88	7,422.88	Level 3
Other financial assets	1,423.31	1,423.31	Level 3
Total	74,078.36	70,942.38	
Financial Liabilities			
Trade payables	2,668.53	2,668.53	Level 3
Lease liability	1,214.28	1,214.28	Level 3
Other financial liabilities	8,097.07	8,097.07	Level 3
Total	11,979.88	11,979.88	

Note 36 : Financial Instruments:

Capital Risk Management:

The Group's objectives when managing capital is to safeguard continuity as a going concern and provide adequate return to shareholders through continuing growth and maintain an optimal capital structure to reduce the cost of capital. The Group sets the amount of capital required on the basis of annual business plan and long-term operating plans which include capital investments.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 36 : Financial Instruments: (contd.)

Financial Risk Management:

A wide range of risks may affect the Group's business and financial results. Amongst other risks that could have significant influence on the Group are market risk, credit risk and liquidity risk.

The Board of Directors of the Group manage and review the affairs of the Group by setting up short term and long term budgets by monitoring the same and taking suitable actions to minimise potential adverse effects on its operational and financial performance.

The Group is exposed to the following market risks:

(a) Credit Risk

Credit risk refers to the risk that the counter party will default on its contractual obligation resulting in financial loss to the Group. The Group has adopted a policy of dealing with only credit worthy counter parties. This risk principally arises from credit exposures to customers, deposits with banks and financial institutions and other receivables.

Trade and other receivables: The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Receivables mainly consist of receivables from Depository Participants (DP), Issuers of Securities, Registrar and Transfer Agents (RTA), Asset Management Companies (AMC) and Stock Exchanges. Trade receivables consist of a large number of customers, representing diverse industries and geographical areas; hence the Group is not exposed to concentration risks. With respect to DPs, the Group performs credit evaluation while on boarding the customer and security deposits are taken. Ongoing credit evaluation is performed on the financial conditions of the accounts receivable. The Group has a dedicated Credit and Control team primarily responsible for monitoring credit risk and receivables. They monitor outstanding receivables along with ageing on periodic basis. For receivables pertaining to other streams of revenues, the credit and collection team regularly follows up for the collection.

The credit risk on liquid funds, banks and financial institutions is limited because the counterparties are with high credit-ratings.

(b) Liquidity Risk

Liquidity risk refers to the risk that the Group may not be in a position to meet its financial obligations timely. Management monitors rolling forecasts of the Group's liquidity position (comprising of undrawn bank facilities and cash and cash equivalents) on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

(c) Market Risk

Market Risk is the risk that the value of on and off-balance sheet positions of a Group will be adversely affected by movements in market rates or prices such as interest rates, prices resulting in a loss to earnings and capital.

The Group may be exposed to Market Risk in different ways. The market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates and prices. The Company's exposure to market risk is primarily on account of interest rate risk, price risk. All investment in Debentures and Bonds are at fixed rate of Interest and does not have material interest rate risks.

The Group's exposure to assets having price risk is as under:-

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Mutual Fund	18,759.48	24,332.33
Exchange traded Fund	1,629.05	1,023.53
Total	20,388.53	25,355.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 36 : Financial Instruments: (contd.)

Sensitivity

The table below summarises the impact of increases/ decreases of the Price on profit for the period. The analysis is based on the assumption that the instrument index has increased/ decreased by 5% with all other variables held constant.

(₹ in Lakh)

Particulars	Impact on profit after tax		Impact on other components of equity	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Increase by 5%	1,019.43	1,267.79	-	-
Decrease by 5%	(1,019.43)	(1,267.79)	-	-

Note 37 : Income Tax recognised in Statement of Profit and Loss:

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Profit Before Tax from Continuing Operations	24,658.15	16,221.36
Corporate tax expense rate	25.17%	25.17%
Tax on accounting profit	6,675.63	4,442.17
Effect of income that is exempt from taxation	(848.58)	(849.05)
Effect of expenses that are not deductible in determining taxable profit	321.50	283.26
Effect of different tax rates for capital gain on investments	-	(175.61)
Effect of tax on unrealised gains on investment	(366.65)	-
Effect on deferred tax due to change in Income tax rate	-	53.17
Others	(19.80)	(8.79)
Income Tax Expense recognised in Statement of Profit and Loss	5,801.70	3,745.15

Note 38 : Additional information pursuant to para 2 of general instructions for the preparations of Consolidated Financial Statements:

(₹ in Lakh)

Name of Entity in the Group	Net Assets (Total Assets less Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
National Securities Depository Limited	68.34%	69,655.13	89.71%	16,915.95	3121.55%	36.21	89.91%	16,952.16
NSDL Database Management Limited	17.63%	17,974.02	17.08%	3,220.19	(2884.48%)	(33.46)	16.90%	3,186.73
NSDL Payments Bank Limited	14.03%	14,300.38	(6.79%)	(1,279.69)	(337.07%)	(3.91)	(6.81%)	(1,283.60)
Total	100.00%	101,929.53	100.00%	18,856.45	100.00%	(1.16)	100.00%	18,855.29



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2021

Note 39 : The Code on wages 2019 and Code on Social Security, 2020 ("the Codes") relating to employee compensation and post-employment benefits that received Presidential assent have not been notified further the related rules for quantifying the financial impact have not been notified. The Company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Code becomes effective.

Note 40 : The outbreak of COVID-19 pandemic across the globe and in India including the recent second wave has contributed to a significant volatility in the global and Indian financial markets and slowdown in the economic activities. The Government of India / State government have introduced a variety of measures to contain the spread of the virus including countrywide / statewide lockdown for a specified period. The Holding Company being Depository was allowed to operate during such specified period. In assessing the impact of COVID-19 pandemic on recoverability of its assets, the Group has considered internal and external sources of information, economic forecasts and industry reports up-to the date of approval of these financial statements. Based on current indicators of future economic conditions, the Group is of the view that impact of COVID-19 pandemic is not likely to be material. The Group will continue to monitor any material changes to the future economic conditions.

Note 41 : Previous year's figures have been regrouped and reclassified wherever necessary.

For and on behalf of the Board of Directors

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

Sd/-
B.A. Prabhakar
Chairman
DIN: 02101808

Place : Mumbai
Date : 8th June, 2021

Sd/-
Nikhil Arya
Company Secretary
A42548

Sd/-
Chandresh Shah
Chief Financial Officer