NSE Clearing

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NSE Clearing Limited

Twenty-Sixth Annual Report 2020-21

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Harun R Khan	:	Chairman, Public Interest Director
Mr. Salim Gangadharan	:	Public Interest Director
Mr. Navin Kumar Maini	:	Public Interest Director
Mr. C VR Rajendran	:	Public Interest Director
Mrs. Bhagyam Ramani	:	Public Interest Director
Mr. K. S. Somasundaram	:	Shareholder Director
Mr. Vikram Kothari	:	Managing Director

MANAGEMENT TEAM

Ms. Rana Usman	:	Sr. Vice President and Head- Clearing & Settlement
Mr. Ravindra Mohan Bathula	:	Sr. Vice President and Head- Legal
Mr. Huzefa Mahuvawala	:	Vice President and Head Risk Management
Mr. Dhawal Shah	:	Vice President and Head Compliance
Ms. Hima Bindu Vakkalanka	:	Vice President -NCL Operational Risks & Projects
Mr. Nilesh Tinaikar	:	Vice President - NCL Development
Mr. Aniket Bhanu	:	Vice President- Strategic Projects
Mr. Amit Amlani	:	Asst. Vice President & Chief Financial Officer
Ms. Moushumi Mandal	:	Asst. Vice President -Human Resources
Mr. Paul Moonjelil	:	Asst. Vice President & Chief Information Security Officer
Mr. Chirag S. Nagda	:	Chief Manager & Company Secretary

CHIEF FINANCIAL OFFICER : Mr. Amit Amlani

COMPANY SECRETARY : Mr. Chirag S Nagda

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

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

REGISTRAR & TRANSFER AGENTS : Link Intime India Private Limited
C-101, 247 Park, L.B.S Marg,
Vikroli (West) Mumbai - 400 083

BOARD'S REPORT

To,
The Members,

Your Directors have pleasure in presenting the Twenty-Sixth Annual Report and Audited Financial Statements of the NSE Clearing Limited ('referred herein as the 'NCL' or 'NSE Clearing' or 'the Company') for the year ended March 31, 2021.

1. STATE OF COMPANY'S AFFAIRS- OPERATIONS

1.1 Settlement – Capital Market segment

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

During the period under review, 249 rolling settlements were handled in de-materialised mode. Per settlement figures in value terms in the current year are as follows:

The average value of securities handled per settlement was ₹11,850.95 crores in 2020-21 compared to ₹8,410.26 crores in 2019-20. The average funds pay-in per settlement was ₹3,400.47 crores in 2020-21 compared to ₹2,431.53 crores in 2019-20. The average number of shares processed per settlement was about 6,196.48 lakhs in 2020-21 compared to 4,322.21 lakhs in 2019-20. Short deliveries per settlement averaged around 0.08% in 2020-21 as compared to 0.07% in 2019-20.

The highest trading volume of ₹1,53,701 crores was observed on November 27, 2020 and the highest deliverable value of ₹47,304.34 crores were observed on November 27, 2020. Percentage of the number of shares deliverable to the number of shares traded decreased to 17% in 2020-21 from 20% in 2019-20. Percentage of the value of shares deliverable to the value of shares traded decreased to 18% in 2020-21 from 21% in 2019-20.

The Core Settlement Guarantee Fund stood at ₹363.54 crores for the month of March 2021. The details of settlements carried out by NSE Clearing are presented in the below Table No. 01.

Table No. 01:

Settlement Statistics for 2020-2021 – Capital Market Segment

Month	Quantity of Shares Traded (lakh)	Quantity of Shares Deliverable (lakhs)	% of Shares Deliverable to Total Shares Traded	Value of Shares Traded (₹ Crores)	Value of Shares Deliverable (₹ Crores)	% of Delivery to Value of Shares Traded	% of Short Delivery to Delivery	Funds-Pay In (₹ Crores)	No. of settlements
Apr-20	468098.46	86142.43	18.40	926064.66	169258.21	18.28	0.21	53768.75	18
May-20	519841.95	90797.84	17.47	1049727.14	201623.16	19.21	0.16	80224.74	19

Jun-20	1030660.01	155158.90	15.05	1520003.98	249841.29	16.44	0.26	75290.96	22
Jul-20	805230.81	131916.69	16.38	1414639.28	229927.28	16.25	0.38	56586.18	23
Aug-20	756614.81	138718.50	18.33	1339265.10	229893.01	17.17	0.10	55195.16	21
Sep-20	781188.59	123886.26	15.86	1386253.90	235653.72	17.00	0.22	64749.96	22
Oct-20	487624.51	84937.63	17.42	1110638.71	188341.83	16.96	0.20	47858.76	20
Nov-20	633355.61	124285.11	19.62	1372308.57	250631.17	18.26	0.11	76844.90	21
Dec-20	959418.90	176445.48	18.39	1593238.19	318019.59	19.96	0.17	105854.15	22
Jan-21	874149.80	139166.44	15.92	1514650.65	262745.95	17.35	0.34	64367.95	20
Feb-21	863069.44	139286.28	16.14	1740348.09	296632.24	17.04	0.16	71010.43	20
Mar-21	860964.42	152182.95	17.68	1599003.43	318319.09	19.91	0.12	94964.13	21

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

1.2 Securities Lending and Borrowing segment

NSE Clearing is an Approved Intermediary (AI) for SLBS with SEBI. In FY 2020-21, the volumes in SLBS increased by 38.83% from ₹26,945.70 crores in 2019-20 to ₹37,409.96 crores. As compared to the previous year, during FY 2020-21, securities traded in SLBS increased from 291 to 356. As on March 31, 2021, there are 335 participants, 7 custodian-cum-participants and 4 custodians registered in SLBS.

1.3 Settlement - F&O Segment

The period April 2020 - March 2021 witnessed a decrease in the total amount settled. The total value of settlement decreased to ₹1, 91,534.50 crores in 2020-21 from ₹1, 94, 844.51 crores in 2019-20. The highest monthly settlement was ₹21,905.86 crores in the month of February 2021. March 2021 witnessed the highest monthly trading volumes of ₹ 9,94,01,823.83 crores while the highest daily trading volumes on NSE during this period was ₹98,62,486.37 crores, witnessed on March 04, 2021 with a total of 10,02,66,768 contracts being traded.

The details of turnover and month-wise settlement values during the year April 01, 2020 to March 31, 2021 are tabulated below in Table No. 02:
Table No. 02:

Month	No. of Contracts Traded (in lakhs)	Turnover (in ₹ crores)	MTM Settlement (in ₹ crores)	Final Settlement (in ₹ crores)	Premium Settlement (in ₹ crores)	Exercise Settlement (in ₹ crores)	Total Settlement (in ₹ crores)
Apr-20	4102	20792519.77	15832.02	370.66	1809.08	431.1	18442.86
May-20	5127	24949647.16	12028.16	187.57	1889.56	261.09	14366.38
Jun-20	6574	36709892.83	12911.59	74.19	2510.98	494.02	15990.78
Jul-20	7283	44537477.4	12046.91	117.66	2450.49	478.65	15093.71
Aug-20	5985	41276126.49	8945.99	71.53	2028.28	367.69	11413.49
Sep-20	7307	50178680.78	11829.12	368.53	2499.11	373.22	15069.98
Oct-20	8240	58667997.44	8658.34	76.18	2445.66	531.69	11711.87
Nov-20	7689	61259864.32	10920.01	82.5	2527.52	745.24	14275.27
Dec-20	8385	72153833.06	11602.96	51.65	2939.45	892.71	15486.77
Jan-21	8466	76833752.51	13393.76	171.13	3041.24	413.64	17019.77
Feb-21	9380	91846960.22	17216.82	239.36	3668.63	781.05	21905.86
Mar-21	10184	99401823.84	16330.07	327.47	3619.2	480.97	20757.71

Note *Values provided are across all exchanges*

The details of month-wise F&O Physical settlement values starting from Apr 2020 to March 2021 are tabulated below in Table No. 03:

Table No. 03: (In ₹ crores)

Expiry Month	Value of Securities settlement	Value of Funds settlement
Apr-20	3801.64	2019.14
May-20	4107.98	2012.65
Jun-20	4939.28	2326.31
Jul-20	4039.24	2177.03
Aug-20	4455.63	2353.55
Sep-20	4274.74	2485.84
Oct-20	2912.02	1641.99
Nov-20	2804.23	1458.49
Dec-20	5119.59	3345.39
Jan-21	15338.61	3016.50
Feb-21	4970.79	2928.30
Mar-21	3801.64	2668.70

The Core Settlement Guarantee Fund for F&O segment stood at ₹2,495.18 crores for the month of March 2021.

1.4 Settlement - Currency Derivatives Segment

1.4.1 Currency Futures & Options

The year 2020-21 witnessed a decrease in the total settlement values from ₹11,209.86 crores in 2019-20 to ₹9,532.97 crores. The highest monthly settlement value was ₹1,897.82 crores in the month of April 2020. The highest trading value in Currency Futures on NSE Clearing during this period was ₹ 92,806.56 crores witnessed on February 26, 2021 with a total of 1,22,63,566 contracts being traded and in Currency Options, it was ₹87,735.72 crores, witnessed on February 26, 2021 with a total of 1,19,70,951 contracts being traded.

The details of turnover and month-wise settlement values during the year April 01, 2020 to March 31, 2021 are tabulated below in Table No. 04:

Table No. 04

Month	Currency Futures				Currency Options				Total Settlement (in ₹ crores)
	No. of Contracts Traded (in lakhs)	Turnover (in ₹ crores)	MTM Settlement (in ₹ crores)	Final Settlement (in ₹ crores)	No. of Contracts Traded (in lakhs)	Turnover (in ₹ crores)	Premium Settlement (in ₹ crores)	Exercise Settlement (in ₹ crores)	

Apr-20	637	492197.77	1732.11	17.21	588	449312.70	118.46	30.03	1897.82
May-20	603	464619.54	555.49	4.49	697	528363.18	79.33	16.70	656.00
Jun-20	740	575379.98	360.42	6.89	1019	772643.78	89.08	23.39	479.79
Jul-20	730	563361.26	459.97	9.04	1000	750232.50	95.18	52.27	616.47
Aug-20	727	563568.55	461.20	6.29	1072	802176.35	97.78	27.04	592.30
Sep-20	870	664399.06	359.49	8.22	1089	802580.63	119.68	34.74	522.13
Oct-20	761	581416.13	422.60	23.10	1024	753289.38	100.07	38.28	584.06
Nov-20	834	642043.72	413.86	7.85	978	726408.57	114.06	41.44	577.22
Dec-20	901	700411.57	846.82	65.45	1205	891561.88	105.45	48.71	1066.44
Jan-21	760	586715.79	487.38	18.67	1107	813411.36	80.42	60.01	646.48
Feb-21	828	633262.80	606.16	45.33	1156	844565.94	104.54	62.01	818.04
Mar-21	1050	792657.46	837.05	38.08	1574	1151654.06	130.53	70.57	1076.24

Note: Values provided are across all exchanges

1.4.2 Interest Rate Derivatives

The year 2020-21 witnessed a decrease in the total settlement values from ₹1,439.74 crores in 2019-20 to ₹466.16 crores. The highest monthly settlement value was ₹81.55 crores in the month of April 2020. The highest trading volume in Interest Rate Futures during this period was ₹2,540.73 crores witnessed on June 25, 2020 with a total of 12,33,92 contracts being traded and in Interest Rate Options, it was ₹100.60 crores, witnessed on June 02, 2020 with a total of 4,826 contracts being traded.

The details of turnover and month-wise settlement values during the year April 01, 2020 to March 31, 2021 are tabulated below in Table No. 05:

Table No. 05

Month	Interest Rate Futures		MTM Settlement (in ₹ crores)	Final Settlement (in ₹ crores)
	No. of Contracts Traded	Turnover (in ₹ crores)		
Apr-20	580120	11817.21	78.22	0.38
May-20	675845	13888.61	51.99	0.26
Jun-20	1014096	20951.86	48.62	0.34
Jul-20	750383	15606.08	42.12	0.17
Aug-20	502319	10226.01	38.96	0.60
Sep-20	419419	8584.95	31.66	0.10
Oct-20	388891	7918.80	22.69	0.61
Nov-20	348606	7019.56	21.52	0.58
Dec-20	329289	6545.20	17.92	0.47
Jan-21	263097	5194.09	18.37	0.29
Feb-21	624766	12255.05	49.17	0.77
Mar-21	969977	19039.30	34.59	0.55

Note : Values provided are across all exchanges

Table No. 06

Month	Interest Rate Options		MTM Settlement (in ₹ crores)	Final Settlement (in ₹ crores)
	No. of Contracts Traded	Turnover (in ₹ crores)		
Apr-20	15183	311.16	1.10	1.85
May-20	15039	311.33	1.14	0.51
Jun-20	10776	224.18	0.56	0.00
Jul-20	266	5.54	0.02	0.01
Aug-20	3	0.06	0.00	0.00
Sep-20	101	2.09	0.01	0.00
Oct-20	0	0	0.00	0.00
Nov-20	0	0	0.00	0.00
Dec-20	0	0	0.00	0.00
Jan-21	0	0	0.00	0.00
Feb-21	0	0	0.00	0.00
Mar-21	0	0	0.00	0.00

The Core Settlement Guarantee Fund for Currency Derivatives Segment stood at ₹247.40 crores for the month of March 2021.

1.5 Risk Management

1.5.1 Capital Market & Securities Lending & Borrowing segments

NSE Clearing has laid requisite focus towards risk management by putting in place an On-line Position monitoring system which has successfully and efficaciously addressed the market risks. Margins are computed on an on-line real time basis at the client level. The Value at Risk (VaR) Margins are applied which is statistically arrived at covering 99% value at risk.

With effect from April 21, 2008, margins in the capital market are being levied on institutional trades also. These margins are levied on T+1 day in the capital market segment.

1.5.2 Futures & Options, Currency and Commodity Derivatives segments

NCL has in place many risk management measures including monitoring of exposure on a real time basis through the system called Parallel Risk Management System (PRISM) and also end of day monitoring of client level exposures.

The most critical component of PRISM is the online real time client level portfolio based margining and monitoring system. The robustness of the system is time tested and has proved its efficient handling of volatile situations effectively, on numerous occasions in the past and especially on highly volatile days in the year. The actual margining and position monitoring is done on-line, on an intra-day basis. NSE Clearing uses the Standard Portfolio Analysis of Risk (SPAN) system for the purpose of margining, which is a portfolio based system.

SPAN is a registered trademark of the Chicago Mercantile Exchange, used herein under License. The objective of SPAN is to identify overall risk in a portfolio of futures and options contracts for each member. The system treats futures and options contracts uniformly, while at the same time recognising the unique exposures associated with options portfolios like extremely deep out-of-money short positions and inter-month risk. SPAN is used to determine the largest loss that a portfolio might reasonably be expected to suffer from one day to the next day. The parameters used in the computation of margins are revised six times a day.

1.6 Corporate Debt Instruments Settlement

1.6.1 Over the Counter Trades

The average daily settlement value at NSE Clearing for OTC trades in Corporate Bonds, Commercial Papers (CP) and Certificate of Deposits (CD) during the financial year 2020-21 stands at ₹5,199.61 crores, ₹2,167.58 crores and ₹701.41 crores, respectively. The highest settlement value, during this period, of ₹20,579.43 crores (across all corporate debt instruments) was recorded on April 28, 2020

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

Table No. 07

Month	No. of Settlement Days	Total No. of Trades Settled	Settled Value (in ₹ crores)	Average Daily Settlement Value (in ₹ crores)
Apr-20	17	5653	226312.42	13312.50
May-20	18	6394	207320.53	11517.81
Jun-20	22	8187	218752.08	9943.28
Jul-20	23	7086	186238.12	8097.31
Aug-20	21	5540	137214.08	6534.00
Sep-20	22	6365	169502.79	7704.67
Oct-20	20	5661	158564.06	7928.20
Nov-20	19	5091	118469.74	6235.25
Dec-20	22	6112	128421.33	5837.33
Jan-21	20	5428	131199.45	6559.97
Feb-21	19	5099	110968.28	5840.44
Mar-21	21	7315	175775.77	8370.27

During the financial year 2020-21, NSE Clearing settled 776 repo trades on corporate bonds valuing ₹99,625.18 crores as compared to 1123 repo trades valuing ₹1, 53,484.65 crores settled in the previous year.

1.6.2 Exchange Traded

No trades were reported on the Exchange Traded Platform.

1.7 Mutual Fund Service System (MFSS)

As on March 31, 2021, 46 mutual fund houses with 24,405 schemes were enabled under the revised MFSS scheme.

1.7.1 Subscription

The average daily value of funds settled for the subscription of mutual fund units for the period April 1, 2020 to March 31, 2021 was ₹25.77 crores. The highest settlement value was ₹ 141.39 crores and was observed on April 28, 2020.

1.7.2 Redemption

The average daily value of funds settled for the redemption of mutual fund units for the period April 1, 2020 to March 31, 2021 was ₹21.77 crores. The highest settlement value was ₹ 97.73 crores and was observed on March 01, 2021.

1.8 New Initiatives and Developments

1.8.1 Interoperability among Clearing Corporations – Offer for Sale (OFS)

Interoperability among Clearing Corporations allows market participants to consolidate their clearing and settlement functions at a single CCP, irrespective of the Stock Exchange on which the trade is executed. It is expected to lead to an efficient allocation of capital for the market participants, thereby saving on cost as well as provide better execution of trades.

SEBI, vide circular dated November 27, 2018, has issued guidelines for the introduction of interoperability. NCL has implemented the guidelines and introduced Interoperability among Clearing Corporations for Cash Market, Equity Derivatives and Currency Derivatives segments in 2019.

SEBI has instructed Clearing Corporations to also extend Interoperability among Clearing Corporation for Offer For Sale (OFS) product. NCL implemented the same effective July 13, 2020.

1.8.2 Client Margin Reporting in CM Segment – Penalty for short collection/ non-reporting

Regulatory provision of ‘Mechanism for regular monitoring of and penalty for short-collection/ non-collection of margins from clients’ was available in the derivatives segments. In the cash segment, Clearing Corporation (CC) computes and collects upfront margin from trading member/clearing member by adjusting it against the available liquid assets of TM/CM at the time of the trade. However, the quantum, form and mode of collection of the margin from the client was left to the discretion of TM/CM.

In order to align and streamline the risk management framework of both cash and derivatives segments, with respect to the collection of margins from the clients and reporting of short collection/non-collection of margins, SEBI issued guidelines vide circular no CIR/HO/MIRSD/DOP/CIR/P/2019/137 dated November 19, 2019.

The first phase of facilitating reporting of client margins by Trading Members/ Clearing Members was implemented in January 2020.

The second phase was to impose a penalty on short collection/ non-reporting of client margin. However, to encourage compliance and reduce the instances of penalty on the Members, a facility was included in the second phase to allow Custodians to confirm Marginable CP Trades (and thereby shifting the instance of upfront margin to the Custodians) before finalizing the Client Margin Reporting amount for the Trading Members.

The full second phase was implemented on September 16, 2020.

1.8.3 Collection of Stamp Duty

Government of India on December 10, 2019 has issued Collection of Stamp Duty (through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019. As per the rules, the stamp duty collection shall be done by the authorized stock exchanges or clearing corporations.

Accordingly, NCL was appointed as 'collecting agent' to collect stamp-duty on securities on behalf of the State Governments in Cash Segment, F&O Segment, Currency Derivatives Segment, Commodity Derivatives Segment, Tri-party repo, Debt Market Segment, Offer for sale and Tender offer.

NCL has put in place a mechanism to compute as well as collect stamp duty at such rates as specified by the relevant authority from time to time. The collection of stamp duty would be done during the fund settlement pay-in process similar to STT.

The earlier timeline of January 9, 2020 was deferred by the Regulator on account of market feedback (insufficient time).

As per the revised timeline communicated by SEBI, NCL implemented Stamp Duty across all segments from July 1, 2020.

1.8.4 Revised margin Framework

SEBI had done a comprehensive review of the margin framework in consultation with the Risk Management Review Committee (RMRC) of SEBI with a view to keep up pace with the changing market dynamics and to bring more efficiency to the risk management framework of Cash and Derivatives segments (except for Commodity Derivatives segment)..

Based on the review, SEBI has issued guidelines vide its circular no SEBI/HO/MRD2/DCAP/CIR/P/2020/27 dated February 24, 2020. A brief summary of changes to the margin framework are as under:

- Strengthening of floor margins

- Changes in volatility estimation and adoption of 99.9% coverage
- Portfolio margining by subsuming notional components with no regards to portfolio offsets
- Enhanced portfolio margining parameters with no dilution of risk coverage
- Stable but conservative margins to limit the need for destabilizing, pro-cyclical changes to margin requirements to the extent possible
- Additional margins for highly volatile stocks

NSE Clearing implemented the changes made by SEBI to the risk management framework of Cash and Derivatives segments (except for the Commodity Derivatives segment) with effect from June 01, 2020.

1.8.5 Steady State Model in Cash Market Segment

An interim model of custodian trades/ obligation allocation and its confirmation was introduced in the capital market segment at the time of introducing interoperability among clearing corporations. This interim model was as per the feedback provided by the market participants especially custodians. As prescribed by SEBI, this model was for a period of one year and would be replaced by a regular (steady state) model thereafter.

In the interim model, the custodians were to confirm the trade on the associated Clearing Corporation of the Stock Exchange where the trade was executed. This temporary model was proposed by Custodians to minimize the impact of interoperability on their back office and allow them time for smooth transmission.

Accordingly, all CCs in consultation with Custodians decided to implement a steady state model i.e. confirming the trades only at designated CC, irrespective of where the trade is executed, effective from December 01, 2020.

1.8.6 Client Collateral

Securities (equity securities, mutual fund units and Government Securities) were accepted as collateral only from the Clearing Members utilizing the pledge mechanism provided by the Depositories.

As the re-pledge mechanism was not available with the depositories, the clients needed to transfer the shares from their demat account to the Clearing Member's account. As the Clearing Member was required to pledge such shares to NCL as collateral from its account, the same were considered as proprietary collateral of the Clearing Member. This mechanism was vulnerable to misappropriation or misuse of client securities.

Therefore, SEBI in consultation with MIIs devised a client collateral model. As per this model, depositories introduced a re-pledge mechanism, whereby audit trail would be maintained for the client securities pledged (client - trading member – clearing member – CC) and started sharing the information for every client security pledged by the

Clearing Member with CC as collateral.

SEBI issued a circular dated February 25, 2020 whereby depositories were required to share securities placed as client collateral with the CCs and CCs to provide margin benefit on the valuation of such securities to the positions/ obligations built by the respective client.

NCL implemented this Client Collateral (Pledge/ Re-pledge) model effective August 01, 2020.

1.8.7 Voluntary Auction

NCL handles securities settlement failure through buy-in auction. However, this mechanism is extended only for the securities pay-in routed through NCL i.e. delivery obligation of the Clearing Member for the settlement. If buy-in auction fails or in certain well-defined exceptions, such shortages would be handled through financial close out.

As such, the Clearing Member used to adopt financial close out to handle internal securities shortages (whereby the delivering client and receiving client are within the Clearing Member), in the absence of access to the CC Buy-in Auction mechanism.

With the introduction of the TM-CM tier in the Cash Market segment, the instances of netting at the Clearing Member level are expected to increase. This would also expect to increase the quantum of internal securities shortages. Therefore, NCL has introduced a voluntary mechanism for its Clearing members to request NCL to conduct a buy-in auction of securities to handle internal securities shortages for the settlement.

The facility was made effective from March 1, 2021.

1.8.8 Peak Margin Reporting

Trading Members and Clearing Members are required to report upfront margins collected from the client and trading member wise, respectively. As per SEBI guidelines, NCL used to provide the margins basis End of Day positions and the trading members/ clearing members were required to respond with collateral information for the respective client/ trading member within stipulated timelines. Non-reporting/ short reporting of the margins would attract compliance actions, including a financial penalty.

To make the mechanism more stringent, SEBI issued a circular on July 20, 2020 to consider Peak Margin for the reporting purpose rather than End of Day margins. As per this mechanism, CCs should build the capability to take margins snapshots at periodic intervals and take the highest margin among these snapshots and end of day margins, to consider the reporting to be made by the trading member/ clearing member.

Accordingly, NCL has put in place a mechanism to ascertain the intraday peak margins and included it as a part of a reporting mechanism for the trading members/ clearing members. The reporting mechanism was introduced on October 1, 2020 and a penalty for non-reporting/ short reporting was introduced on December 1, 2020.

1.8.9 Same Day NAV in MF

SEBI, on September 17, 2020, issued a circular on Mutual Funds to All Mutual Funds/ Asset Management Companies/ Trustee Companies/ Board of Trustees of Mutual Funds/ Association of Mutual Funds of India. As per the Circular, in respect of the purchase of units of mutual fund schemes (except liquid and overnight schemes), closing NAV of the day shall be applicable on which the funds are available for utilization irrespective of the size and time of receipt of such application.

Accordingly, NCL has put an API based mechanism in place to receive online subscription requests from NSE's NMF platform to comply with the tighter timelines for settlement of subscriptions from February 1, 2021 onwards.

1.9 Other achievements

CRISIL has continued its highest corporate credit rating of 'AAA/Stable' to NSE Clearing Limited. 'AAA/Stable' rating indicates the highest degree of strength with regard to honouring debt obligations. NSE Clearing is the first Indian Clearing Corporation to get this rating. The rating reflects NSE Clearing's rigorous risk management controls and adequate settlement guarantee cover. NSE Clearing has been accorded this rating for the 13th consecutive year.

1.10 Opportunities and increased coverage

1.10.1 Clearing Members

New Self Clearing Members have been added on Capital Market, F&O & Currency Derivatives segments. Self-Clearing membership was granted to 22 new members in the F&O segment and 13 new members in the Capital Market segment. In the Currency Derivatives segment, 4 Self Clearing Members have been enabled.

1.10.2 Custodian Clearing Members & Professional Clearing Members (PCM)

1 Professional Clearing member in F&O and Currency Derivatives segment was enabled during 2020-21 through whom clients can settle their transactions.

1.10.3 Participants & custodians in SLBM

335 participants, 7 custodian-cum-participants and 4 custodians are registered in SLBM as on March 31, 2021.

1.10.4 Multiple Depositories / Banks

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

Ltd., Standard Chartered Bank, State Bank of India, Union Bank of India, JP Morgan Chase Bank and Yes Bank for funds settlement.

2. INFORMATION TECHNOLOGY

Technology is the key business enabler and a strategic differentiator for NCL. As a strategic technology partner, NCL continues to deliver and maintain technology products and services. The initiatives undertaken during FY 2020-21 are broadly classified in the following categories.

2.1. Transformation Through New Products and Services

NCL's current systems have evolved over the last two decades with numerous incremental additions to cater to regulatory and market requirements. As a result, NCL today runs a complex suite of systems comprising several applications. Such fragmentation of applications results in higher operational, maintenance and training costs. Hence, a need was felt to overhaul the existing system and put in place a new clearing and settlement system by way of upgradations and modernisation of existing Risk, Clearing and Settlement systems.

2.2. Growth Through New Technology

- **Inter-operability implemented** for an offer for sale (OFS).
- **Strengthening of access control:** Identity and access management tool implemented for CM, SLB, CD, FO, Commodity, Debt, Triparty and MFSS Clearing, Settlement and Collateral applications.
- **Technology upgrade/Capacity Upgrade:**
- Oracle 19c with Real Application Clusters (RAC) implemented for - CM, FO, CD, SLB, Commodity across C&S, Collateral and risk databases
- Oracle 19c migration - Debt market C&S, Mutual Funds Settlement System, Securities Holding System and Triparty and for FO, CM and CD segments of C2N system
- FO PRISM and Voluntary Closeout servers upgrade along with operating system upgraded from RHEL 6.x to 7.8 version
- Modernization for 3 legacy Oracle Forms in MFSS, Debt C&S and SHS to Java technology
- Connect to NSE(C2N) Web server upgrade from windows 2008 to Linux (RHEL) operating system
- Fund settlement and C2N SFMS system upgraded to latest version 6.2
- C2N servers with Linux operating system upgraded to latest version RHEL8.3
- **Disintegration of a back-office system** in the derivatives segment
- Overall, 55 interoperability processes have been automated across Clearing & Settlement and Risk applications

- **Steady State Model** implemented in cash market Online file exchange and Custody T0 confirmation in C2N and for obligation generation in Cash market Clearing and Settlement
- **Testing environment to trading members** provided to test end to end trade flow during the mock session to integrate members' back office and NOTIS API
- **Digital E-Signing (EFDR)** -E-signing facility provided for C2N systems to remove physical token and hardware dependency
- **Revised Margin Framework** implementation across CM, FO and CD segments of Risk, clearing and settlement
- Implementation of **acceptance of client securities and client collateral monitoring** across 5 segments CM, SLB, FO, CD and Commodity segments
- Implementation of **Highest (Peak) Client margin numbers** across 4 segments CM, FO, CD and Commodity
- **Self Auction facility to Clearing Members**

2.3. Incident dated February 24, 2021

NCL encountered an incident on February 24, 2021 wherein there was an outage of Risk and Clearing & Settlement Systems at NSE Clearing and Index & Surveillance Systems at NSE leading to a decision to halt the Trading at NSE at 11:40 AM due to the non-availability of Risk Management. After Storage Area Network (SAN) access was restored at the primary site, trading resumed at NSE at 3:30 PM and the market closed at 5:00 PM.

There is synchronous data replication between the primary site and the NDR site to ensure no data loss in case of a primary site failure, and asynchronous replication to our DR site, which is designed to take over with zero data loss in case of disaster at the primary site.

NSE/NCL have multiple telecom service providers' links for replicating data between the primary and NDR sites. These links were observed to be unstable on February 24, 2021 primarily due to digging and construction activity along the path between the two sites. This impacted the storage replication between the primary and Near DR site. The replication to NDR is designed in such a way that in the event of the links between primary and NDR getting cut, the primary continues operations without any impact. During instances of link failures prior to February 24, 2021, operations continued without any interruptions. However, on February 24, 2021, post link failures, NCL experienced unexpected behaviour of the SAN system, with the primary SAN becoming inaccessible to the host servers. This resulted in the risk management system of NCL and other systems, such as clearing and settlement systems that were SAN dependent becoming unavailable.

The SAN is a fault tolerant system that was designed to function seamlessly even in the event of telecom link failures between primary and NDR sites. One of the features of SAN that was deployed in October 2020 was designed to provide not just zero data loss but also zero downtime. However, on 24th February 2021, post link failures, the

SAN system at the primary data centre stopped functioning, which was completely unexpected. Subsequent incident analysis showed that the problem was caused by failover logic implemented by the SAN vendor, which did not conform to NSE's stated design requirements, coupled with issues in the configuration of servers done by the SAN vendor that triggered the failover logic.

Post halting of trading on NSE, NCL considered all the available alternatives on hand, including invocation of DR, to decide on the course of action that would bring up the market at the earliest with least disruption to market participants and post evaluation, a decision was taken to bring up the systems at the primary site. NCL regularly tests its DR readiness in line with SEBI regulations wherein quarterly drills are conducted and live trading sessions from the DR site are conducted twice a year. Subsequent to this incident, SEBI has discussed and agreed with all MIIs on the decision-making process and timeline for the DR move going forward.

Further, as part of the interoperability design, all three clearing corporations have set up their slave systems of the primary systems in other exchanges to facilitate risk management. On February 24, 2021 NCL's risk management system (RMS) at BSE and MSEI was functioning and cleared trades executed on BSE and MSEI within the collateral levels available at the time NCL's RMS at the primary site became unavailable. A further strengthening of the interoperability design has been agreed between SEBI and MIIs and is under implementation.

2.3.1. Statistics on trades cleared:

On February 24th, 97% of trades in the cash market and 87% of the trades in equity derivatives on BSE were cleared by NSE Clearing. Also, between 10:06 AM and 3:30 PM when NSE Clearing's primary risk management system was not operational, approximately Rs. 8,100 crores of cash market trades, Rs. 258,000 crores of the notional value of equity derivatives trades and Rs. 16,700 crores of currency derivatives trade on BSE and approximately Rs. 700 crores of currency derivatives trades on MSEI were risk managed by NSE Clearing's slave risk management system at BSE and MSEI.

2.3.2. Actions taken:

There are various steps that have already been taken and others that are under implementation to address the SAN and telecom link issues. Orders for additional links from two additional telecom service providers were already placed in January 2021. We have removed the SAN software that caused the incident. We are also exploring alternate solutions to de-risk the dependency of critical applications to a single storage device.

Furthermore, NCL is working on the recent guidelines on BCP issued by SEBI which requires MIIs to declare that incident as 'Disaster' in the event of disruption of any one or more of the 'Critical Systems' and take measures to restore operations including from DRS within 45 minutes of the declaration of 'Disaster'.

3. HUMAN RESOURCES

Following developments have taken place in Human Resources / Employee Relations front in the financial year 2020-21:

3.1 Learning & Development and Talent Management :

In FY 2020-21, major progress was made in the space of OD and Talent Management. The key initiatives taken under the Talent and OD team were as follows:

3.1.1. Learning & Development :

FY 20-21 has been a year of significant learning both in terms of adapting to the new normal and moving to a 100% digital medium of learning. Key focus was to redefine the methodology of learning delivery through various platforms and customizing the learning interventions in terms of design & content, by factoring in the learning experience and ease for the participants. We leveraged the opportunity arising out of COVID / lock down by providing best in class learning interventions to drive the skill & capability building initiatives for employees.

The Learning & Development interventions were linked to the role and level and designed basis 3 vital inputs viz. training needs identification taken from various stakeholders, competency framework of NSE and the future skill needs, and behaviors linked to the culture levers and business requirements. External benchmarking on design principles under the new normal was also factored in for content design and delivery. All the programs were designed keeping in mind the 60:40 principle wherein 60% of learning is targeted to enhance existing skill needs and 40% of learning to develop skills linked to future needs.

With the operating business model moving to Work from home for FY 20-21, the team adopted the digital platform to deliver 12 Unique programs covering 31 unique employees with 87% of the Learning Hours invested in Technical and Functional, 13% of Learning hours in Behavioral trainings.

3.1.2. Functional and Technical Learning:

In FY 20 - 21, the company partnered with reputed knowledge partners to offer Product and Technical trainings. Product trainings were done on Commodity Derivative Market.

Certification programs for functional & technical skills were initiated covering employees across job levels. Certification program on Data Science was initiated in 3 segments viz i) Data Science for Consumers (data literacy), ii) Data Science for Business Users (core data concepts) and iii) Data Science for Technology (skills on coding) covering employees across functions. Certification programs like CCSP- Certified Cloud Security Professional for developing Information Security skills were also organised.

3.1.3. Behavioral Training:

During FY 20-21, learning interventions were done through webinars for longitudinal programs covering 3 broad segments of workforce viz Strategic, Tactical & Operational nature of roles. Strategic nature of roles were covered under Crucial Conversation, the Tactical nature of roles were covered under Managing Self & Team, Customer Centricity & Strategic thinking and Operational roles were covered Emotional Intelligence, Time Management, Influencing skills, Personal Presence & Design Thinking.

To drive a culture of self-learning, Knowledge Bytes as an initiative was introduced by providing curated books, articles, white papers, videos, etc. on diverse subjects & topics, that could be consumed at convenience by any employee. The focus of this initiative was to positively engage and enhance a culture of self-learning across employee segments.

Induction program for 5 days was conducted for new joiners through a web-based platform.

3.1.4. Learning Marathons:

A unique culture building initiative was undertaken for all employees by learning through sharing. Internal and external speakers were invited to share their stories. The Wave 1 had a theme of 'Evolve' spanning over 3 days and 6 speakers with stories around evolving as an Individual, a Professional and in the Face of challenges. Wave 2 was on the evolution and professional journey of the speaker around Data Science.

<u>Other Initiatives</u>: -

1. Identification & integration of the Learning Management System.
2. Evaluation and identification of eLearning Partner to make available best in class content to employees.

3.1.5. Talent Management and Succession planning - To identify and develop a leadership pipeline for NCL.

As a part of the Talent management framework, a comprehensive and objective process to assess internal resources was completed for the top 3 levels of the organisation hierarchy. A role mapping exercise was done for all the 3 levels to identify critical roles across functions. Based on the assessment of individual role holder's identification of potential talent or/and talent gaps was done for all the roles. Career road map and development framework for potential role holders were finalized through a 70:20:10 principle consisting of (a) on the job learning like role enhancement, bridge roles, projects and assignments; (b) development through customized learning interventions and learning opportunities through external flagship programs; and (c) post learning actionable.

An organisation structure and design review process was initiated to address future readiness, role enhancement opportunities. New roles were created, and suitable talent was acquired to fill in certain skill gaps and role movements and role enhancements were initiated for internal talent to strengthen the leadership and the succession pipeline.

A differentiated talent strategy was implemented to attract young talent from various disciplines and backgrounds to create a cadre to meet different organizational needs.

3.2 Employee Engagement Initiatives:

The organisation provides state of art Recreation Room which comprises a Gymnasium facility, Chess, Table Tennis, Carrom, Lecture Hall and Library, etc. There are Television sets mounted in the cafeteria which are viewed by the employees as a source of recreation. During the pandemic, Fitness Regime (Gym) and yoga classes are held online for employees. A library enabled with both physical and digital mediums of reading has also been provided in the recreation facility. Employee Assistance Program and various staff welfare initiatives are also held on a periodic basis to enhance the employee engagement levels in the company.

3.3 Employee Relations:

The employee relations have been harmonious throughout the period under consideration.

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

The Company has dedicated resources to manage the regulatory / compliance functions i.e. Compliance and Inspection. There are 34 resources in these functions in various designations (cost Rs.14.36 Crores). Further, there are various committees (which are sub-committees of the Board) to oversee the regulatory functions; these committees comprise members of the Board and external experts as required.

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

The disclosures required to be given under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are given in the following Table No. 08:

Table No. 08

1	Number of complaints of sexual harassment received in the year	Nil
2	Number of complaints disposed off during the year	Not applicable
3	Number of cases pending for more than 90 days	Not applicable
4	Number of workshops or awareness programs against sexual harassment carried out	Awareness program for all employees and online training on POSH was conducted for all employees.

5	Nature of action taken by the employer	Not applicable

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

NCL has a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace which is applicable to all the subsidiaries. Internal Committee is constituted as per the Act.

4. FINANCIALS

4.1 FINANCIAL RESULTS

The working of NCL during the year has resulted in a net profit after tax of Rs.210.54 crore on a standalone basis and Rs.201.33 crore on a consolidated basis, as per particulars given in Table No.09 below: -

Table No.09

(Rs. In crore)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Income	554.90	430.74	555.82	431.83
Expenditure	161.31	132.84	171.43	140.33
Profit before tax and exceptional item	393.60	297.90	384.39	291.50
Less : Exceptional Item	68.23	-	68.23	-
Profit before tax	325.36	297.90	316.16	291.50
Provision for tax (including deferred tax)	114.82	84.62	114.82	84.62
Profit after tax	210.54	213.28	201.33	206.88
Less: Items that will not be reclassified to profit or loss	(0.15)	(1.12)	(0.15)	(1.12)
Add/(less): Income-tax to relating items that will not be reclassified to profit or loss	0.04	0.33	0.04	0.33
Total comprehensive income	210.44	212.49	201.22	206.09
Surplus brought forward from previous year	303.99	189.17	273.12	165.18
Total	514.43	401.66	474.34	371.27
Less: Dividend distributed (including DDT) during FY 2019-20 & FY 2018-19	90.00	97.65	90.00	97.65
Less: Contribution to core SGF (net of tax impact)	19.99	-	20.98	0.50
Less: Share issue Expenses	-	-	0.01	-
Amount available for appropriation	404.44	304.01	363.35	273.12

There was no change in the nature of business during FY 2020-21. The profit after tax was at Rs.210.54 crores as compared to Rs. 213.28crores for the previous year. For more details, please refer to 'Management Discussion & Analysis' which forms part of the Board's Report.

4.2 DIVIDEND

In view of the above results, the Directors recommended payment of a dividend of Rs. 10 per equity share for the year 2020-21 maintaining the payout ratio of around 100% (including dividend distribution tax). The Dividend Distribution Policy of the Company have been disclosed on the website of the Company:

https://www.nscclindia.com/NSCCL/disclosures/resources/Dividend_distribution_policy_260919.pdf

4.3 TRANSFER TO RESERVES

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

4.4 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

No loan or guarantee is given to any person during the year. The investments made by Company during the year are in accordance with the provisions of the Companies Act, 2013. The particulars of Investments made during the financial year are set out in the Notes to Accounts which forms part of this Annual Report.

4.5 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered into during FY with related parties were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations. There are no materially significant Related Party Transactions entered into with the Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of NCL at large. All Related Party Transactions are placed before the Audit Committee for its approval. The transactions with related parties are also reviewed by the Board on a quarterly basis.

The Company has adopted a Policy on Related Party transactions as approved by the Board, which is uploaded on the Company's website https://www.nscclindia.com/NSCCL/disclosures/resources/NSCCL_Policy_on_Materiality_and_Dealing_with_Related_Party_Transactions.pdf

The particulars of contracts or arrangements with related parties are given in Form AOC-2 and are attached herewith as **Annexure -1** to this Report.

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

There is a high degree of automation in most of the key areas of operations and processes. Also, all the processes are well documented with comprehensive and well defined Standard Operating Procedures (SOPs) which, inter alia, includes the financial controls in the form of maker checker, strict adherence to financial delegation given by the Board at various levels, systemic controls, information security controls as well as role based access controls, etc. Further, these controls are periodically reviewed for change management in situations like the introduction of new processes/change in processes, change in the systems, change in personnel handling the activities, etc. Besides, these controls are independently reviewed by the internal auditors /operations reviewers of the Company including conducting the routine internal audit/ operations review by them whereby the audit activity embeds validation/review of the controls to establish their adequacy and effectiveness. The Internal Auditors, Operational reviewers and Independent Practicing Company Secretary review the compliances by the Company with respect to various laws, rules, regulations, etc. as applicable to it on a quarterly basis. The observations, if any, of the internal audit, operations review and the secretarial review report issued by an independent practicing company secretary are also presented by them to the Audit Committee in every quarter.

The Statutory Auditors have conducted a review of internal financial controls including entity level controls, IT general controls, risk control matrix and process walk through on a sample basis as per the guidelines issued by the ICAI.

4.7 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

NSE IFSC Clearing Corporation Ltd. (NICCL) was incorporated as a public company on December 2, 2016 at Ahmedabad under the Companies Act, 2013. NICCL is the step-down subsidiary of the National Stock Exchange of India Limited (NSE), wherein 100% of its share capital is held by NCL, a wholly-owned subsidiary of NSE.

NICCL, commenced operations as a Clearing Corporation in GIFT City, Gandhinagar, Gujarat, India, with effect from June 05, 2017, after receiving approval from SEBI.

SEBI further granted renewal of recognition to NICCL until May 28, 2021. The paid-up share capital of NICCL as on March 31, 2021, stood at Rs. 90 crores comprising of 9 crore equity shares of Rs. 10 each.

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

Clearing Banks are the key link between clearing members and NICCL for funds settlement. Members are required to maintain and operate a clearing account with any one of the designated clearing banks empanelled with the Clearing Corporation. There are currently 5 clearing banks empanelled with NICCL. During the financial year 2020-21, NICCL incurred a loss of Rs. 9.23 crores as compared to the loss of Rs. 6.40 crores for the financial year 2019-20.

Initiatives and major events during the year ended March 31, 2021:

1. Introduction of Rupee Derivative Contracts at IFSC by NSE IFSC & NICCL.
2. NICCL has opened a depository account with Global Depository Clearstream. Depository account is being used for accepting collaterals and settlement of securities
3. NICCL has subscribed for SWIFT messaging services. SWIFT services shall be used to interact with Clearstream or with members for movement of securities to and from NICCL Depository Account.
4. NSE IFSC becomes the first International Exchange in GIFT City to list American Depository Receipts (ADRs), with Dr. Reddy's Laboratories Ltd being the first Indian corporate to do a secondary listing of their ADRs at NSE IFSC. NICCL provides clearing and settlement of ADRs.
5. Acceptance of US Treasury Bills as collateral by NICCL.
6. NICCL has executed an Agreement with the IFSC branch of CDSL for Depository connectivity.
7. IFSC Regulation - IFSC Authority Act 2019 came into effect on October 01, 2020.
8. All the powers that are exercised by RBI, SEBI, IRDRA shall be exercised by the IFSC Authority.

NICCL has made an application for further renewal of recognition to IFSCA.

Operational Updates:

1. As of March 31, 2021, NICCL clears and settles derivative contracts on 3 Indices, 7 currency pairs, 2 commodities, and 140 single stocks
2. NICCL has 8 clearing members, out of which 3 are self-clearing members and 5 are trading cum clearing members.
3. NICCL has 6 IFSC Banking Units (IBU) for issuance of collateral and 5 Banks for clearing and settlement of funds.
4. NICCL accepts Cash, Fixed Deposit Receipt, Bank Guarantee and US Treasury bill as collateral.
5. The total value of the settlement for 2020-21 was US $ 6.84 million. The highest monthly settlement was US $ 1.40 million for January 2021.
6. As on March 31, 2021, the Core Settlement Guarantee Fund stood at USD 1.34 million.

NCL has adopted a Policy for determining Material Subsidiaries which is available on the Company's website https://www.nscclindia.com/NSCCL/disclosures/resources/Policy-on-Determining-Material-Subsidiaries.pdf

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

4.8 DEPOSITS

The Company has not invited, accepted or renewed any deposits within the meaning of Section 73 of the Companies Act, 2013. Accordingly, the requirement to furnish details relating to deposits covered under Chapter V of the Companies Act, 2013 does not arise.

4.9 RISK MANAGEMENT POLICY

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

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

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

In terms of SEBI requirements, the Clearing Corporation is required to constitute a Risk Management Committee inter alia to formulate a detailed risk management policy. The Risk Management Committee has formulated risk management policy and monitors its implementation.

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

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

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

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

4.12 EXPLANATIONS OR COMMENTS ON THE QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITOR IN HIS REPORT

There is no qualification, reservation or adverse remark or disclaimer made by either the Statutory Auditors or the Secretarial Auditors, appointed under Section 139 and 204 of the Companies Act, 2013, in their reports. Hence the need for explanations or comments by the Board does not arise. The report of the Secretarial Auditors is attached herewith as **Annexure-2** to this report. The report of the Statutory Auditors forms part of the financial statements.

During the year under review, neither the statutory auditors nor the secretarial auditors has reported to the Audit Committee or the Board of Directors, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against NCL by its officers or employees, the details of which would need to be mentioned in this Board's report.

4.13 SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. BNP & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2020-21. The report does not contain any qualifications, reservations or adverse remarks. The Company has appointed M/s. Makarand M Joshi & Co. as the Secretarial Auditors of the Company to conduct the audit for a period of 3 years from the FY 2021-22 onwards.

4.14 SECRETARIAL STANDARDS

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

4.15 SHARE CAPITAL

During FY 2020-21, there is no change in the capital structure.

4.16 EXTRACTS OF THE ANNUAL RETURN

The extracts of the annual return as on March 31, 2021 in Form MGT-9 prepared in accordance with Section 92(3) of the Companies Act, 2013 is hosted on the website of NCL in the following link:

https://www.nscclindia.com/NSCCL/disclosures/nsccl_dis_other_dis.htm

5. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of your Company and its subsidiary, prepared in accordance with Indian Accounting Standard 110 issued by the Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the consolidated financial statements of your Company. Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of the subsidiary company is attached to the financial statements in Form AOC-1 is attached herewith as **Annexure-3**. The Company will make available the said financial statements and related detailed information of the subsidiary companies upon the request by any member of your Company or its subsidiary company.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of your Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiary, are available on the website of your Company.

6.1. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As per the provisions of Securities Contracts Regulation (Stock Exchanges and Clearing Corporations) Regulations, 2018, the Governing Board of every recognised clearing corporation shall include (a) Public Interest Directors; (b) Shareholder D irectors; and (c) Managing Director. Mr. Harun R Khan (Chairman of the Board), Mr. Salim Gangadharan, Mr. N. K. Maini, Mr. C VR Rajendran and Mrs. Bhagyam Ramani are the ‘Public Interest Directors’ category. Mr. K. S. Somasundaram is the Shareholder Director. Mr. Vikram Kothari is the Managing Director of the Company. The Managing Director is included in the category of ‘Shareholder Director’. However, he is not liable to retire by rotation during his tenure as Managing Director.

The first 3 years’ term of Mrs. Bhagyam Ramani, Public Interest Directors came to an end on May 31, 2020. The NRC and the Board had recommended extension of their term for a further period of three years to SEBI. SEBI, vide its email dated May 26, 2020/June 01, 2020, extended the term of Mrs. Bhagyam Ramani as Public Interest Directors on the Board of NCL for a further period of three years i.e. from June 1, 2020 till May 31, 2023.

Mr. J. Ravichandran, Shareholder Director, retired from the directorship of the Company at the 25th Annual General Meeting of the Company held on July 16, 2020. The Board acknowledged and placed on record its appreciation for the immensely valuable suggestions and insights provided by him during the deliberations at the meetings of Board / Committees.

NSE, the holding company, vide its letter dated June 10, 2020, had proposed the name of Mr. K. S. Somasundaram, Chief Enterprise Risk & Information Security Officer, [in place of Mr. J Ravichandran as Director on the Board of NCL under ‘Shareholder Director’ category subject to the approval of NRC, Board, Shareholders and SEBI. The Nomination and Remuneration Committee and the Board at their meetings held on June 16, 2020 and June 17, 2020, respectively, had approved the appointment of Mr. K. S. Somasundaram as Director on the Board of NCL under the ‘Shareholder Director’ category subject to the approval of the Shareholders and SEBI.

The Shareholders at the 25th Annual General Meeting (AGM) held on July 16, 2020 had approved the said appointment, subject to the approval of SEBI. SEBI vide its letter dated August 17, 2020 had acceded to the appointment of Mr. K. S. Somasundaram as Shareholder Director as approved by the Shareholders at the 25th AGM of the Company.

The first term of Mr. Vikram Kothari, as Managing Director of the Company, came to an end on November 06, 2020. In compliance with the SEBI requirements with respect to the appointment of Managing Director in MIIs, two independent external persons namely Mr. M. V. Nair, Chairman, TransUnion CIBIL & Former CMD, Union Bank of India and Mr. Parveen Kumar Gupta, Former Managing Director, State Bank of India (SBI) were inducted in NRC, after getting approval from SEBI, for the limited purpose of Selection of Managing Director of NCL. A Global Search Firm was engaged to manage the process for evaluating and assessing potential candidates and the newspaper advertisements were released on staggered dates in various editions of four newspapers for inviting applications for the post of Managing Director of NCL. After due process of selection and interviews by the NRC and the subsequent approval of the recommended names by the Board of Directors and Shareholders of NCL, two names including the name of Mr. Vikram Kothari was submitted to SEBI for its approval for the appointment of Managing Director of NCL on September 03, 2020. SEBI, vide its letter dated October 19, 2020, received by NCL vide email dated October 20, 2020, approved his re-appointment as the Managing Director for a further term of three years i.e. from November 07, 2020 to November 06, 2023.

Mr. K. S. Somasundaram retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Details of the proposal for his re-appointment is mentioned in the Explanatory Statement of the Notice of the 26th Annual General Meeting of the Company pursuant to Section 102 of the Companies Act, 2013. The re-appointment of the Director is appropriate and in the best interest of the Company. The Board recommends his re-appointment to the Shareholders.

The composition of the Board is in conformity with the Companies Act, 2013 and SECC Regulations, enjoining a specified combination of Executive, Non-Executive and Public Interest Directors with at least one Independent Women Director. The Chairman of the Board is a Non- Executive Director and is not related to the MD in conformity with SEBI Listing Regulations.

The Board of Directors are of an opinion and declare that the Independent Director/Public Interest Director reappointed during the year have requisite qualifications, knowledge, experience and expertise to eligible herself to act as an Independent Director of the Company and she holds highest standards of integrity.

Mr. Chirag S Nagda was appointed as the Company Secretary of NCL, with effect from June 09, 2020. During the FY 2020-21, there was no other change in the Key Managerial Personnel of the Company.

Pursuant to SECC Regulations, the Key Management Personnel of NCL as of March 31, 2021, were Ms. Rana Usman, Head - Clearing & Settlement, Mr. Ravindra Mohan Bathula, General Counsel, Mr. Huzefa Mahuvawala Head- Risk Management, Mr. Dhawal Shah, Head-Compliance, Mr. Nilesh Tinaikar, Vice President, Ms. Hima

Bindu, Vice President, Mr. Amit Amlani, CFO, Mr. Paul Moonjelil, CISO, Ms. Moushumi Mandal AVP- Human Resources, Mr. Chirag S. Nagda, Company Secretary, Mr. Aniket Bhanu, Vice President – Strategic Projects.

6.1.1 Director's e-KYC

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

6.1.2 Disclosure under Section 164 of the Companies Act, 2013

The Company has received the disclosures in the Form DIR-8 required under Section 164 of the Companies Act, 2013 and has noted that none of the directors have incurred any of the disqualifications on account of non-compliance with any of the provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014. Further, there were no acts of omission/commission by the company itself, leading to the disqualification of its directors.

6.2 NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board met seven times during the year on June 09, 2020, June 17, 2020, July 29, 2020, August 13, 2020, August 28, 2020, October 28, February 03, 2021 and March 16, 2021.

During the year under review, the total duration of the Board meetings i.e. approximate aggregate number of hours was about 24 hours. The maximum gap between any two meetings was less than one hundred and twenty days.

For further details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

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

6.3 DECLARATION BY INDEPENDENT DIRECTORS

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

In terms of SECC Regulations, SEBI had nominated Mr. Harun R Khan, Mr. Salim Gangadharan, Mr. Navin K Maini, Mr. C VR Rajendran and Mrs. Bhagyam Ramani as Public Interest Directors.

Each PIDs have given a declaration of independence as required under the applicable laws as well as confirmation that he/ she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence and that he/she is independent of management and a confirmation that he/ she has read and understood the Company's code of conduct, as applicable to the Board of Directors of the Company and that he/ she affirm compliance with the said code of conduct during the financial year 2020-21. The enrollment of all PIDs in the Databank being maintained by the Indian Institute of Corporate Affairs to qualify as an Independent Director has been completed and they have all furnished the declaration affirming their compliance with the relevant provisions of Companies (Appointment & Qualification of Directors) Rules along with the Declaration of Independence given as per section 149(6) of the Companies Act, 2013.

Based on the confirmation/declaration received from the independent directors, that he/she was not aware of any circumstances that are contrary to the declarations submitted by him/her, the Board acknowledged the veracity of such confirmation and takes the same on record.

In the opinion of the Board, all the aforesaid Independent Directors possess the requisite expertise and experience and they hold the highest standards of integrity.

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

Pursuant to requirements of the Companies Act, 2013, the Company has framed policies on the appointment of Directors and Senior Management Personnel i.e. Nomination Policy and remuneration of Directors and Key Management Persons identified under SCR (SECC) Regulations and under the Companies Act, 2013 and other employees i.e. Remuneration Policy and the same are in force. The Nomination Policy and the Remuneration Policy of the Company are given in **Annexure-4.**

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

As per the provisions of the Companies Act, 2013, the Nomination & Remuneration Committee (NRC) specifies the manner for effective evaluation of the performance of Board, its Committees and individual directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance. Accordingly, the evaluation of the performance of the Board, its Committees and of its individual directors are carried out in accordance with the Board Evaluation Policy put in place and other requirements stipulated by SEBI in this regard.

During the year under review, the Company actioned the feedback from the Board evaluation process conducted in the year 2019-20. The evaluation exercise in terms of

Schedule IV of the Companies Act, 2013 was also carried out for the FY 2020-21 in a separate meeting of Independent Directors held on April 23, 2021. The performance of all the Directors was evaluated by the entire Board except the person being evaluated. The performance of the Committees was evaluated by the Board. The NRC also carried out the evaluation of Individual Directors. The Board also carried out the evaluation of their own performance apart from its Committees and Individual Directors.

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

6.5.1.1 Performance evaluation of the Board

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

6.5.1.2 Performance evaluation of the Committees

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

6.5.1.3 Performance evaluation of the Directors

The performance of the Individual Directors is largely evaluated based on his/her level of participation and contribution to the performance of the Board/Committee(s) in respect of the above areas and on the basis of various governance and business related parameters which include, inter- alia, Understanding of roles, responsibility, regulatory systems, laws and regulations applicable to the Company and performance of duties in an independent and objective manner; Understanding of objectives, values, vision and business of the Company; Level of participation and devotion of time to Board meetings and Committee meetings, if any,Skills, knowledge, experience, application of subject matter expertise, Adherence to Code of Conduct and Code of Ethics of the Company, Disclosure of conflict of interest or material pecuniary relationships with the Company, its subsidiaries and associates or any proposed contract or arrangement and Engagement with executive management for efficient discharge of responsibilities, etc.

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

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

https://www.nscclindia.com/NSCCL/disclosures/resources/Board_Evaluation_Policy.pdf

7 DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that -

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

(ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of NCL at the end of the financial year i.e. March 31, 2021 and of the profits of NCL for that year;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of NCL and for preventing and detecting fraud and other irregularities;

(iv) the Directors had prepared the annual accounts on a going concern basis;

(v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and were operating effectively.

8 CORPORATE SOCIAL RESPONSIBILITY

NCL is covered under the purview of Section 135 of the Companies Act 2013 and hence it needs to spend 2% of its average net profit for identified CSR purposes. Since the contribution of the subsidiary companies of NSE Group is negligible and there would be efforts duplication if each individual Company within the group undertakes CSR activities on its own and difficulties in scaling up of these activities could arise, it was decided by the Boards of the respective companies in NSE Group that CSR efforts for the Group be undertaken commonly and the actual spend be allocated to the respective Companies in proportion to their legal obligation.

Therefore, a common CSR function was created under NSE as a group resource and the actual CSR spend was proportionately allocated to the respective Companies. However, the CSR Committees for these Companies which monitor the spending are separate. A common CSR policy was prepared and approved by CSR Committees and Boards of the respective companies. With the rapid increase in the number of CSR projects, it was felt that a separate and focused entity in the form of a Section 8 Company could be established to create a measurable impact and enter into collaborations with on ground implementation partners for scale up of programmes. Accordingly, NSE Foundation was incorporated as a company under Section 8 of the Companies Act, 2013 on 5th March 2018 for which wholly committed but previous years unspent CSR funds have been transferred to NSE Foundation. Effective April 1, 2018, CSR projects of the NSE group including NCL are being implemented by the NSE Foundation.

During the year 2020-21, Rs. 5.06 crores was required to be spent to implement the Corporate Social Responsibility Policy of the Company in the manner laid down in sub-section (5) of section 135 of the Companies Act 2013 and the actual amount transferred to NSE Foundation towards approved projects was Rs.5.06 Crores, which is 100% of the amount to be spent by the Company. During the year 2020-21, NSE Foundation spent the entire amount of Rs. 5.06 crores towards the approved CSR projects.

The CSR policy is available on your Company's website www.nscclindia.com. The disclosures required to be made in the Board's Report as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached herewith as **Annexure-5.**

9 CORPORATE GOVERNANCE

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

NSE Clearing Limited (NCL) is a public limited company, whose securities are not listed on any of the stock exchanges. As per Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the disclosure requirements and corporate governance norms as specified for listed companies are *mutatis mutandis* applicable to a recognised clearing corporation. NCL has always been involved in good governance practices and endeavors continuously to improve upon the same. A report on corporate governance for the financial year 2020-21 is furnished as part of the Annual Report for the information of all its stakeholders as **Annexure-6**. The certificate from a Practicing Company Secretary confirming compliance with the conditions of disclosures and Corporate

Governance norms specified for listed companies is also attached to the above report.

10 COMMITTEES OF THE BOARD

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

11 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

12 VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has, in continuation of the Company's pursuit to establish good corporate governance practice, formulated the 'Whistle Blower Policy' and the policy is in force since January 2015. The Policy, as on date, provides a mechanism to the Directors and employees of the Company for reporting instances of unethical conduct, actual or suspected fraud or violation of the Company's Code of conduct or Ethics policy or law to the Chairman of Audit Committee (cases of financial nature) / Regulatory Oversight Committee (other cases) or the Ethics Counselor, as the case may be. Protected Disclosures should preferably be reported in writing as soon as possible after the whistle blower becomes aware of the same.

All Protected Disclosures reported under the Policy will be thoroughly investigated by the Ethics Counselor or Chairman of the Audit Committee/ Regulatory Oversight Committee or a suitable competent person of their choice, as the case may be, of the Company. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure. Complete protection will be given to whistleblowers against any unfair practice. No Personnel has been denied access to the relevant Committee.

If the findings of the investigator(s) conclude commission of an unethical and improper act, disciplinary action or any other action, as deemed appropriate, will be initiated against the person concerned.

A report is being submitted to the Chairman of the Regulatory Oversight Committee/Audit committee as and when any Protected Disclosures are received along with the results of investigations if any and the action initiated with regard to the same. The Board of NCL periodically takes up every policy for its review and for bringing in suitable changes wherever required so that the policy remains relevant at all times. Accordingly, the Board of NCL at its meeting held January 30, 2020 reviewed the Whistle Blower Policy and approved suitable changes therein.

As per the requirements of SEBI (Listing Obligations & Disclosure Requirements Regulations, 2015, whistle blower policy is provided in the Company's website for the information of the shareholders at the following location:

https://www.nscclindia.com/NSCCL/disclosures/resources/Whistle_Blower_Policy_NCL.pdf

13 BUSINESS RESPONSIBILITY REPORT

The Securities and Exchange Board of India ('SEBI') under Regulation 34(2)(f) of Listing Regulations, 2015 read with National Guidelines on Responsible Business Conduct issued by the Ministry of Corporate Affairs requires companies to present a Business Responsibility Report (BRR) to its stakeholders in the prescribed format.

As stipulated under the Listing Regulations, the Business Responsibility Report (BRR), describing initiatives taken by NCL from an environmental, social and governance perspective, in the prescribed format is hosted on NCL's website www.nscclindia.com.

14 STATUTORY AUDITORS

M/s. Khandelwal Jain & Co., Chartered Accountants [Firm Regn. No. 105049W] were appointed as the Statutory Auditors of the Company for a period of 5 (five) years from the conclusion of the 22nd Annual General Meeting, i.e., June 22, 2017 till the conclusion of the 27th Annual General Meeting.

In continuation of its term of appointment, the said Audit Firm conducted the Statutory Audit of the Company for the financial year ended 31st March 2021.

NCL has obtained the certificate from M/s Khandelwal Jain & Co., Chartered Accountants that they are eligible to continue to act as the Statutory Auditors of the Company for FY 2021-2022 as required under Section 139 of the Companies Act, 2013. The requirement of seeking ratification of the members for the continuance of their appointment has been withdrawn consequent upon the changes made by the Companies (Amendment) Act, 2017 with effect from May 07, 2018. Hence the resolution seeking ratification of the members for their appointment is not being placed at the ensuing Annual General Meeting.

The Statutory Auditors' Report for the Financial Year 2020 -21 does not contain any qualification, reservation or adverse remarks.

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

15.1 Conservation of Energy and Technology Absorption

The disclosure of particulars with respect to conservation of energy and technology absorption in terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 are given hereunder:-

NSE and its group companies are aware that their business operations and use of natural resources has an impact on the environment. Being a responsible corporate citizen, it is NSE Group's vision to continuously reduce its carbon footprint, enhance environmental protection practices and promote sustainable business operations.

The NSE Group (which includes NCL) strives to:

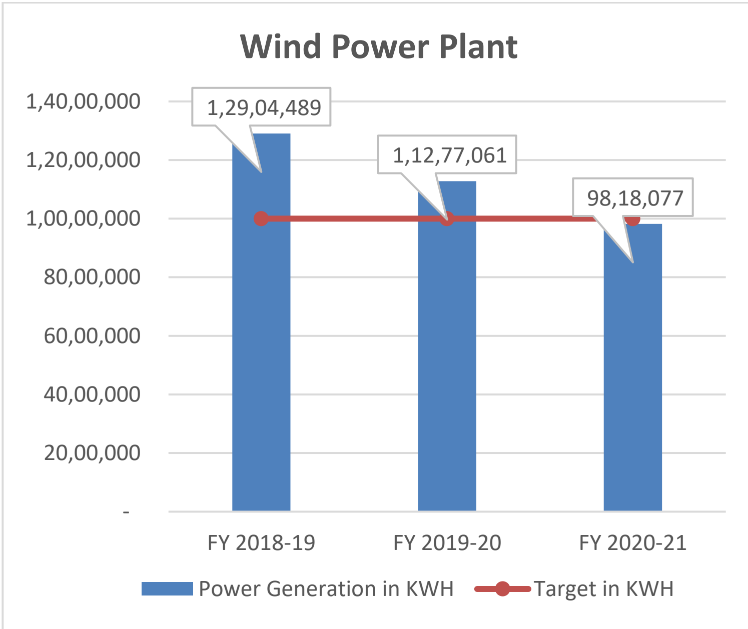
- Minimize carbon/Water footprint and ensure sustainable business operations; Minimize pollution of all forms;
- Compliance with all local and national environmental legislation, regulations and codes of practice relevant to the industry sector in which it operates;
- Continual improvement in its environmental performance;

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

15.1.1 Green Power Generation:

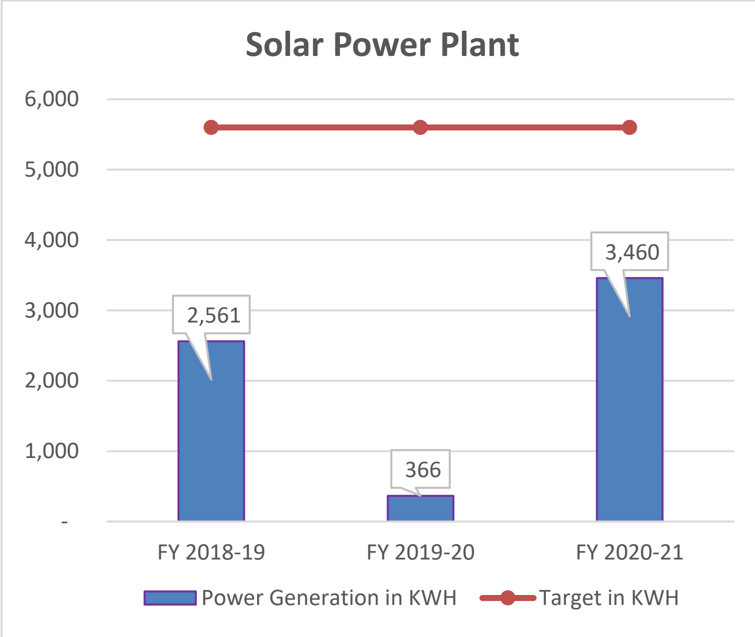
i) Wind Power Plant:

NSE group has commissioned the 6.25 MW (i.e. 5 nos. of 1.25 MW of Wind Mills) Wind Power Plant at Satara in Maharashtra in the year 2014. In Wind Power Plant, the Wind Electric Generator (WEG) converts the Kinetic Energy available in the Wind to Electrical Energy by using a Rotor, Gearbox and Generator. With regard to the operation of the Wind Power Plant, it goes hand-in-hand with the Local Electricity Board. The Plant is connected to the Main Power Grid of the Local Electricity Board. As per the renewable energy policy of Govt. of Maharashtra, the quantum of electricity generated through the Wind Power Plant is fed to the grid, which gets set off against the power consumption towards High Tension (HT) installation of the 'Wind farmer' (which in this case is NSE) anywhere in that grid. Accordingly, the aforesaid Wind Power Plant has generated 98,18,077 electricity units in the FY 2020-21.



ii) Solar Power Plant:

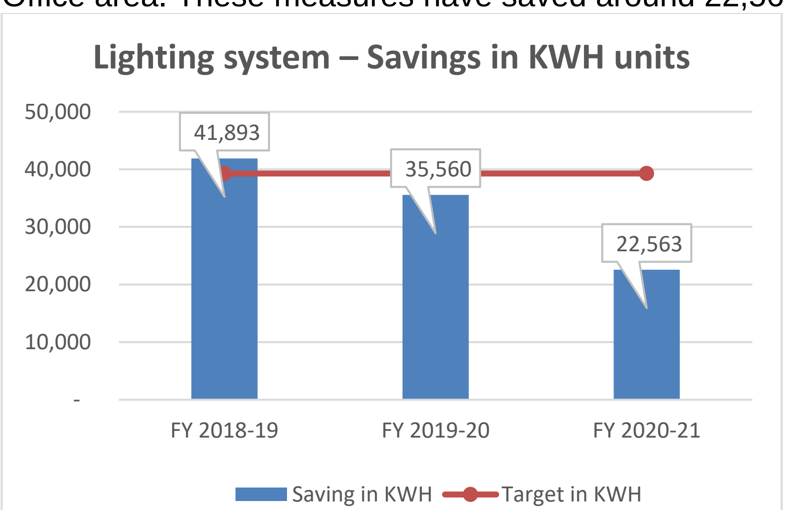
The Solar Power Plant of a capacity of 10 KW has been installed in the building which harnesses the Solar Power to cater to a part of the lighting load at Exchange Plaza. This way NSE group has saved around 3460 units in the FY 2020-21. NSE Group has also saved around 5,99,976 Units of electricity which amounts to Rs. 55,05,308/- (i.e. in Electricity as well as Air-conditioning) towards Non occupancy of staff/employees during the FY 2020-21.



15.1.2 Energy Conservation:

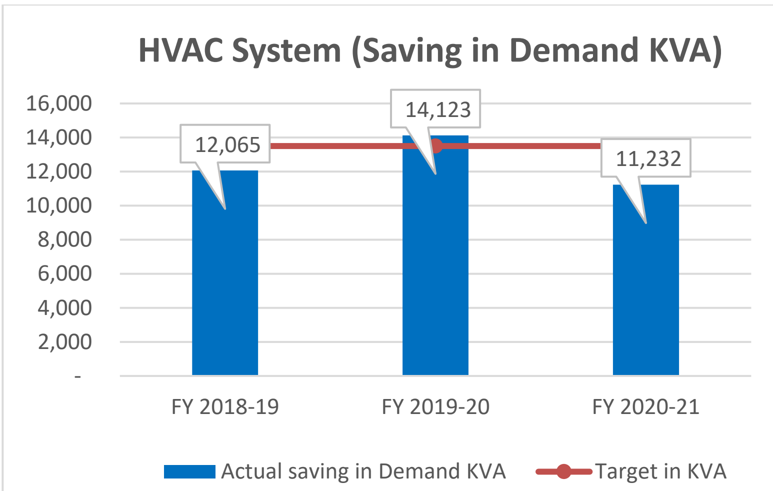
i) Lighting Transformer and LED Lights:

Lighting Transformers have been introduced in the lighting feeders to regulate incoming power supply which reduces excess power consumption and enhances the life of the luminaries. Additionally, LED Lights have been introduced across the entire Office area. These measures have saved around 22,563 units in the FY 2020-21.



ii) Thermal Energy Storage System:

Thermal Energy Storage System has been introduced in the Air-conditioning (AC) System at Exchange Plaza. It was observed that most of the Services (i.e. AC Chillers, AHU's, Lifts, Lighting, PC, Plumbing System, etc.) in the building were operated mainly during office / day hours. Amongst them, the AC Chillers and its associated equipments used to consume more than 30% of the total peak demand load. In view of this, the NSE group had decided to reduce its demand load during peak hours by introducing the aforesaid plant in the existing AC System. In this system, the AC Chillers are being operated at night hours to form the “Chill” (i.e. Glycol Water at a temperature below zero degrees centigrade) which gets stored in a Thermal Storage Tank. The next day, the stored Chill is being utilised through Heat Exchangers for air-conditioning the entire Office area. On account of this, the Services which were operating mainly during office hours have been distributed and NSE had surrendered the extra power. This way, the NSE group has saved around 11,232 Demand KVA in the FY 2020-21.



iii) Occupancy Sensors:

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

iv) Building Management System:

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

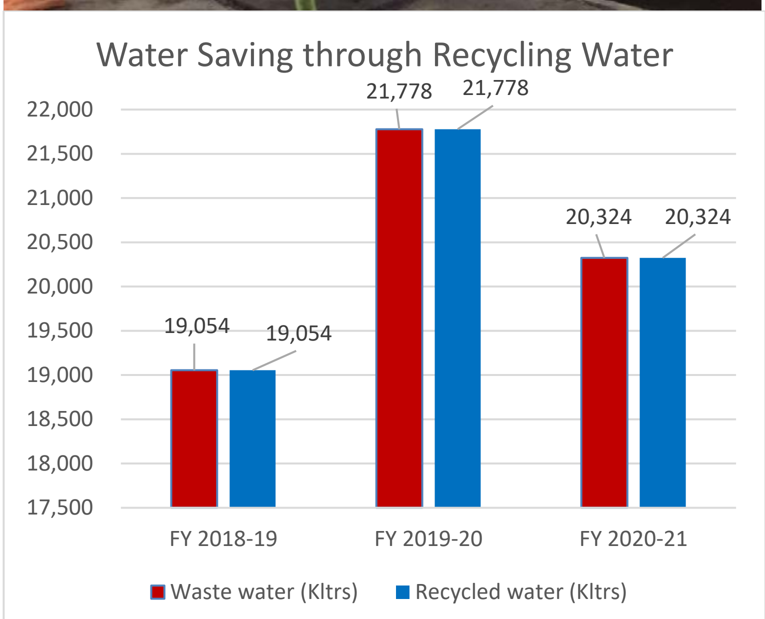
v) Automatic Power Factor Control Units:

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

15.1.3 Water Management:

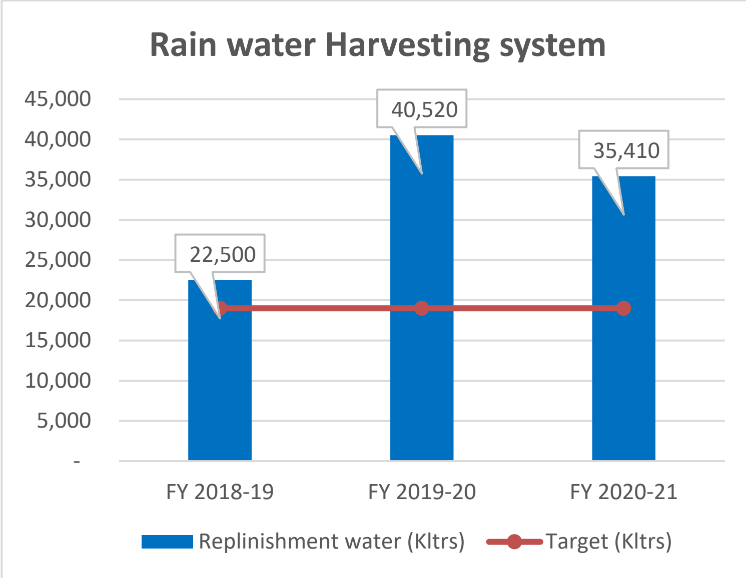
i) Water Recycling - Sewerage Treatment Plant:

This plant has been installed at the inception stage itself to enable the NSE group to reuse the building's domestic and flushing water (i.e. after treatment) for its Cooling Towers associated with Air-conditioning systems and for Gardening purposes every day. This way NSE group has saved around 20,324 Kilolitres of Water in the FY 2020-21.



ii) Rain Water Harvesting System:

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



15.1.4 Waste Management:

Vermiculture Plant:

The compostable material like food waste collected from Canteen, Garden Organics and Paper and Cardboard gets collected at one place. Post shredding, the aforesaid organic material gets loaded into the Vermiculture plant for the decomposing process. Post 7 days of an on-going process, vermicompost / manure gets generated and is being used for Gardening purposes. This way NSE group has generated around 360 Kg of manure in the FY 2020-21.

Waste Disposal

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

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

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

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

15.2 Foreign Exchange earnings/outgo during the year under review

There were no foreign exchange earnings during the year. However, the foreign exchange outgo towards revenue payments during the year was Rs. 1.40 crore, Capital payments were Rs.10.00 Crores including Capital contribution of Rs. 10.00 Crores to NSE IFSC Clearing Corporation Limited.

16 PARTICULARS OF EMPLOYEES

As on March 31, 2021, there are 103 employees on the payroll of NCL. A Statement of Particulars of Employees covered under the provisions of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed herewith as **Annexure-7.** The ratio of compensation paid to each key management personnel, vis-a-vis. median of compensation paid to all employees of NSE Clearing Limited is enclosed herewith as **Annexure-8**.

17 PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

MCA has vide Companies (Accounts) Amendment Rules, 2021, effective from April 01, 2021, amended rule 8 with respect to the disclosures of details of an application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year. The same was not applicable to your Company as there are no such applications made or proceedings pending under the Insolvency and Bankruptcy Code, 2016 with respect to the Company.

18 DIFFERENCE IN AMOUNT OF THE VALUATION

MCA has vide Companies (Accounts) Amendment Rules, 2021, effective from April 01, 2021 amended Rule 8 with respect to the disclosures of details of the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from the Banks or Financial Institutions along with the reasons thereof. The same was not applicable to the Company as there was no such instance of either settlement or loan from a Bank or Financial Institution during the year under review.

19 COST AUDIT/COST RECORDS

The requirement relating to disclosure and the maintenance of cost records as specified by the Central Government under section 148 of the Companies Act, 2013 is not required to be made by the Company, and accordingly, such accounts and records are not prepared and maintained.

20 CORONAVIRUS (COVID-19)

The Coronavirus (COVID-19) 'pandemic' has been an unprecedented global situation that all countries are dealing with in terms of its human and economic consequences. The Government of India and various State Governments have taken several measures like creating awareness on wearing of masks and social distancing, lockdown, stricter rules on the movement of people, etc. These steps taken did help to combat the spread and transmission of the virus. However, due to the virus mutating itself and with newer variants, there has been a sudden rise in coronavirus cases across the country and a devastating second wave of the virus. While fresh restrictions in the movement of people have been imposed by various State Governments, the focus is now more towards vaccination of people in phases, ensuring sufficient health facilities and medical supplies to bring the spread and transmission of the virus under control.

NSE Group has always been committed in supporting the Government in the nation's battle against the pandemic and in providing assistance to alleviate the difficulties faced by the ecosystem due to COVID-19. As a part of its commitment, the NSE group last year had contributed towards PM Cares Fund and certain State Government funds and ensured all necessary compliances for combating the spread of the COVID-19 virus in the country.

NSE Group continues to take various initiatives to deal with COVID -19, these inter-alia, cover: (i) Being classified as essential services, only critical staff (with sufficient redundancies/backups) required to run the Exchange/Clearing Corporation are working onsite and the other staff continues to Work from Home. Further, critical staff who are still to be vaccinated as per age criteria are required to undergo RT-PCR test every fortnight basis, with facilities for the test being arranged by the Company (ii) Our operating model has inbuilt resiliency in place including a robust technology and security infrastructure to ensure that sufficient controls, checks and balances are in place to ensure market integrity and continuity. Implementation of a zero trust model with multi layered checks and balances ensured that our cybersecurity controls are robust and our data and processes are secure (iii) Stringent measures have been put in place to ensure the safety of employees on premises like regular sanitization, temperature checks, ban of visitors, employee official travel restrictions, frequent cleaning of office infrastructure, checks to ensure staff are not coming from containment zone, wearing of masks, setting up of isolation room with oximeter and oxygen cylinders, ensuring social distancing, etc. (iv) Covid helpdesk has been created for immediate reach and to assist employees and their family members to avail Company's health insurance facilities (v) Reimbursement of cost of vaccination for all employees and their dependent family members as and when eligible. The Company is fully compliant with all guidelines by the Ministry of Health and Family Welfare issued from time to time.

21 ACKNOWLEDGMENT

Your Directors wish to place on record their gratitude for the co-operation and support extended by the Government of India, Securities and Exchange Board of India and Reserve Bank of India. The Directors regret the loss of life due to the COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Board also wishes to place on record their sincere appreciation for the unstinted efforts of the employees at all levels towards the continued growth of NCL.

For and on behalf of the Board of Directors

Place: Bhubaneswar
Date: May 05, 2021

Harun R Khan
Chairman

ANNEXURE -1 TO DIRECTORS' REPORT

Form No. AOC-2

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

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

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

Nil

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

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

(a) Name(s) of the related party and nature of relationship
Please see Annexure to AOC -2
(b) Nature of contracts/arrangements/transactions
Please see Annexure to AOC -2
(c) Duration of the contracts / arrangements/transactions
Please see Annexure to AOC -2
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:
Please see Annexure to AOC -2
(e) Date(s) of approval by the Board, if any:

Approved by the Audit Committee on June 17, 2020 as all transactions are in the ordinary course of business and at arm's length basis. The transactions are on arms' length basis and in ordinary course of business and so the approval of the Board for this purpose is not required.

(f) Amount paid as advances, if any: **Nil**

For NSE Clearing Limited

Place: Bhubaneswar
Date: May 05, 2021

Harun R Khan
Chairman
DIN No. 07456806

ANNEXURE TO AOC-2

(a) Names of the related parties and related party relationship

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited (NSE)	Holding Company
2	NSE IFSC Clearing Corporation Limited	Subsidiary
3	NSE Investments Limited	Fellow Subsidiary
4	NSE IFSC Limited	Fellow Subsidiary
5	NSE Foundation	Fellow Subsidiary
6	NSE Data & Analytics Limited	Fellow Subsidiary's Subsidiary
7	NSE Academy Limited	Fellow Subsidiary's Subsidiary
8	NSEIT Limited	Fellow Subsidiary's Subsidiary
9	NSE Indices Limited	Fellow Subsidiary's Subsidiary
10	NSE Infotech Services Limited	Fellow Subsidiary's Subsidiary
11	NSE.IT (US) Inc.	Fellow Subsidiary's Subsidiary's Subsidiary
12	Aujas Cybersecurity Limited (formerly known as Aujas Networks Limited / Aujas Networks Private Limited)	Fellow Subsidiary's Subsidiary's Subsidiary
13	Talentsprint Private Limited (w.e.f. November 10, 2020)	Fellow Subsidiary's Subsidiary's Subsidiary
14	Cogencis Information Services Ltd (w.e.f. January 21, 2021)	Fellow Subsidiary's Subsidiary's Subsidiary
15	National Securities Depository Limited	Holding Company's Associate
16	BFSI Sector Skill Council of India	Holding Company's Associate
17	Power Exchange India Limited	Associate of Fellow Subsidiary
18	NSDL e-Governance Infrastructure Limited	Associate of Fellow Subsidiary
19	Market Simplified India Limited	Associate of Fellow Subsidiary
20	Receivables Exchange of India Limited	Associate of Fellow Subsidiary
21	Indian Gas Exchange Limited (w.e.f. March 16, 2021)	Associate of Fellow Subsidiary
22	Capital Quant Solutions Private Limited (w.e.f. March 3, 2021)	Associate of Fellow Subsidiary's Subsidiary
23	Mr. Harun R Khan – Director Mr. Salim Gangadharan – Director Mr. N.K Maini – Director Mr. C.V.R Rajendran – Director Ms. Bhagyam Ramani – Director Mr. J. Ravichandran – Director (upto July 16, 2020) Mr. K. S. Somasundaram (w.e.f. August 17,2020) Mr. Vikram Kothari – Managing Director	Key Management personal/Directors

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

(in crore)

Name of the Related Party	Nature of Transactions	Year ended March 31, 2021	Year ended March 31, 2020
National Stock Exchange of India Limited	• Clearing and Settlement charges	310.74	200.87
	• Usage charges paid	26.73	21.70
	• Usage charges received	1.66	1.66
	• Reimbursement paid for expenses on staff on deputation	12.32	11.66
	• Salary liability transferred	-	-
	• Reimbursement paid for other expenses incurred	46.29	39.66
	• Space & Infrastructure Usage Charges	5.48	5.29
	• Contribution to Core SGF	-	-
	• Reimbursement received for services rendered	0.32	0.38
	• EBP Platform Usage Income	0.62	-
	• Dividend	90.00	81.00
NSE IFSC Clearing Corporation Limited	• Investment in Equity Share Capital	10.00	5.00
	• Reimbursement paid for other expenses incurred	1.15	0.89
NSEIT Limited	• Repairs & Maintenance – Clearing & Computer systems	10.45	13.74
NSE Foundation	• Investment in Equity Share Capital	-	-
	• Contribution towards CSR Expenses	5.06	4.53
National Securities Depository Limited	• Depository operation fees	0.18	0.28
Aujas Cybersecurity Limited	• Repairs & Maintenance – Clearing & Computer systems	0.13	-
Mr. T Venkata Rao - Managing Director (upto 06.11.2017)	• Gross remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	0.25	0.24
Mr. Vikram Kothari- Managing Director (w.e.f 07.11.2017)	• Gross remuneration including allowances, non- cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	1.92	1.67

Directors	• Sitting Fees paid to Directors • Mr. HR Khan • Mr. Salim Gangadharan • Mr. Navin Kumar Maini • Mr. CVR Rajendran • Mrs. Bhagyam Ramani	 0.39 0.30 0.31 0.29 0.40	 0.30 0.30 0.26 0.31 0.29

For NSE Clearing Limited

Place: Bhubaneswar
Date: May 05, 2021

Harun R Khan
Chairman
DIN No. 07456806

ANNEXURE -2 TO DIRECTORS' REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the year ended 31st March, 2021

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial personnel) Rules,2014]

To
The **Audit Committee/Board of Directors/Members**
NSE Clearing Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East)
Mumbai- 400051

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited) having CIN No. U67120MH1995PLC092283** (hereinafter called the 'Company') during the financial year from April 01, 2020 to March 31, 2021, ('the year'/ 'audit period'/ 'period under review').

We have conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the company's corporate conducts/statutory compliances/board processes and expressing our opinion thereon.

We are issuing this report based on :

(i) our **verification** of the books, papers, minute books, scanned copies of minutes of Board and Committee, statutory registers, soft copy of the various records sent over mail as provided by the company and other records maintained by the Company and furnished to us, forms/ returns filed and compliance related action taken by the company during the year ended 31st March 2021 as well as before the issue of this report;

(ii) **Compliance Certificates** confirming Compliance with all laws applicable to the company given by Key Managerial Personnel / Senior Managerial Personnel of the company and taken on record by Audit Committee / Board of Directors, and

(iii) **Representations** made, documents shown and information provided by the company, its officers, agents, and authorised representatives during our conduct of secretarial Audit.

We hereby report that in our opinion, during the audit period covering the year ended on 31st March 2021 the Company has:

(i) complied with the statutory provisions listed hereunder, and
(ii) Board-processes and compliance mechanism are in place

to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read along with our letter of even date annexed to this report as Annexure- A.

1. Compliance with specific statutory provisions

We further report that:

1.1 We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of:

(i) The Companies Act, 2013 and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and Rules and Regulations made thereunder, of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings (to the extent applicable);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):

(a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
(b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; to the extent applicable to recognized Clearing Corporations pursuant to Securities Contract (Regulation) (Stock Exchange and Clearing Corporation) Regulations, 2018; and
(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(vi) Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial standards).

(vii) Following other laws as applicable specifically to the Company are:

a) The Securities Exchange Board of India Act, 1992;

b) Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations, 2018 ; and
c) Rules, Regulations, Circulars, Orders, Notification, and Directives issued under the above statutes to the extent applicable.

1.2 During the period under review, and also considering the compliance related **action** taken by the company after 31st March 2021 but before the issue of this report, the company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us :

(i) Complied with the applicable provisions/clauses of the Act, Rules, SEBI Regulations and Agreements mentioned under sub-paragraphs (ii),(iii),(iv) (v) and (vii) of paragraph 1.1 above.

(ii) complied with the applicable provisions/ clauses of :

(a) The Act and rules mentioned under paragraph 1.1 (i);

(b) The Secretarial standards on meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above to the extent applicable to Board and Committee meetings held during the quarter and 25th Annual General Meeting held on July 16, 2020 (25th AGM) and Extra Ordinary General Meeting held on September 01, 2020 and the Resolutions passed by Circulation. The Compliance of the provisions of the Rules made under the Act [paragraph 1.1(i)] and SS-1 [paragraph 1.1(vi) with regard to the Board/ Committee meeting held through video conferencing were verified based on the minutes of the meeting provided by the company

1.3 We are informed that, during/ in respect of the year, the company was not required to initiate any compliance related action in respect of the following laws/rules/regulations/standards, and was consequently not required to maintain any books, papers, minute books or other records or file any form/ returns thereunder:

a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
e. The Securities and Exchange Board of India (Buyback of Securities) Regulations,2018; and
f. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014

1.4 There was no other law that was specifically applicable to the company, considering the nature of its business. Hence the requirement to report on compliance with any other specific law under paragraphs 1.1 and 1.2 above did not arise.

2. Board processes:

We further report that:

2.1 The Board of Directors of Company as on March 31, 2021 comprised of:

(i) One Executive Director,

(ii) One Non- Executive Non Independent Director, and

(iii)Five Non- Executive Independent Directors, including a woman Independent Director.

2.2 The processes relating to the following changes in the composition of the board of Directors during the year were carried out in compliance with the provisions of the Act and LODR

i. Mrs. Bhagyam Ramani was re-appointed as Independent Director (Public Interest Director) for her second term of three years w.e.f June 01, 2020 to May 30, 2023.

ii. In 25th AGM Mr. J Ravichandran (DIN: 00073736) retired by rotation and decided not to be re-appointed, thus ceased to be the director of the company w.e.f 17.07.2020.

iii. In the 25th AGM Mr. K.S Somasundaram (DIN: 08785903) was appointed as Shareholders Director, approval of the same was received on August 17, 2020 from Securities Exchange Board of India.

iv. Approval was received from Securities Exchange Board of India in connection with appointment of Mr. Vikram Kothari for his second term as MD of the company with effect from November 07, 2020 for a further period of three years.

2.2 Adequate notice was given to all the directors to enable them to plan their schedule for the Board and Committee meeting.

2.3 Notice, Agenda and detailed notes on agenda of Board and Committee meetings was sent to directors at least seven days in advance.

2.4 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

2.5 We note from the minutes verified that, at the Board meetings held during the year:
(i) Majority decisions were carried through; and

(ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

3. Compliance mechanism

There are adequate systems and processes in the company, commensurate with the company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines..

4. During the year under review Mr. Chirag S. Nagda was appointed as the Company Secretary and Key Management Personnel as per the SECC regulations and Companies Act, 2013 and also the Senior Management Personnel of the Company in board meeting held on June 09, 2020. Late Mr. Jayakumar was a Company Secretary of the Company till then.

For BNP & Associates
Company Secretaries
Firm Registration No. P2014MH037400

Place: **Mumbai**
Date: 05.05.2021

Avinash Bagul
Partner
FCS: 5578 CP No:19862
PR No. 637/2019
UDIN: F005578C000245180

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

Annexure A

To,
The Audit Committee/ Board of Directors/Members,
NSE Clearing Limited

Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.

2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.

3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the company after 31st March 2021 but before the issue of this report.

4. We have considered compliance related actions taken by the company based on independent legal /professional opinion obtained as being in compliance with law.

5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.

6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

7. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries
Firm Registration No. P2014MH037400

Place: **Mumbai**
Date: 05.05.2021

Avinash Bagul
Partner
FCS: 5578 CP No:19862
PR No. 637/2019
UDIN: F005578C000245180

ANNEXURE -3 TO DIRECTORS' REPORT

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

Form AOC 1

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

Part "A" Subsidiary

Name of the Subsidiary	NSE IFSC Clearing Corporation Limited
The date since when subsidiary was acquired	02-Dec-16
Reporting date	31-Mar-21
Share Capital	90.00
Reserves and Surplus	-35.90
Total Assets	78.74
Total Liabilities	24.64
Investments	-
Turnover	0.91
Profit before Taxation	-9.23
Provision for Taxation	-
Profit after Taxation	-9.23
Proposed Dividend	-
% of shareholding	100%

Notes:-

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

ANNEXURE - 4 TO BOARD'S REPORT

Nomination and Remuneration policies of NCL

A. Policy for Nomination and Appointment of Directors, KMPs and Senior Management Personnel

1. Introduction

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

2. Objective

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

The objectives of this Policy are:

a. determine the composition of the Board of Directors and the sub-committees of the Board and addressing issues of Board diversity;
b. ensure that appropriate procedures are in place to assess Board membership needs and Board effectiveness;
c. identify persons who are qualified to become directors;
d. recommend to the Board appointment and removal of Directors in accordance with policy and criteria laid down;
e. Identifying a Key management personnel, other than personnel as specifically provided in its definition under SECC Regulations, 2018.
f. selecting the Managing Director.
g. lay down criteria for personnel who may be appointed in Senior Management;
h. identify persons who may be appointed in Senior Management in accordance with the Policy and criteria laid down;
i. recommend to the Board appointment and removal of personnel in Senior Management in accordance with Policy and criteria laid down;
j. review, approve and aid the Board in succession and emergency preparedness plan for key executives;

k. specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

3. Role of the Nomination and Remuneration Committee

The key role of the Nomination and Remuneration Committee is as follows:

❖ To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out by the Board or the Nomination & Remuneration Committee or by an Independent External Agency and review its implementation and compliance;

❖ To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, senior management (including key managerial personnel) and other employees;

❖ To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

❖ Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

❖ Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals; and

❖ Devising a policy on Board diversity.

❖ To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

❖ Recommend to the Board, all remuneration, in whatever form, payable to senior management.

Regulation 27 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (SECC Regulations) also mandates constitution of NRC to inter-alia determine the compensation of key management personnel in terms of compensation policy framed in accordance with the norms specified therein.

Subsequently, SEBI, vide its circular dated January 10, 2019, specified the following as terms of reference of NRC:-:

a. Identifying a Key management personnel, other than personnel as specifically provided in its definition under SECC Regulations, 2018.
b. Lay down the policy for compensation of key management personnel in terms of the compensation norms prescribed by SEBI.
c. Determining the compensation of KMPs in terms of the compensation policy.
d. Determining the tenure of a key management personnel, other than a director, to be posted in a regulatory department.
e. Selecting the Managing Director.
f. Framing & reviewing the performance review policy to carry out evaluation of every director's performance, including that of Public Interest Director (PID).
g. Recommending whether to extend the term of appointment of the PID.
h. Besides the above, it will also discharge the function as Nomination & Remuneration Committee under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as amended from time to time.

4. Definitions

(i) "**Board of Directors**" or "**Board**" shall mean the collective body of directors of NCL;

(ii) "**Director**" means a director appointed to the Board of NCL;

(iii) "**Independent Director**" shall have the meaning as defined under the Companies Act, 2013 read with relevant rules and the Listing Regulations.

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

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

(v) (A) "**Key Managerial Personnel (KMP)**" means—
(a) Managing Director or Chief Executive Officer ("CEO") or Manager;
(b) Company Secretary,
(c) Whole-time Director;
(d) Chief Financial Officer;
(e) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
(f) Such other Officer as may be prescribed under the Companies Act, 2013 or identified by NRC. [Section 2(51) of the Companies Act, 2013]

(B) "**Key Management Personnel**" includes a person serving as head of any department or in such senior executive position that stands higher in hierarchy to the head(s) of department(s) in the recognized stock exchange or the recognized clearing corporation, or any person who directly reports to chief executive officer or to the director on the Governing Board of the recognised stock exchange or recognised clearing corporation, or any person upto two levels below the chief executive officer or managing director, or any other person as may be identified by its Nomination and Remuneration Committee. [Regulation 2(j) of SECC Regulations]

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

(vii) **"Policy"** means this "Nomination Policy."

(viii) "**Public Interest Director**" means an Independent Director as defined under SCR (SECC) Regulations, 2018.

(ix) The term "**Senior Management** " shall mean officer/personnel of the company who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer. [Regulation 16(d) of Listing Regulations]

It includes KMPs under the Companies Act, 2013 and those recommended by the NRC to be part of senior Management from time to time.

"**Senior Management**" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads. [Section 178 of the Companies Act, 2013]

(x) **"Shareholder Director**" means a non- executive director as defined under SCR (SECC) Regulations, 2018);

(xi) "**Whole-time director**" includes a director in the whole-time employment of the company; [Section 2(94) of the Companies Act, 2013]

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

5. Interpretation

In any circumstance where the terms of this Policy differ from any existing or enacted law, rule, regulation governing the Company, the law, rule or regulation will take precedence over the provision of this Policy. Further, apart from the criteria and requirements laid down in this policy, the NRC and the Board will also be guided by the SEBI Directives, Circulars, Letters and Guidance notes with respect to the nomination and appointment of Directors, KMPs and Senior Management Personnel issued by SEBI from time to time.

6. Positive Attributes and qualifications of Directors

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

(i) the appointee should satisfy the 'fit & proper criteria' as stipulated under SECC Regulations (refer Annexure A) and other requirements as prescribed by SEBI from time to time.

(ii) assessing the appointee against a range of criteria which includes, but not be limited to, qualifications, skills, industry experience, background and other qualities required to operate successfully in the position;

(iii) the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company, in case of senior management their contribution towards effectiveness of the organisation as a whole would be considered;

(iv) the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;

(v) ability of the appointee to represent the company;

(vi) ability to work individually as well as a member of the Board and with the senior management;

(vii) influential communicator with power to convince other in a positive way;

(viii) ability to participate actively in deliberation and group processes;

(ix) have strategic thinking and facilitation skills;

(x) act impartially keeping in mind the interest of the company on priority basis;

(xi) does not hold Directorship in more than 20 companies (including private and public limited companies) or 10 public limited companies incorporated in India or such other number of companies as may be prescribed from time to time (subject, however, to limit on directorships prescribed for independent director under Listing Regulations);

(xii) has attained minimum age of 25 years and is not older than 70 years or such other age as may be prescribed from time to time, in case of managing director;

Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person. Under SECC Regulations, the maximum age limit of MD is 65 years.

(xiii) has attained minimum age of 21 years and is not older than 75 years or such other age as may be prescribed from time to time, in case of Public Interest Directors.

(xiv) shall not be disqualified under section 164 of the Companies Act, 2013

(xv) Personal specifications:

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

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

7. Composition of Board

(1) Under SECC Regulations

The Committee shall take into account the following while deciding the composition of the Board and its size:-

The Board of NCL shall include:

(a) Shareholder Directors;
(b) Public Interest Directors; and,
(c) Managing Director.

The Board from time to time keeping in mind the corporate structure, may frame guidelines governing the composition of Board which shall inter alia be subject to the following:-

- The number of public interest directors shall not be less than the number of shareholder directors on the board of the Company;

- The managing director shall be included in the category of shareholder directors;
- The appointment and tenure of Shareholder Director would be governed by the applicable provisions of the Companies Act and shall be with the prior approval of SEBI;
- Any employee of a recognised stock exchange or recognised clearing corporation may be appointed on the governing board in addition to the managing director and such director shall be deemed to be a shareholder director;
- The Chairperson shall be elected by the Governing Board from amongst the Public interest Directors and shall be subject to prior approval of SEBI;
- No trading member or clearing member, or their associates and agents, shall be on the Board;

- Person who is a director in an entity, that itself is a trading member or clearing member or has associate(s) as trading member(s) or clearing member(s) shall be deemed to be a clearing member or trading member:

  Provided a person shall not be deemed to be clearing member and / or trading member or their associate, if he/she is on the board of a public financial institution or bank which is in public sector, or which either has no identifiable ultimate promoter, or the ultimate promoter is in public sector or has well diversified shareholding , and such Public Financial Institution or Bank or its associate is a clearing member and / or trading member:

  Provided further that the independent directors of the associates of Public Financial Institution or Bank in public sector, who are clearing member and/or trading member and where the majority shareholding is that of such Public Financial Institution or bank in the public sector, shall not be deemed to be a clearing member and / or trading member for the purpose of Regulation 23 (6) of SECC Regulations.

- No foreign portfolio investor shall have any representation in the Board; and
- The public interest directors on the Board shall be nominated by the SEBI.
- The Public Interest Director shall be eligible to become a Shareholder director only after a cooling period of 3 years after ceasing to be a Public Interest Director.
- A Public Interest Director on the Board of the Company shall not act simultaneously as director on the Board of its subsidiary or on the Board of any other recognized stock exchange or recognized clearing corporation or depository or on the board of Subsidiary of such other recognized stock exchange or clearing corporation or depository.
- A Public Interest Director on the Board of the Company shall not act simultaneously as a Member on more than five statutory committees under SECC Regulations.

(2) Under Listing Regulations

- the Board of Directors shall have an optimum combination of Executive and Non-Executive directors with at least one-woman independent director and not less than fifty percent of the board of directors shall comprise of Non-Executive directors;

- where the Chairperson of the Board of Directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the Board of Directors shall comprise of independent directors:

  Provided that where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors.

Explanation:-

For the purpose of this clause, the expression —"related to any promoter" shall have the following meaning:
(i) if the promoter is a listed entity, its directors other than the independent directors, its employees or its nominees shall be deemed to be related to it;
(ii) if the promoter is an unlisted entity, its directors, its employees or its nominees shall be deemed to be related to it.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole -time Director of a listed company or such other number as may be prescribed under the Act.

- The Board of directors of the top 2000 listed entities shall comprise of not less than six directors.

- With effect from April 1, 2022, the top 500 listed entities shall ensure that the Chairperson of the board of such listed entity shall -
  (a) be a non-executive director;
  (b) not be related to the Managing Director or the Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act, 2013
- The Board of directors of the top 500 listed entities shall have at least one independent woman director and the Board of directors of the top 1000 listed entities shall have at least one independent woman director by April 1, 2020

No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect.

(3) Under Companies Act, 2013

Every company shall have a minimum number of 3 Directors in case of public company and a maximum of fifteen Directors without seeking approval of Shareholders . Besides the above, all listed companies shall have at least one-woman director.

By virtue of provisions contained in Regulation 33 of SECC Regulations read with Regulation 17 of Listing Regulations, this covers those companies to which the disclosure requirements and corporate governance norms applicable to listed companies are also applicable like NCL.

There should be at least one Director who should have stayed in India for a period of not less than 182 days during the financial year.

8. Independence of a Director

The Independent Director shall enroll his / her name in the Databank, being maintained by Indian Institute of Corporate Affairs at Manesar or such other Institutions as may be notified by Ministry of Corporate Affairs from time to time, to qualify as an Independent Director and shall submit a declaration of compliance to the Board each time he submits the declaration as required under section 149 (7) of the Companies Act.

The key role of an Independent Director is to provide an unbiased, varied and experienced perspective to the Board. While evaluating the candidature of a Director, the Committee abides by the criteria for determining Independence as stipulated under Companies Act 2013, Listing Regulations and other applicable regulations or guidelines.

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

The NRC, along with the Board, regularly reviews the skill, characteristics required from the Board & Individual Directors. One of the prime objectives of this exercise is to identify competency gaps in the Board and make suitable recommendations. The objective is to have a board of diverse background and experience in business, risk management, technology, compliance, governance and areas that are relevant for NCL.

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

9. Disqualifications for Appointment of Directors

Pursuant to section 164 of the Companies Act, 2013, a person shall not be eligible for appointment as a Director of a company if:

a. He is of unsound mind and stands so declared by a competent court;
b. He is an undischarged insolvent;
c. He has applied to be adjudicated as an insolvent and his application is pending;
d. He has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for

not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;

e. An order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
f. He has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
g. He has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
h. He has not complied with sub-section (3) of section 152.
i. No person who is or has been a director of a company which:
    - i Has not filed financial statements or annual returns for any continuous period of three financial years; or
    - ii Has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more shall be eligible to be reappointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

10. Term / Tenure:

a) Managing Director/Whole-time Director:

-Under Companies Act, 2013:

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term. Managing Director/Whole -time director can hold office upto 70 years of age.

Provided the appointment of a person who has attained the age of 70 years may be made by passing special resolution at the meeting of shareholders.

-Under SCR (SECC) Regulations, 2018

The appointment of Managing Director shall be for a term not exceeding 5 years provided further that a person may be appointed as the managing director for a maximum of two terms not exceeding 5 years each, subject to a maximum age limit of 65 years.

The Managing director shall not—

a) be a shareholder or an associate of a shareholder of a recognised stock exchange or recognised clearing corporation or shareholder of an associate of a recognised stock exchange or recognised clearing corporation, as the case may be;

b) be a trading member or a clearing member or his associate and agent or shareholder of a trading member or clearing member or shareholder of an associate and agent of a trading member or a clearing member; or

c) hold any position concurrently in the subsidiary of a recognised stock exchange or a recognised clearing corporation or in any other entity associated with a recognised stock exchange or a recognised clearing corporation:

Provided that the Managing Director may be appointed on the governing board, but not as managing director, of the subsidiary of a recognised stock exchange or a recognised clearing corporation.

b) Independent Director:

(i) Under Companies Act, 2013

An Independent Director shall hold office for a term up to 5 consecutive years. Further, no independent director shall hold office for more than 2 consecutive terms but shall be eligible for appointment after the expiration of 3 years of ceasing to become an independent director.

(ii) Under Listing Regulations

Regulation 25(2) states that the maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.

(iii) Under SECC Regulations

Public Interest directors (who are essentially independent directors) shall be nominated for a term of 3 years extendable by another term of 3 years subject to performance review in the manner as specified by SEBI. This is however subject to a maximum age limit of seventy-five years.

Provided that post the expiry of term(s) at the recognized stock exchange or the recognized clearing corporation, a public interest director may be nominated for a further term of three years in other recognized clearing corporation or recognized stock exchange, or a depository, only after a cooling-off period of one year:

Provided further that a person may be nominated as a public interest director for a maximum of three terms across recognized stock exchanges / recognized clearing corporations / depositories, subject to a maximum age limit of seventy five years.

11. Evaluation

The NRC shall by itself or through the Board or an independent external agency as prescribed in the Board Evaluation Policy, carry out evaluation of performance of the Board/Committee(s), Individual Directors and Chairman at regular interval (yearly) and review implementation and compliance. The Company may disclose in the Annual Report:

a. Observation of the Board Evaluation for the year under review
b. Previous years observations and actions taken
c. Proposed actions based on current year's observations

12. Retirement

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

13. Board Diversity

The Board shall consist of such number of Directors, including at least one-woman Director, as is necessary to effectively manage the Company of its size. The Board shall have an appropriate combination of executive and Non-Executive Directors. The NRC will lead the process for Board appointments. All Board appointments will be based on meritocracy in the context of the skills, diverse experience, independence and knowledge which the Board as a whole requires to be effective. The candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board. NCL believes that increased diversity in Board is associated with better financial performance, greater innovation and has a positive impact on the Company.

(a) For Executive Director

- The Executive Director shall be appointed as per the applicable provisions of the Companies Act, 2013, SCR (SECC) regulations, 2018, Listing Regulations and rules made there under.
- The person to be appointed will be assessed against a range of criteria which shall include but shall not be limited to qualifications, skills, industry experience, fit & proper, background and other attributes required for the said position.
- The Executive Director shall have all the powers and authorities as prescribed by the Board of Directors and as provided in the Articles of Association and applicable provisions of the Act. Executive Director will be overall in-charge of the business, administration and other affairs of the Company subject to the superintendence, control and directions of the Board of Directors and he shall guide, control and supervise the employees of the Company, their functions, the business carried on by the Company and all administrative matters.

(b) For Non- Executive Director

- The Non-Executive Director shall be appointed as per the applicable provisions of the Companies Act, 2013, SCR (SECC) regulations, 2018, Listing Regulations and rules made there under.

- The person to be appointed will be assessed against a range of criteria which shall include but shall not be limited to Educational qualification; Experience of management in a diverse organization; Interpersonal, communication and representational skills; Demonstrable leadership skills; Commitment to high standards of ethics, personal integrity and probity; and Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace and other attributes required for the said position.

(c) Guiding factors to be considered while appointing PIDs:

i. Qualification in the area of law, finance, accounting, economics, management, administration, or any other area relevant to the financial markets;
ii. Atleast one person shall be inducted having experience and background in finance/ accounts who may preferably be inducted in the audit committee;
iii. Persons currently holding positions of trust and responsibility in reputed organisations or person who have retired from such positions.
iv. Persons who are likely to have interested positions in commercial contracts and financial affairs of stock exchanges, may preferably be excluded. Persons who are regular traders/speculators in the market or are director in the Board of Promoter entity of the Stock Exchange or Clearing Corporation, shall be excluded.

14. Familiarization Program for Directors

The Company shall provide an orientation to new Directors and continuing education/training to all its Directors and shall periodically provide materials or briefing sessions for all Directors on subjects that would assist them in discharging their duties. Each new Director shall spend reasonable time for personal briefings by senior management on the Company's operations, its material subsidiaries, strategic plans, its financial statements, its key policies and practices and other details as may be desired by the Director.

The Company shall provide at least seven days of training to every public interest director each year.

15. Criteria for appointment of Senior Management Personnel

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

(i) The Senior Management Personnel identified as KMP of NCL should satisfy the “Fit and Proper Person” criteria as prescribed by SECC Regulations (Refer Annexure A);

(ii) Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, industry experience, background and other qualities as may be required to operate successfully in the position;

(iii) Contribution towards effectiveness of the organisation as a whole;

(iv) ability of the appointee to represent the company;

(v) ability to work individually as well as part of team of senior management;

(vi) influential communicator with power to convince other in a positive way;

(vii) ability to participate actively in deliberation and group processes;

(viii) have strategic thinking and facilitation skills;

(ix) act impartially keeping in mind the interest of the company on priority basis;

(x) Profile shall include:
- Educational qualification;
- Experience of management in a diverse organization;
- Interpersonal, communication and representational skills;
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace

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

16. Succession Planning

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

17. Reporting to the Board

The Chairman of NRC shall report to the Board on material matters arising at the NRC meetings and, where applicable, shall present the Committee's recommendations to the Board for its approval.

18. Amendment

Any amendment or modification in the Companies Act, 2013, Listing Regulations, SECC Regulations and any other applicable Regulation relating to NRC shall automatically be applicable to the Company.

19. Review of the policy

This Policy shall be reviewed by the NRC periodically, presently annually (unless an earlier review is required) to ensure that it meets the statutory and regulatory requirements or latest industry practice or both.

ANNEXURE A

Fit and proper criteria under SECC Regulations

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

(A) such person has a general reputation and record of fairness and integrity, including but not limited to-

i. financial integrity;
ii. good reputation and character; and
iii. honesty;

(B) such person has not incurred any of the following disqualifications.

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

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

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B. Remuneration Policy

1. Introduction

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

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

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

Accordingly, the Committee hereby recommends to the Board of Directors of NCL, a policy relating to remuneration for the Directors, Key Managerial Personnel and other employees.

2. Definitions

(i) **“Board of Directors” or “Board”** shall mean the collective body of directors of NCL;

(ii) **“Director”** means a director appointed to the Board of NCL;

(iii) **"Public Interest Director"** means an Independent Director, representing the interests of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of the Securities and Exchange Board of India (“SEBI”), is in conflict with his role;

(iv) **“Independent Director”** shall have the meaning as defined under the Companies Act, 2013 read with relevant rules and the Listing Regulations.

(v) (A) **“Key Managerial Personnel”** (KMP) under the Companies Act, 2013 means—
(a) Managing Director or Chief Executive Officer (“CEO”) or Manager;
(b) Company Secretary,
(c) Whole-time Director;
(d) Chief Financial Officer;
(e) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
(f) Such other Officer as may be prescribed under the Companies Act, 2013 or identified NRC.

(v) (B) **“Key Managerial Personnel”** (KMP) under SCR (SECC) Regulations, 2018 means a person serving as head of any department or in such senior executive position that stands higher in hierarchy to the head(s) of department(s) in the recognized stock exchange or the recognized clearing corporation or in such senior executive position that stands higher in hierarchy to the head(s) of the department(s) in the recognised stock exchange or the recognised clearing corporation, or any person who directly reports to chief executive officer or to the director on the governing board of the recognised stock exchange or recognised clearing corporation, or any person upto two levels below the chief executive officer or managing director, or any other person as may be identified by its Nomination and Remuneration Committee.

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

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

(vii) “**Nomination and Remuneration Committee” or “Committee”** shall mean a Committee of Board of NCL, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013, Regulation 19 of the Listing Regulations and Regulation 27 of SCR (SECC) Regulations, 2018.

(viii) **“Policy”** means this Remuneration Policy.

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

As per the Companies Act, 2013:

“senior management’’ means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

(x) **"Whole-time director"** includes a director in the whole-time employment of the company;

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

3. Interpretation

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

4. Objectives

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

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

5. Factors to be considered under the Remuneration Policy:

(a) financial condition / health of the Company;
(b) average levels of compensation payable to employees in similar ranks;
(c) shall not contain any provisions regarding incentives to take excessive risks over the short term;
(d) revenues, net profit of the Company;

(e) comparable to the industry standards;
(f) role and responsibilities of the key management personnel; and
(g) periodic review

6. Remuneration of Directors, KMP and Senior Management

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

(b) The remuneration / compensation / commission to be paid to the KMP shall be approved by the Committee. For KMP's under Companies Act, 2013, it shall be as per the statutory provisions of the Companies Act, 2013 read with the rules made thereunder for the time being in force. For KMP's under SCR (SECC) Regulations, 2018, the requirements prescribed by SEBI from time to time in this regard shall be followed while determining the compensation payable to them, which shall be determined by the Committee. For those Senior Management, compensation payable shall be recommended by the Committee to the Board for its approval.

(c). The Committee shall lay down remuneration policy of the Company from time to time in accordance with market practice and the Company philosophy subject to SEBI norms, as may be applicable.

(d). The annual compensation shall consist of a fixed component and a variable component. The variable component shall not exceed one third of the total pay in respect of KMPs under SCR (SECC) Regulations, 2018.

50% of the variable pay in respect of the KMPs in respect of each financial year shall be paid to the employee concerned on completion of 3 years from the last date of the respective financial year. However, as a malus arrangement, the said amount or any part thereof in respect of a financial year may be prevented from being paid by the compensation committee, after providing an opportunity of being heard to the concerned KMP, in case of fraud, misfeasance, misappropriation or excessive risk taking by the concerned employee intentionally causing financial loss to the company.

(e). The KMPs are also covered under a claw back arrangement under which the compensation committee may require an employee to return previously paid or vested remuneration partially or fully, after providing an opportunity of being heard to the concerned KMP, under the following circumstances namely fraud, misfeasance, misappropriation and intentionally causing financial loss to the company. The claw back is exercisable within a period of three years from the end of financial year in which the remuneration was paid or vested. The claw back is not exercisable in respect of retiral benefits accrued to KMPs.

(f). ESOPs and other equity linked instruments shall not be offered or provided as part of the compensation for the Key Management Personnel.

(g). The following factors shall be considered while fixing compensation package for the employees: performance, potential, qualification, experience, expertise, role, responsibilities, level of employees, inflation, attraction and retention of talent, market benchmark / comparable to the industry standards, size and complexities of operation, financial condition and health of the Company, revenues, net profit, average levels of compensation payable to employees in similar ranks, periodic review, etc.

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

7. Remuneration criteria for the Board

For Executive Directors:

a) Base Compensation (fixed salaries)

- Must be competitive and reflective of the individual’s role, responsibility and experience in relation to performance of day-to-day activities, which may include salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices.

b) Variable salary:

- The Company may structure any portion of remuneration as variable in the form of commission/bonus or otherwise, linked to rewards on the achievement of Company’s and individual performance, fulfillment of specified improvement targets or attainment of certain financial or other objectives set by the Board. The amount payable shall be determined by the Committee/Board, based on performance against pre-determined financial and non-financial metrics.
- As per Section 197 of the Act, the total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed 11% of net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act except that the Remuneration shall not be deducted from the gross profits
- The Company may except with the approval of the shareholders authorize the payment of remuneration upto 5% of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager and 10% in case of more than one such official. The Company can exceed these limits only by passing a special resolution at the general meeting.

- The Company with the approval of the Shareholders may authorize the payment of remuneration exceeding 11%of the net profits of the company, subject to the provisions of Schedule V of the Act.
- The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Act.
- The Whole-time Director/Executive Director shall not be entitled to sitting fees as per the provisions of the Act.
- The Whole-time Director/Executive Director shall be governed by HR policies as applicable to the other employees of the Company.

For Non- Executive Directors/ Independent Directors/ Public Interest Directors:

- The Non-executive/Independent Directors/ Public Interest Directors of the Company are entitled to sitting fees for attending the meetings of the Board or Committees thereof.
- All fees / compensation, if any paid to non-executive directors, including independent directors, shall be fixed by the Board of Directors within the limits as prescribed under the Act and shall require prior approval of shareholders, however, the requirement of obtaining prior approval of shareholders shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Act.
- The reimbursement of expenses for attending the Board and other Committee meetings including travelling, boarding and lodging expenses, shall be paid by the Company.
- Commission may be paid to the Non- Executive Directors/Independent Directors/Public Interest Directors within the limits prescribed under the Act i.e. not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act and with the prior approval of the Shareholders of the Company. The Board shall however, have the authority to determine the manner and proportion in which the amount be distributed amongst the Non-Executive Directors and Independent Directors.
- Shareholders approval by way of special resolution is required for the following:

  a. Appointment of a person who has attained the age of 75 years or continues to be appointed as a Non-Executive Director
  b. Annual remuneration payable to single non-executive director exceeds 50% of the total annual remuneration payable to all Non-Executive Directors

For Key Managerial Personnel (KMP) and Senior Management

- The remuneration of the Key Managerial Personnel and Senior Management shall be determined, after considering the following key factors:

  a) The level and composition of remuneration that should be reasonable and sufficient to attract, retain and motivate directors/executives and should be in line with the industry practice aimed at promoting the short term and long term interests and performance of the company.
  b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  c) Remuneration will involve a balance between fixed and incentive pay

reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The Appointment along with Remuneration of KMP under Companies Act, 2013 shall be approved by the NRC and the Board . The appointment and remuneration of KMP's under SCR (SECC) Regulations,2018 shall be approved by the NRC. The appointment and remuneration of Senior Management as identified by NRC /Board from time to time shall be approved and recommended by the NRC for approval of the Board. Any subsequent increments to the Senior Management under Companies Act, 2013, Listing Regulations and MD direct reports shall be approved and recommended by the NRC and the Board.

- The variable pay component shall not exceed 1/3rd of total pay and 50% of the variable pay in respect of the KMPs under SCR (SECC) Regulations, 2018 in respect of each financial year shall be paid to the employee concerned on completion of 3 years from the last date of the respective financial year. However, as a malus arrangement, the said amount or any part thereof in respect of a financial year may be prevented from being paid by the compensation committee, after providing an opportunity of being heard to the concerned KMP, in case of fraud, misfeasance, misappropriation or excessive risk taking by the concerned employee intentionally causing financial loss to the company.
- The KMPs under SCR (SECC) Regulations, 2018 are also covered under a claw back arrangement under which the compensation committee may require an employee to return previously paid or vested remuneration partially or fully, after providing an opportunity of being heard to the concerned KMP, under the following circumstances namely fraud, misfeasance, misappropriation and intentionally causing financial loss to the company. The claw back is exercisable within a period of three years from the end of financial year in which the remuneration was paid or vested. The claw back is not exercisable in respect of retiral benefits accrued to KMPs.

8. Reporting to the Board

The Chairman of the Committee shall report to the Board on material matters arising at the Committee meetings and, where applicable, shall present the Committee's recommendations to the Board for its approval

9. Amendment

Any amendment or modification in the Companies Act, 2013, SCRA, 1956, SCR(SECC) Regulations, 2018, Rules, Regulations and directives issued under the respective statutes (which includes Listing Regulations) and any other applicable provision relating to the remuneration/compensation/commission, etc. shall automatically be applicable to this Policy..

10. Disclosure

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

11. Review of the policy

This Policy shall be reviewed by the Nomination and Remuneration committee annually (unless an earlier review is required) to ensure that it meets the regulatory requirements or latest industry practice or both.

ANNEXURE 5 TO DIRECTOR'S REPORT

Annual Report of the CSR activities for FY 2020-21

1. NSE Group CSR Vision

NSE Group has constantly endeavoured to improve the financial well-being of people at large through a committed approach to offer investment products that suit the varied needs of people. It has expanded access to financial markets for people across the country by introducing transparent and efficient systems, improved safety measures for investors, empowering investors through awareness and education on financial planning, investor protection and investment-related issues.

Besides this, NSE Group has continuously worked towards integrating sustainable and responsible business practices through environment-friendly measures such as recycling of waste, reducing paper, water and energy conservation, use of renewable sources of energy, eco-friendly infrastructure, gender diversity and inclusive workplace policies.

NSE Group further understands that the economic and social well-being of the community is closely interlinked to their habitats and the environment. NSE Group, therefore, strives to integrate triangulated focus to improve the quality of life of its identified beneficiaries towards creating inclusive societies, while meeting its social, economic and environmental responsibilities.

The key focus sectors identified by the NSE Group for social intervention and impact, target the triply disadvantaged (Social, Financial and Gender) sections of the society. The key change and impact indicators in every programme strive to align with the nation's social development goals and the larger global sustainable development goals.

a) CSR Focus Areas, Objectives and Goals

The CSR objectives have been identified basis the larger mandate outlined in Section 135 of the Companies Act 2013 and Companies (CSR Policy) Rules 2014, as amended, as well as to meet NSE's community engagement aspirations.

NSE Group has currently identified six CSR areas as issues of concern to be addressed in the developmental landscape in India. They are i) Primary Education, ii) Elder Care, iii) Sanitation & Safe Drinking Water, iv) Health & Nutrition v) Environment Sustainability and vi) Skill Development & Entrepreneurship. In addition, during times of natural calamities and disasters, NSE Group strives to provide speedy relief and assistance to affected geographies and communities through contributions to the Prime Minister's relief fund, emergency disbursals to undertake relief through NGOs, etc. The initiatives also incorporated research and studies in areas specified in Schedule VII including promoting education.

The NSE Group CSR programmes seek to impact the most disadvantaged sections of the community by undertaking long term impactful programmes with a strong emphasis on the behaviour change activities which are embedded in the programme design. Projects implemented under these verticals are not one-time activities but are on a programme mode on timelines that will achieve the pre-determined goals and impact.

In addition to the focal areas of social intervention, a number of CSR activities such as environmental awareness, nature trails, blood donation camps, visits to the project sites, etc. which engage and motivate employees to be socially responsible have been undertaken by the CSR Society Focus Group of NSE Group.

The core CSR focus verticals are further detailed in the following sections.

- **Primary Education**

  The NSE Group CSR initiatives in Primary Education, focus on bridging the literacy gaps of children aged between 5 - 12 years from disadvantaged communities, who form the bottom rung of society. The programme outcomes contribute to the holistic development of children which includes addressing their physical, mental and aspirational needs through supplementary and in-school programmes.

  NSE Group has identified interventions in capacity building and training of teachers that will augment teacher-student ratio and directly impact the quality of teaching that is currently provided in the schools. The aim is to improve reading, writing, critical thinking, arithmetic and problem-solving, application and behavioural skills in students and create a cadre of highly motivated teachers who become change agents.

- **Sanitation and Safe Drinking Water**
  The initiatives in WASH (Water, Sanitation and Hygiene) programmes are aligned to the goals of the Swachh Bharat Mission and the Swachh Bharat Swachh Vidyalaya. Under this, NSE Group supports sanitation projects in the schools and communities as well as builds awareness on sanitation, safe drinking water, solid and liquid waste management and other WASH-related activities to ensure usable WASH facilities in schools, Anganwadis, etc. and strives to create sustainable open defecation (ODF) free communities through sustained behaviour change communication.

- **Health & Nutrition**
  Over the last decade, despite significant progress in the health system and various disease indicators, this sector remains a critical focus area, with huge disparities between geographies that need to be addressed.

  Health is a vast subject covering various issues related to communicable, non-communicable, vector-borne diseases and disorders that are addressed in various ways through promotive, protective, curative, preventive, palliative and rehabilitative services. Health and Nutrition services are vital across the life span of a person including reproductive, neo natal, child, adolescent, adult and older person. Thus, the NSE Group CSR initiatives in health will be broad ranging (rural and urban health) and where feasible seek to align with the priorities outlined in the National Health Policy and the National Health Mission and Sustainable Development Goal-3 which is “good health and well-being”.

- **Elder Care**

  Demographic Ageing is rapidly advancing with 1 in 6 Indians slated to be senior citizen by 2050. This poses a huge set of challenges and stresses on the nation and society, which include a larger financially dependent population, increased demands on health care systems, social security, protection and management.

  The area is challenging as this problem has not been taken up as an imminent issue. Projects considered under the elder care segment focus on enhancing the holistic well-being of the underprivileged ageing population by awareness campaigns and addressing their mental and physical health indicators through health camps etc., addressing elder abuse, loneliness, economic and financial independence through activities that create awareness of issues relating to the elderly.

- **Environmental Sustainability**

  The environmental ecosystem is a fragile relationship between various elements such as air, water, soil, flora, fauna, etc. Some critical issues that pose an unprecedented challenge are pollution (of soil water and air), ground-water depletion, solid & liquid waste management, loss of forests with the accompanying biodiversity, etc. Further, unexplained climate change leading to disasters that cause widespread damage and economic losses such as the floods in Kerala, are increasing each year. Interventions and innovative solutions are required to address the above.

  In keeping with NSE Group’s commitment to environmental conservation issues of ecological balance, protection of flora and fauna, agroforestry, conservation of natural resources and maintaining the quality of soil, air and water will be addressed.

- **Skill Development and Entrepreneurship**

  India has an unparalleled youth demographic- 65% of its population is 35 years or under and over 62% of the population is in the working-age group (15-59 years). While this demographic dividend promises immense opportunities, it brings its own set of challenges such as equipping youth and those in the employable band with adequate, relevant, job-ready skills.

  The initiatives on skill development shall be aligned to National Policy for Skill Development & Entrepreneurship 2015, the National Skill Development Mission and other Government schemes in short and long term skill development, apprenticeship, vocational training, upskilling, entrepreneurship, etc. and contribute to the outcomes envisaged under the universal Sustainable Development Goal (SDG) 8 - promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

- **Disaster Relief and Rehabilitation**
  From time to time, various geographical areas of the country are affected by natural disasters such as earthquakes, floods, landslides, cyclones, tsunamis, urban flood, heat waves and drought, etc. as well as emergencies and calamities in urban and rural areas. Relief and rehabilitation activities will be undertaken through NGOs/implementation partners or through contributions to Government bodies/institutions set up by the State /Central Government to undertake such relief and rehabilitation activities.

- **Prime Minister's National Relief Fund**
  India being a vast country susceptible to the vagaries of nature, various geographical areas are affected by natural calamities such as floods, storm, earthquake, etc. Relief is granted, through the contribution to the 'Prime Minister's National Relief Fund', PM CARES Fund and other such Funds as may be notified under Schedule VII to provide relief during disasters as one of the focus areas in such circumstances if and when need arises.

- **Research and Studies in areas specified in Schedule VII including promoting Education.**
  Research activities may be undertaken in the areas as described in Schedule VII of the Companies Act, 2013 as CSR activities.

b) Selection Criteria for Projects

The NSE Group CSR objectives have been identified basis the larger mandate of Sec. 135 of the Companies Act 2013 and the Companies (CSR Policy) Rules 2014, which outlines the corporate social responsibility of companies. NSE Group has further defined the CSR interventions to be undertaken and laid down the criteria for selecting projects on a long-term timeline to achieve outlined indicators to create a sustainable impact in identified communities.

The local partner agencies (NGOs) are selected after intense scrutiny and due diligence by NSE Group programme monitoring and evaluation (PME) partners. This includes legal & financial due diligence, conformation to guidelines prescribed in Sec.135, programme evaluation, past track records and so on.

The programme proposals are evaluated on various parameters such as alignment to the CSR vision and CSR policy of NSE Group, focus verticals, type of beneficiaries, relevance of the scope of work to thematic requirements, focus on the larger community, emphasis on training and capacity building, working with Government schemes, departments, sustainability of the intervention, innovativeness, uniqueness, scalability, replication of programmes, outputs, outcomes, plan for monitoring and evaluation, impact assessment and employee engagement opportunities.

c) Monitoring and Evaluation of CSR Initiatives

Rigorous monitoring and evaluation processes ensure the success of the CSR programmes. NSE Group through empaneled Project Management and Evaluation agencies (PMEs) of repute and experience. A detailed evaluation matrix is applied to assess the outcome of the projects by identifying key programme indicators that are tracked on a regular basis through periodic desk reviews, site visits, follow-ups, capacity building, quarterly on-site programmatic and financial scrutiny as well as advice on organizational or programmatic corrections to ensure the impact and sustainability of the programme.

d) Projects undertaken by NSE Group CSR during the FY 2020-21

DISTRICT TRANSFORMATION STRATEGY			
A holistic district transformation strategy was adopted in 2018, to focus on the impact of the various CSR initiatives. Four aspirational districts, Karauli (Rajasthan), Ramanathapuram (Tamil Nadu), Nandurbar (Maharashtra) and Bhirbum (West Bengal) were selected initially.			
Ramanathapuram (Tamil Nadu)			
1	Primary Education: Akshara	This project aims to reach all primary schools in the Rameswaram Island of Ramanathapuram District of Tamil Nadu. The project undertakes to bridge students' learning gaps through support classes from grades 2 to 5 in government schools. This project is in the second year of intervention activities, reaching 21 schools and 1155 primary students.	The interventions supplement the school curriculum with innovative teaching and learning material, capacity building of teachers, increased school activities to achieve learning outcomes and make learning a joyful activity. The project's activities are implemented through trained community youth or Sikshan Mitras over a period of three years to improve the learning levels of students in Maths, English and Tamil.
2	Sanitation and safe Drinking Water: Building Water Security for Green Rameswaram	The project aims to build water security in Rameswaram Island (Ramanathapuram District) through various interventions focusing on improving water access, providing safe drinking water to the community, and preventing	Water resource mapping was conducted to identify sources of water on the island. The strategy is to increase the groundwater table for which soak pits are implemented for groundwater recharge. To provide safe drinking water to the people, water purification plants and rainwater harvesting structures have been built. Water

		contamination of water sources.	purification plants use well water as the primary source, and hence for recharging the well, rainwater recharging structures are created. To prevent water contamination by waste, waste to energy (biogas units) and waste to compost systems (vermicomposting units) are installed, and grey water management is accomplished through growing kitchen gardens.
3	Health and Nutrition: Enabling the last mile health care access through technology	The elder care project aims to introduce a comprehensive model of affordable, preventive diagnostics and treatment for around 8,000 elders in Ramanathapuram district, awareness of the health status of the elderly and access to specialty diagnostic services through teleconsultation.	The model is envisaged as a build-operate-capacitate-transfer method, enabling the local community health workers to learn, understand and operate the project after its transfer to the community. Further, the programme would refer patients to tertiary or super specialty hospitals for treatment, through PHCs and district hospitals. One Primary Healthcare Centre (PHC) will be facilitated with the requisite infrastructure along with one operator, two doctors (General Practitioners) and a project coordinator. Doctors attached to the district hospital will consult locally at the PHC, provide teleconsultation services to the patients connected by ANM's and conduct periodic camps to increase the model's adoption among the elderly population.
4	Primary Education: Project EQUIP-Mandapam Block (Education QUality Improvement Project)	This project, undertaken through Sikshan Mitras for 6363 children in 101 government schools, 90 out-of-school learning centres in the Mandapam block of Ramanathapuram district Tamil Nadu has completed two years of intervention.	This education quality improvement project aims to ensure essential competencies in rural underprivileged students of grades 3-5 in Maths, English and Tamil and for grades 6-8 in basic skills in Math and English through both in school and after school interventions focusing on children lagging in basic skills.

5	Primary Education: EQUIP Thiruppullani Block (Education QUality Improvement Project)	This project is a scale-up of the existing education programme EQUIP, implemented in Mandapam Block to Thiruppullani Block, which aims to provide quality primary education to 1430 children in 50 government schools and 50 out of school centres.	The project aims to create a sustainable model to improve the quality of education in rural underprivileged children by providing attractive learning materials, including learning videos and inputs to ensure that those in grades 3-5 achieve basic competencies in Math, English and Tamil and children in grades 6, 7, 8 achieve basic skills in Math and English. Video-based Math sessions and Science experiential sessions conducted twice a month will induce curiosity in children.
6	Skill Development and Entrepreneurship: National Initiative for Skill Training on Dementia and Mental Health for Caregivers of Older Persons	The project aims to create a cadre of 500 trained professionals engaged in caring for the elderly and promote employment opportunities in the areas of geriatric care. The project will recruit and train 500-600 geriatric care assistants in one year working in either old age homes or home-based care providing organizations.	The project aims to develop a standardized curriculum for skill training and implement it in geriatric mental health and dementia care for the caregivers of older persons through a hybrid training program (combined in-person and tele-training) using the structured curriculum, evaluate the impact of the training program. Post the training, online mentoring and support will be provided for all the assistants over three months. Partnership with old age homes, geriatric care service providers will be considered for placement and employment for the students.
7	Sanitation and safe Drinking Water: Promoting Sustainability of WASH facilities and child centered governance in schools	The project is currently implemented in 37 schools of Rameswaram Island in the Ramanathapuram district, Tamil Nadu benefitting 6094 students. The programme aims to provide functional WASH facilities in the school and awareness of good health and hygiene practices.	The major components in the project are retrofitting of WASH infrastructures in schools and enhanced awareness, knowledge and behaviour change on WASH aspects in schools, Anganwadis, PHCs and communities, and build or improve systems around operations and maintenance. The programme also considered water conservation through rainwater harvesting structures.

8	Sanitation and safe Drinking Water: Promotion of Thiruppullani as Swachh and Swasth Block	This Water, Sanitation and Hygiene (WASH) project is currently in its second year in the Thiruppullani block of Ramanathapuram district, Tamil Nadu. The programme aims to facilitate the implementation of sanitation and safe drinking water in selected Schools, Anganwadis and Public Health Centres.	The programme facilitates the implementation of sanitation and safe drinking water in selected schools, anganwadis and public health centres through retrofitting and repair of sanitation facilities, capacity building of teachers/students/anganwadi workers/health centre staff/water and sanitation (WATSAN) committees; behaviour change communication with children and community members and linkages with various government schemes for tapping resources for operations and maintenance.
9	Sanitation and safe Drinking Water: Promotion of Swachh and Swasth in Hindaun Block	This newly commenced Water, Sanitation and Hygiene (WASH) project is a scale-up of the existing programme being implemented in the Thiruppullani block of Ramanathapuram district to Hindaun Block of Karauli district of Rajasthan. The programme aims to facilitate the implementation of sanitation and safe drinking water in selected schools, anganwadis and public health centres.	To facilitate implementation of sanitation and safe drinking water in selected schools, anganwadis and public health centres through retrofitting and repair of sanitation facilities, capacity building of teachers/students/anganwadi workers/PHC staff/water and sanitation (WATSAN) committees; behaviour change communication with children and community members.
10	Elder Care: Samrakshana	This project aims to reach 3,000 elders (age group 55 & above) and 8,000 below 55 years of age of Ramanathapuram district, Tamil Nadu. The project envisions to improve the living standard of elders through interventions in economic, social and health aspects of life.	The project undertakes the formation of Elders Self-Help Groups (ESHGs) in the project area for social and financial inclusion of the elderly, linking them with appropriate Govt. entitlements, like bank savings A/c opening, PM Suraksha Bima Yojana, widow pension scheme, old age pension, etc. Promotion of individual livelihood of the elders supporting through seed capital, awareness training on digital and financial literacy,

			rendering health services like health checkups/screening, awareness training on health and wellness and operating a mobile medical unit to the village doorsteps to reach the unreached elders.
11	Skill Development and Entrepreneurship: Skill Mitra and Udyog Mitra Model for Livelihood	This skill development and entrepreneurship project started in March 2020 in Ramanathapuram district, Tamil Nadu.	It aims to provide employment opportunities to youth who have discontinued education by providing them skilled based training as per their interest and available opportunity in the area. The models would be a classroom training model through the skill institutes and entrepreneurship model offering through on job training and internship.
12	Primary Education: Student-Teacher Empowerment Programme-PLUS	This project is in its first year of intervention. It aims to provide an enhanced learning environment to 2800 students in all sixty-nine government primary schools in Ramanathapuram Educational Block of Ramanathapuram district, Tamil Nadu.	The program has deployed 38 Shikshan Mitras (resource persons) to cover all primary schools in the district. The program provides students of grades 1- 5 with quality education intervention and continuous capacity building of 169 school teachers.
13	Sanitation and safe Drinking Water: Sustainable Community ODF (Mandapam Block)	This project is in the second year and implemented in 25 panchayats of Mandapam block in Ramanathapuram district through 500 WASHMAN (water, sanitation, personal hygiene, menstrual hygiene management, and nutrition) committees formed to monitor, execute the field level implementation of the project.	The project activities are designed to ensure a clean, open defecation free (ODF) village through an intensive hygiene education programme through village volunteers and community groups (WASHMAN approach). The programme also undertakes the retrofitting of institutional structures such as the anganwadis, community toilets, schools, health centres, etc.
14	Sanitation and safe Drinking	This project is a scale-up of the Mandapam program	The project activities are designed to ensure a clean, open

	Water: Sustainable Community ODF Program (Ramanathapuram Block)	and implemented in Ramanathapuram block through the 560 WASHMAN (water, sanitation, personal hygiene, menstrual hygiene management, and nutrition) volunteers.	defecation free (ODF) village through an intensive hygiene education programme through village volunteers and community groups (WASHMAN approach). The programme also undertakes the retrofitting of institutional structures such as the anganwadis, community toilets, schools, health centres, etc.
15	Environmental sustainability: SCORE (Sustainable Conservation of Water Resources through Enabling)	This project is deployed in the Ramanathapuram district's drought-prone areas. In three years, the project aims to renovate 30 irrigation tanks, 40 village ponds, 50 farm ponds, plant 5,000 saplings, and promote improved agriculture practices and environmental sustainability.	The project is based on community-led development and conservation of the natural resource and its management. Under this programme, water bodies are renovated and established along with tree plantations. This project also focuses on agriculture and the income enhancement of farmers.
16	Environmental sustainability: Water, agriculture & food security (WAFS) Project, Ramanathapuram	Ramanathapuram district is one of the water-starved districts in the state of Tamil Nadu. Bogalur, Mudukulathur, Kamudhi, and Kadaladi are the blocks highly affected by water scarcity. This project covers 51 villages (25 villages in Bogalur and 26 villages in Mudukulathur) and aims to create water and food security.	This programme aims to create water and food security by undertaking various water resource development and climatic resilient agriculture system with alternative cropping and community-led initiatives. Renovation of 45 Ooranies or community water tanks, restoring 45 minor irrigation tanks, creation of 150 farm ponds, conversion of 500 acres small orchard in prosophis jungle infested barren land, inland pisciculture and 750 acres alternative crops that are climate resilience are the planned interventions.
	Bhirbum (West Bengal)		
17	Primary Education: Alokito Shoishab (Enlightened Childhood)	This project aims to ensure enhanced academic competency and life skills for around 6,000 children in 107 government primary	The project undertakes academic activities in learning centres nested within the communities. The centres run in shifts of two hours for each batch

		schools of Rajnagar block, Birbhum district of West Bengal.	for maintaining the social distancing norms. A blended teaching method, including an online platform and direct teaching by the Sikshan Mitras, is used in the 107 centres. Emphasis is given on solving worksheets and app-based learning during COVID based on children's academic level to accelerate the learning improvement.
18	Sanitation and safe Drinking Water: Drinking Water Kiosks with Fluoride and Desalinity Remediation	In both Birbhum and Ramanathapuram, water quality in many locations within the districts is below the prescribed drinking water standards due to high fluoride levels in (Birbhum) and salinity in (Ramanathapuram) which makes it unfit for consumption, leading to multiple health problems.	The project is based on Capacitive Deionization (CDI) technology to remove dissolved solids to produce clean drinking water that meets WHO standards. Digital water kiosks (DWK), an all-weather modular structure built exclusively for community drinking water, will also be part of the project.
19	Sanitation and Safe Drinking Water: Everyone Forever – Water Services and Systems Strengthening	This project primary objective is to improve water facilities in the Rajnagar and Khoyrasol Block of Birbhum district for in Anganwadi centres, schools, and communities.	The project has three major components- ensure availability and functionality of water infrastructure in schools, Anganwadis and communities; enhance awareness, knowledge and foster behavioural change towards best practices of WASH among students, teachers, government officials and sanitation workers; build and improve systems around operations and maintenance.
20	Health and Nutrition: Lifeline express- ACT: Impact Mobile Medical Service through Impact India Foundation (IIF) in Birbhum district	In this recently commenced health project, a train equipped with medical devices, surgery equipment's, doctors, staff, etc., is parked for 21 days at one selected station/location for health interventions, early identification and treatment, provide counselling, initial stage	On designated dates for screening, doctors in the out-patient department examine all patients to identify those needing surgery such as correction of refractive errors, cataracts deafness, cleft lips, correction of club foot (Congenital Talipes Equinovarus), detection and awareness creation on cervical, breast & oral cancer, etc. Those who may not benefit from

		treatment and medication.	surgery are tested for assistive medical devices such as spectacles, hearing aids, callipers, etc.
21	Primary Education: Sahaj Path- Bridging learning gaps	This primary education project aims to improve the quality of education in 170 primary schools (grades 1 to 4) of Dubrajpur block in Birbhum district, West Bengal, reaching around 12,000 students over three years by creating a group of teachers capable of using alternative pedagogy to improve the learning outcomes of students.	The programme will work in schools with a cadre of trained Shikshan Mitras who will be attached to each government school to conduct remedial classes for children below grade-appropriate levels and teacher training of schoolteachers.
22	Primary Education: Shiksha Deep Prakalpa	This three-year primary education project plans to create sustainable community-led 65 Supplementary Learning Centers (SLCs) to ensure equity and quality in education for around 8,000 primary school children within the 65 villages Khoyrasol block in Birbhum District, West Bengal.	Supplementary Learning Centers (SLCs) working in an after-school model offers remedial education in language and Math, library-based literacy activities and a series of community-based educational events to emphasise the importance of community participation in a child's schooling and education.
23	Health and Nutrition: “Suswathya” Strengthening health and nutrition services for women, children and adolescents in Khoyrasol block of Birbhum district	This recently commenced project will adopt a life cycle approach to bring about a change in the health and nutrition scenario in around 130 villages with 15,000 beneficiaries of Khoyrasol block, Birbhum district, West Bengal, by ensuring RMNCH+A (Reproductive, maternal, newborn, child, and adolescent health).	The major project activities include monitoring and tracking vulnerable women, children, and adolescents through home visits by field teams and community mobilization, demand generation, and accountability for services created by engagement of the village panchayat and SHG representatives are essential aspects of the programme. Some activities include ensuring screening, monitoring, tracking child malnutrition to ensure follow-up at ICDS centres, regular growth monitoring, referral of severe cases to nutritional rehabilitation clinics,

			promoting Infant and Young Child Feeding (IYCF) best practices, etc.
24	Sanitation and Safe Drinking Water: Swaccho – Nirapad Parivesh (Clean and Safe Environment) Rajnagar block of Bhirbum District	This project aims to retrofit existing WASH infrastructure and sustained behaviour change activities in the five-gram panchayat, Anganwadi centres, primary schools/ High schools, and Primary Health Centres of Rajnagar block, Birbhum district, West Bengal.	The project aims to strengthen the capacities of local governance in five Gram Panchayats for sustained WASH and their commitment to achieving the Swachh Bharat Mission's objectives. Currently, the project is in its third year and the activities include BCC activities on handwashing techniques, personal health and hygiene, etc. and creating usable WASH infrastructure through the retrofitting, renovation and repair of sanitation facilities in schools, anganwadis, etc.
25	Sanitation and Safe Drinking Water: Swaccho – Nirapad Parivesh (Clean and Safe Environment) Khoyrasol block of Birbhum district	This project is a scale-up of the existing programme implemented in the Rajnagar block of Birbhum district, West Bengal. It aims to facilitate sanitation and safe drinking water facilities in 146 Zila Parishad schools, 208 anganwadis and Gram Panchayats of the Khoyrasol block.	WASH infrastructure made functional through retrofitting and repair of sanitation facilities. Capacity building of teachers, students, Gram Panchayats, village water and sanitation committees, and anganwadi workers will also ensure sustainability by involving all the stakeholders. Community nudge and hygiene events for sustaining ODF status, linkages with various government schemes for tapping resources for operations and maintenance will also be undertaken.
26	Skill Development and Entrepreneurship: Sustainable livelihood by way of providing skill training and employment / self-employment	The project aims to improve rural households' livelihood by providing skill training to rural elderly men and women in the field of apiculture (honey beekeeping) and neem seed oil production in the Rajnagar block of Birbhum district.	This two-year programme will mobilize the existing elderly self-help groups of the NSE Foundation in the area. Interested ESHGs will be provided training and machinery to be used in honey beekeeping (apiaries etc.) and neem oil production. The trained ESHGs will be given assistance to set up their units. Market linkages will also be provided so that the beneficiaries can directly sell their products in the market.

			Post-training and business setup, beneficiaries will be monitored and tracked to ensure their sustainability and progress.
Nandurbar (Maharashtra)			
27	Elder care: Comprehensive Elder Care Programme For Senior Citizens	The 'Pilot Initiative on Comprehensive Elderly Care Programme' (CECP) intends to improve the health outcomes of the elderly of Maharashtra through intervention at Shahada block in the Nandurbar district. This program will also consolidate and expand the work of systems strengthening at various health system levels to offer comprehensive elderly care.	The project proposes to integrate the proposed services under the National Programme for Health Care of Elderly into the selected PHCs in Nandurbar to evolve a range of comprehensive geriatric health services through weekly geriatric clinics at Primary Health Centers (PHCs). Further, the programme undertakes digitalization of data from the geriatric clinic, training existing Accredited Social Health Activist (ASHA) workers, community health workers, nurses, and doctors within the health system to offer elderly care. Ensuring the medication's availability, counselling, and physiotherapy services at primary levels and awareness and mobilization of the elderly to create demand and advocacy for elderly focused PHCs are part of the programme.
28	Sanitation and safe Drinking Water: Creating Enablers for ODF Sustainability	This project is a scale-up of the existing project in Navapur and now extending to the adjacent Nandurbar block for a term of three years. It will further ensure sustained ODF activities in the 137 Gram Panchayats based on the Swachh Bharat Mission guidelines reaching more than 33,000 community members over three years.	The project will facilitate retrofitting of existing sanitary infrastructure, hand washing stations, drinking water facilities and other WASH infrastructure to ensure sustained improved hygiene and behaviour change in 252 government schools, 15 Ashramshalas, and 12 Primary Healthcare facilities present in the entire block.
29	Environmental sustainability: Gram Samruddhi	"Gram Samruddhi" project is initiated in Dhadgaon and Akkalkuva block of Nandurbar district of Maharashtra to focus on	Under the programme, local practices are promoted to enhance the natural resources of the selected area through community initiatives and to

		environmental sustainability. The project aims to reach marginalized and tribal communities in drought-prone areas of 30 villages in Akkalkuwa and Dhadgaon blocks in Maharashtra's Nandurbar district.	develop a management system that is sustainable and equitable. Alternative income generation activities will form part of project activities through crop diversification and the development of market linkages to sell agricultural produce. Capacity building and strengthening 2,000 farmers and self-help groups (SHGs) will be undertaken to sustain the initiatives.
30	Sanitation and safe Drinking Water: Jaldhara-Integrated Wash, Sanitation and hygiene interventions	This project aims to provide safe and clean drinking water, promote an open defecation free environment, motivate communities to use their individual household latrine (IHHL), improve WASH facilities in schools in 25 villages of Akkalkuwa and Dhadgaon block of Nandurbar District.	The implementation of the drinking water supply project undertaken through the cooperation of the village water and sanitation committee (VWSC) that are trained and aware of the Swachh Bharat Mission, Jal Jeevan Mission and other schemes, as well as its roles and responsibilities. Behaviour change sessions inculcate improved hygiene practices among school children, adolescent girls and women.
31	Primary Education: Magic English Vaachan: Improving English proficiency of students in Zilla Panchayat Primary Schools	This three-year programme aims to improve student's English proficiency from 424 Zilla Parishad primary schools in the Nandurbar district, Maharashtra reaching 36,000 students and building capacities of 1600 teachers.	The programme delivers high levels of proficiency in English through a joyful learning process that simulates the way children naturally learn the mother tongue or other languages from the environment. The programme is a three-level/ three-year immersive English language model with each level comprising of 72 sessions of 40 minutes each. Teachers are equipped with high-quality printed and audio-visual content and infrastructure and teacher manuals that provide detailed session-by-session usage of these materials in the classroom.
32	Sanitation and safe Drinking Water: ODF	This project focuses on sustainable Open Defecation Free (ODF) in communities, WASH	The project addresses three major components, i.e., retrofitting of WASH infrastructure in schools and

	sustainability in Nandurbar	compliant institutions such as Anganwadis, schools, Ashramshalas, and primary health centres of Nandurbar district. The intervention covers 114 Gram Panchayats (GPs) in the Navapur block of Nandurbar district, Maharashtra.	Anganwadis, enhanced awareness, knowledge and behaviour change on WASH aspects in schools, Anganwadis, PHCs and communities, and build or improve systems around operations and maintenance.
33	Elder Care: Samarthya: Improving the Quality of Life of the Senior Citizens	The project focuses on the 7,200 elderly in Nandurbar, Navapur, Akkalkuwa and Dhadgaon blocks of Nandurbar district in Maharashtra to improve and ease their living standards.	It aims to empower rural senior citizens through health interventions, financial and digital literacy, capacity building in need-based professional activities with market linkages to make them socially and financially independent in the Nandurbar district, Maharashtra.
34	Primary Education: Serving and Enriching Education for Tribal Hamlets in Nandurbar District	The three-year project aims to provide improved access and quality primary education to 2800 children from tribal communities from 46 villages in the Talode block of Nandurbar district in Maharashtra.	The trained cadre of Shikshan Mitras, educated youth mentors from the respective project villages anchor community embedded ‘Shikshan Ranjan Kendras’ (SRKs) to bring learning to children’s doorstep. The unique feature of the SRK is using pedagogical tools of edutainment, activity-based learning and personality development to improve learning outcomes, improving WASH behaviour and life skills development in children.
35	Primary Education: Shiksha Setu	The project was started in 35 Ashramshalas (28 in Nandurbar and seven in Taloda blocks) for setting up labs to improve the learning level through digital intervention and to enhance digital literacy among tribal students.	Computer labs were set up in 35 Ashramshalas followed up with schools to procure students’ data to create their respective IDs and set up a virtual support system for students to enable virtual mode of learning through advanced educational software that takes into account the students learning level.
36	Sanitation and Safe Drinking Water: Solid and Liquid Waste	The recently commenced project aims to create a comprehensive strategy for waste management, both	The project will prepare a solid and liquid waste management strategy, implementation plan and setup a Faecal Sludge

	Management Strategy and Plan for Talode (Pilot Town), and implementation of SLWM Interventions to help the town achieve its goal of becoming ODF++	solid and liquid, designed in coordination with the local district administration of Nandurbar.	Treatment Plant (FSTP) as well as a decentralised wastewater treatment system (DEWATS). Development of a robust O&M plan with the participation of the community and local administration, training of ULB officials to equip them to operate the FSTP, conduct awareness generation campaigns for community and local stakeholders. It will further institute a mechanism of community ownership to ensure operation & maintenance of the entire set-up.
37	Skill Development and Entrepreneurship: Sustainable livelihood by way of providing construction Skill training and employment / self-employment.	The program aims at improving the livelihood of rural households in the Nandurbar district by providing vocational training to around 600 youth over 36 months through a one-month residential skill development training.	The training will be in selected market-driven courses in construction industries such as rural masonry, painting, plumbing, electrician and others. Due to the increasing number of construction activities in the district, there are ample local employment opportunities for these workers, even though most of these jobs would be with smaller construction companies /unorganized players or self-employment.
38	Sanitation and Safe Drinking Water: Sustainable Drinking Water Safety and Security Project	This project is designed to provide safe and secure drinking water facilities to 20 habitations and schools in Nandurbar and Navapur block of Nandurbar district, Maharashtra.	Water resource strengthening, rainwater harvesting, creating drinking water storage, and a solar mini piped water supply scheme will be undertaken in this project so that selected schools and communities have access to drinking water.
39	Primary Education: Vidya- Enhancing the learning of tribal students	This primary education project aims to provide a supportive learning environment to around 3,694 tribal students in 31 villages and 35 zilla parishad schools of Akkalkuwa and Dhadgaon blocks of Nandurbar district through use of quality teaching-learning material	The project has initiated learning through Balbhavans or learning centres in schools. Libraries, both conventional and digital, are functioning to strengthen foundation skills and enhance students' knowledge of spoken English.

		for Marathi, English and Mathematics.	
Karauli (Rajasthan)			
40	Elder care: Empowered Elders in Rural Communities	The recently commenced elder care project will implement a multi-pronged approach to build a conducive environment to enhance the quality of life for the elderly in Karauli and Mandrail Blocks' of Karauli district, Rajasthan. This 3-year programme will cover all the block panchayats reaching 212 and 77 villages in Karauli and Mandrail blocks, respectively and will reach 15,000 beneficiaries.	The project is expected to reach elders through the elderly self-help group (ESHG) model. The activities undertaken in the project improve livelihood opportunities for the elderly by mobilizing the elderly population into ESHGs to promote small savings and loan disbursements, training of the ESGHs on group management, leadership, book-keeping, accounting, etc. Additionally, community-based enterprises managed by the elderly will be promoted and market linkages will also be created to ensure sustainability.
41	Environment Sustainability: “Bhu-Jaldhara”- Integrated Watershed Programme	The project aims to address inadequate access to water for both drinking and irrigation purposes in 30 villages which are major concerns in the hilly areas of the drought-prone region of Karauli district (Karauli Block) Rajasthan. This programme will reach around 4,500 farmers and more than 11,000 households in the community.	The programme seeks to enhance natural resources in the form of water and soil of the selected area through community-led initiatives. It includes a participative initiative to inculcate management frameworks at the community level. It is designed to strengthen the institutional framework by capacitating village watershed development committees (VWDCs) in 60 Villages on Integrated Watershed Management. Groundwater recharge through appropriate soil and water conservation and rainwater harvesting measures will be undertaken. The programme envisages enhancing household income by 30 per cent by adopting good practices in agriculture, horticulture and livestock management and establishing market linkages.

42	Health and Nutrition: Empower women and girls for improved maternal and child health and nutrition in the Todabhim block of Karauli district	The recently commenced programme will roll out in a phased manner to address maternal, child and adolescent health and nutrition (RMNCH+) services in around 150 villages of Todabhim block, Karauli district. This will be done through training and handholding of SHGs and Adolescent Groups (AGs)-approximately 8000 members of 800 SHGs.	The local health service delivery will be enhanced due to continuous training and handholding and strengthening of services delivery at sub-centre, PHC, and CHC-health services. Improved tracking and registration of pregnant women under the Janani Suraksha Yojna, four or more antenatal care (ANC) services under Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA), Rashtriya Bal Swasthya Karyakram (RBSK) and Rashtriya Kishore Swasthya Karyakram (RKSK), institutional delivery at PHC/CHC and full immunisation under Universal Immunization Programme (UIP) etc. A model telemedicine project will be implemented in the PHCs of Thodabhim block that will link the community, especially women, to specialised diagnosis and referral services.
43	Primary Education: Foundational Learning Enhancement in Government Schools	This primary education project envisages improving and ensuring the quality of teaching-learning processes in primary grades in 150 schools in the Hindaun block of Karauli district, Rajasthan reaching around 15,000 children.	The objective is to enhance the literacy and numeracy competencies of children from grade 1-2 through improved quality of classroom teaching-learning processes and print-rich learning environment and building foundational competencies of language and Math of students in grades 3 to 5 through structured remedial inputs, which offer more individualized instruction to children. The three-year project will build capacities of teachers and associated Sikshan Mitras to deliver the outcomes.
44	Primary Education: Gyanodaya: Block Educational Transformation,	The recently commenced primary education project "Gyanodaya" is expected to impact 22,500 students in 225 schools directly in the Karauli block of Karauli	Each school will have a centre of excellence that will be used to demonstrate and create teaching-learning materials. A resource person/ Shikshan Mitra will help the teachers build their

	Karauli (B.E.T-Karauli)	district. It will focus on improving children's learning experience with inputs on thematic learning, life skills and well-being.	capacities in innovative pedagogy to increase students' learning levels. In this programme, the teacher's ability to adopt a newer pedagogy to realign with the children's emerging needs will be promoted. The teachers will have developed practices to deal with the children's differential learning needs and support them in their well-being.
45	Primary Education: Improving Language and Numeracy skills (Mandrail)	This project is currently ongoing in 123 villages of Mandrail block of Karauli district and aims to upgrade learning outcomes for 8,138 elementary school students of the Government's 132 Primary Schools (PS) and Upper Primary Schools (UPS).	Under the project, the cluster coordinators engage with the teachers, parents, communities and Panchayati Raj representatives to create a positive learning atmosphere in schools and at homes. The Shikshan Mitras-trained local youth, set-up and manage remedial classrooms that focus on improving learning levels of children who have not attained the requisite competencies.
46	Sanitation and safe Drinking Water: ODF Sapotra	The project in the Sapotra block of Karauli district implemented in 167 villages Sapotra block of Karauli district. During the three-year project cycle, the aim is to bring about behavioural change and improve WASH facilities' uptake among the 5,000 poorest households and to reach out to 9,609 students of 175 schools through WASH infrastructure improvement and behaviour change communication interventions.	The major components of the project are to catalyse the community to create and maintain a sustainable open defecation free (ODF) environment, strengthen institutions to improve systems around operations and maintenance. The project initiated specific action on the importance of WASH in health institutions, including medical and paramedical staff's orientation on the need for functional water, sanitation, and hygiene facilities at the health centre.
47	Primary Education: Scale Up of Foundation Learning Enhancement in Government	This recently commenced project is a scale-up of the programme being implemented in Hindaun block, Karauli district. The project will ensure the	All 200 schools were provided with teaching-learning materials and stationery including remedial workbooks of Hindi and Math. As per the availability of library resources by SMSA/Govt, the

	Schools Undertaken	quality of teaching-learning processes in primary grades in 200 schools in Todabhim block, Karauli district through- enhancing the literacy and numeracy competencies of grade 1-5 children.	existing library in each school will be strengthened. The two thematic experts on Math and Language (Hindi) will provide handholding support to the school facilitators and train the government teachers to improve teaching-learning methodologies.
48	Primary Education: Shikshan	This project aims at improving the literacy & numeracy skills of 9,609 school children of 175 primary and upper primary classes through integrated school development, remedial classes and capacity building for teachers in the Sapotra block of Karauli district.	The project works with 57 trained Shikshan Mitras or local youth who have contributed significantly by providing remedial academic support to around 5,000 children studying in 120 government schools. They were responsible for teaching Language and Math to those children using child-friendly pedagogy and teaching-learning material.
49	Environmental sustainability: Sustainable Environment and Integrated Livelihoods Through Soil & Water Conservation and Improving Soil Health	The programme aims to address inadequate access to water for both drinking and irrigation purposes in the hilly areas of Sapotra and Mandrail blocks of Karauli district, Rajasthan. This programme will aim to reach 4500 farmers and more than 11,000 households in the community.	The programme seeks to enhance natural resources in the form of water and soil of selected areas through community-led initiatives such as Village Watershed Development Committees (VWDCs) in 60 Villages. It is also planned to augment groundwater recharge through appropriate soil and water conservation and rainwater harvesting measures. The programme envisages enhancing household income by 30 per cent by adopting good practices in agriculture, horticulture and livestock management and establishing market linkages.
50	Sanitation and Safe Drinking Water: Swachhta Se Swasthyata	The project is currently implemented in 123 villages in Mandrail Block of Karauli District in 132 schools, 98 anganwadi centres and five health centres to improve the practice of the SBM- ODF (Swachh Bharat Mission	The goal of the programme is to improve the uptake of WASH services, leading to improved health outcomes. The intervention will also strengthen school management committees and VHSNCs (Village Health Sanitation Nutrition Committee) to design and implement villages

		Open defecation Free) sustainability guidelines.	WASH plans aligned with SBM-ODF sustainability guidelines.
51	Sanitation and Safe Drinking Water: Technical Assistance for implementing village water safety and security	This project aims to facilitate the implementation of a community-led village water safety and security (VWSS) plan and drinking water supply scheme in 20 villages in Mandrail and Sapotra blocks of Karauli district, Rajasthan.	The project is in partnership with local government agencies to ensure the sustained availability of safe and secured water supply in the villages. This two-year project will facilitate a community-led village water safety and security planning process and demonstrate innovative practices and technologies for optimising water demand. Innovative technology demonstrations like non-electric and automated chlorination solutions, environmentally responsible liquid waste treatment plans and promoting waste-water reuse, increase in soil moisture, improved agricultural practices, community-based liquid waste management. are some of the activities that will be undertaken under the programme.
PAN INDIA PROGRAMMES UNDER DISTRICT TRANSFORMATION – ELDER CARE			
52	"Aalambana"- Towards Active Ageing	This project currently engages with a cumulative number of 16,308 rural elderly. The project is being implemented in the Sapotra block in Karauli district of Rajasthan, Mandapam block in Ramanathapuram district of Tamil Nadu and Rajnagar block, Birbhum district of West Bengal. The project aims to address primary concerns of a) social inclusion for countering isolation and neglect, b) working towards financial inclusion and economic security, c) access to health care as a livelihood capital and d)	The project's primary focus is to improve the social, economic and health status of the elder population through an elderly self-help group model. The model involves a mixed approach, to increase the living standards of elders by involving them in livelihood activity, providing credit, ensuring social integration with other elders and younger generation through group interactions and also take cares of health need by establishing village Clinics or Gram Chikitsa. Considering the healthcare access in rural areas, a community-managed module for healthcare to manage chronic ailments and palliative care for

		digital literacy and digital inclusion.	the bed-ridden destitute elderly is being institutionalized. Gram Chikitsa (cluster village clinics) has been established to include cataract surgeries and poly-centric knee braces for mobility restoration.
Non-District Transformation and Urban Projects			
PRIMARY EDUCATION			
53	Anupad	A primary education programme to improve the learning outcomes in 18 government-run Ashramshalas in Nashik District. It provides need-based input to around 2700 children of grades five to seven. The programmes aim to enhance grade appropriate numeracy and literacy competencies.	The programme is implemented in close collaboration with the Tribal Development Department (TDD), Govt. of Maharashtra. The programme achieves its objectives by placing trained Shikshan Mitras to build the capacity of fifty-four (54) teachers and eighteen (18) and Principals through onsite support and workshops.
54	Atikranta-An initiative towards transformation	This project serves 3,000 children from 40 schools living in the urban slums of Kolkata. It aims to provide quality learning as per grade appropriate level with a hybrid model of digital and traditional methods of teaching.	The program will be implemented in two phases; in phase one, support will be provided by Sikshan Mitras to children through teaching learning materials and worksheets distributed to children during house visits and through an online medium. In the second phase, 40 schools will be selected in collaboration with SSA to provide classroom support to teachers. An assessment of available WASH infrastructure in schools will be carried out along with a Knowledge, Attitude and Practices (KAP) study of the students, teachers and other stakeholders so that the facilities can be retrofit and made available for use by students.
55	Creating and Enabling a Learning Environment for	This project in Delhi, will reach out to 7,000 children in 25 government primary schools in Mongolpuri, Burari, Azadpur Village,	This programme will use a combination of remote online services, digitized learning material and information dissemination. School

	Academic Excellence	Naraina-II, South Extension, Jahangirpuri E II areas of Municipal Corporation of Delhi (MCD) through an integrated education and WASH intervention. The project will work with children from grades 1-5 especially those who have difficulty in foundational literacy and numeracy.	management committees will be strengthened and teacher training through active demonstration and instruction undertaken. Existing IT infrastructure in schools will be leveraged and teachers trained to access the plethora of ready-to-use, downloadable TLMs, and e-stories. To have an integrated impact, the WASH infrastructure retrofitting will be undertaken in the selected schools, along with rigorous behaviour change communication on safe WASH practices and habits.
56	Creating Learning Culture	This recently commenced project envisages working in 40 MCGM schools and the nearby communities in Kurla, Mumbai, to impact the learning outcomes of 8000 students over 3 years. The project will focus on improving language, Math, and school readiness skills among children of first to fifth grades.	The intervention will focus on a dual strategy which includes an in-school initiative and a community outreach. The pandemic has affected the migrant communities of Mumbai, leading to a substantial loss in the learning levels of these children. The programme will be undertaken by Shikshan Mitras, youth volunteers and mothers at the community level to bridge learning gaps during school closure. Digital modules will be introduced and children who have dropped out re enrolled.
57	Girl Child Education Programme	The five-year project is implemented in 100 out-of-school learning centres covering 3079 children in remote tribal areas of Purulia and Bankura Districts in West Bengal. The project objective is to improve access to quality education for out-of-school girls through community learning centres to ensure their transition to formal schooling and continuing education.	The learning centres are set up with the community's help in the spaces provided by them to promote ownership and ensure the sustainability of the program These learning centres have employed 100 community women teachers who receive regular training in pedagogy to make them effective teachers.

58	Educate Girls programme	This primary education project aimed to improve the learning outcomes of children studying in grades 3, 4 and 5 in 468 villages within 3 Blocks (Jawaja, Silora & Bhinai) of Ajmer district in Rajasthan. The project also focused on enrolment, reenrolment and retention of girls in local government schools.	In order to improve learning levels (numeracy and literacy), a curriculum was implemented in schools for children (both boys and girls) in grade 3, 4 and 5 with the use of specially designed kits implemented in 236 schools. The programme was undertaken by a cadre of unpaid community volunteers many who were young girls associated with the local communities and organization.
59	Leadership Training of the Panchayat Elementary Education Officers – Principals of Senior Secondary Adarsh Schools - (PEEOs)	This programme conducted in Jaipur aims to build the academic and leadership skills of the 6000 Principals of the Adarsh schools to ensure effective implementation of the State Improvement for Quality Education (SIQE) programme and improve the quality of education delivered by their schools.	Through a detailed six-day training module more than 4000 PEEOs have been trained to support and monitor schools for effective implementation of Child Centric Pedagogy (CCP) and Continuous and Comprehensive Evaluations (CCE) processes expected to gradually impact the quality of education delivered by the schools at scale.
60	Learning Orbit for Village Excellence	This program brings together a diverse and dynamic pool of 30 young fellows from local and urban communities to bridge and elevate the learning deficit in tribal, rural pockets of Kotra and Gogunda, two rural blocks of Udaipur district across 30 villages impacting 3,200 students.	In order to ensure an impactful learning environment both in schools and the communities, a mixed approach was undertaken to improve learning level through a focus on teaching, socio-emotional health and games with the children. During school closure due to pandemic, a learning circle within the community was initiated to continue the learning process.
61	Prajwala: Strengthening the KGBVs to ensure quality education for all (Madhya Pradesh**)**	This three-year education initiative aims to cover all 207 Kasturba Gandhi Balika Vidyalayas (KGBV) across Madhya Pradesh, reaching more than 30,000 girl students and improve their language and Math competencies.	Young adolescent girls belonging predominantly to the schedule caste, tribe, backward communities, minorities and economically weaker families in difficult areas reside in KGBV hostels and attend the nearby government upper primary schools in 6-8 grades. The programme is delivered through community Sikshan Mitras and capacity building of teachers,

			hostel wardens and other staff to improve the learning culture within hostel and schools.
62	Prajwala: Strengthening the KGBVs to ensure quality education for all (Rajasthan)	This project focuses on learning levels and reaches out to all the 207 KGBVs across Rajasthan, benefiting 25,000 girl students annually. The programme aims to improve the quality of education delivered to the girl students studying in grades 6-8 by improving the language and Math competencies.	The project has placed 400 trained female academic support fellows in the 207 KGBVs. Six workbooks have been developed in Hindi and Math according to the various learning levels, which have now been approved and accepted by the state department of education to strengthen the remedial programme.
63	Rehli Shiksha Pahal Program (RSPP)	This project seeks to upgrade learning level as per grade/age appropriate competencies for 12,000 primary school students in 214 villages and 150 schools in the Raheli block of Sagar district in a span of five years.	The project interventions are undertaken through Balamitras and Janamitras. The trained Balmitras and Janamitra are from the local area and work with children, teachers, SMCs. The after school remedial centres within the community help to improve the learning level of children.
64	Serving and Enriching Education for Under-privileged Urban Children in Bhiwandi-Nizampur and Malegaon	The recently concluded project aimed to improve access and quality of learning to the 1632 children from disadvantaged families.	The trained cadre of Shikshan Mitras selected from the same community to anchor community embedded 'Shikshan Ranjan Kendras' (SRKs) and bring education to children's doorstep. Thirty-two (32) 'Shikshan Ranjan Kendras' were established in both cities, i.e., 16 each. Among this, 50% were Urdu medium and 50% non-Urdu medium.
65	Student Teacher Empowerment Programme, Sheopur	This project was launched in 2017 to benefit 4000 students across 40 government primary schools in Karhal and Sheopur block of Sheopur district, Madhya Pradesh. The aim of the project to improve the learning levels of primary schools' students in language and	The trained cadre of resource persons (Shikshan Mitras) were placed in selected schools to improve learning cultures and the capacity building of teachers. Colorful teaching learning material (TLM) along with joyful methods of teaching were adopted. The strengthening of SMCs and community volunteers was also undertaken.

		Math’s as per grade level competencies.	
66	Urban Learning Improvement Program	This recently commenced project will work with students in 25 government schools and engage with 5000 children in Chennai to enhance the quality of learning.	The activities will be conducted in school and out of school (community interventions) to ensure a healthy and sustainable learning environment for children. The project term of 3 years would be implemented in phases. Phase-1 will analyse the impact of the COVID-19 pandemic on drop-out rates, communities' overall perception around COVID-19 post lockdown, etc. undertake re-enrolment and bridge classes, amongst other activities. Phase-2 will have structured strategies for numeracy and literacy by improving language and Math competencies for children of classes 3 to 5.
SANITATION AND SAFE DRINKING WATER (WATER SANITATION AND HYGIENE WASH)			
67	Swachh Aadat Swachha Vidyalaya	This project is designed around WASH interventions in 312 schools in Dumka and Pakur Districts of Jharkhand State and aims to provide access to basic WASH facilities such as functional school toilets, safe drinking water, clean surroundings and awareness on hygiene.	This project capacitates 104 schools each year in a phased manner for three years to retrofit basic sanitation facilities. with the involvement of SMCs, the education department and the community.
68	Project Prajwala- (WASH in KGBVs) (Madhya Pradesh)	This programme is conducted in 207 KGBVs across Madhya Pradesh, reaching more than 30,000 girl students. .	This project aligned to Project “Prajwala” (education) and was implemented in partnership with Rajya Shiksha Kendra (RSK), the Government of Madhya Pradesh and UNICEF as the technical advisor. The main objectives of the programme are to ensure improved knowledge, attitude and practices among students and teachers towards various aspects of WASH and functional WASH infrastructure.

69	Project Prajwala- (WASH in KGBVs) (Rajasthan)	Project Prajwala has been designed to improve the Water Sanitation and Hygiene (WASH) facilities of 200 Kasturba Gandhi Balika Vidyalayas (KGBVs) in 33 Districts of Rajasthan. The project is currently in its third year and has reached 16385 girls' children through various interventions.	The project works on a partnership model with local NGOs for field support, organizations such as UNICEF for technical support and the education department of Rajasthan for systemic support and sustainability. This project is expected to improve the usage of sanitation facilities' and its maintenance as well as enable the practise of appropriate sanitation and hygiene practices, including menstrual hygiene management, handwashing, personal hygiene, etc., among the students.
70	Promoting WASH Compliant Ashramshalas	The recently concluded three-year model project was undertaken in 172 tribal residential schools or Ashramshalas run by the Tribal Development Department (TDD) in the Nashik PO, Maharashtra and impacted around 70,000 students, around 2,000 school staff and TDD officers amongst others.	These schools, located in remote areas, offer a residential, educational facility to children from disadvantaged tribal backgrounds, especially those whose parents seasonally migrate for work. The project looks into three major components: (1) Retrofitting of WASH infrastructure as per the Benchmarking and Assessment survey of Ashramshalas (2) Enhanced awareness, knowledge and behaviour change on the aspects of WASH by students, teachers, government officials of TDD and sanitation workers (3) Build or improve systems around operations and maintenance.

71	School Health Program	This recently commenced project will intervene in the 30 Municipal schools in Mumbai to reach approximately 9000 children, especially in the slum pockets of Kurla in Mumbai.	The students belonging to the slum communities close to the NSE Group Exchange Plaza office live in unhygienic and cramped conditions, which makes them more vulnerable to infections and diseases. This becomes an increased concern in the COVID scenario, where personal hygiene norms are extremely crucial. The activities under the project such as creating functional WASH facilities in government schools, safe, clean and hygienic drinking water source at the school, regular sessions with students and teachers to ensure safe WASH practices and personal hygiene practices are followed.
72	Strengthening WASH in Municipal Schools of Ahmedabad	This recently commenced project aims to ensure usable WASH facilities in municipal 25 schools of Ahmedabad municipality impacting around 10,000 students and their families.	The project will undertake repair/retrofitting of sanitation facilities, such as handwashing stations, urinals, toilets, etc., as per indicators detailed in Swachh Bharat, Swachh Vidyalaya and behaviour change programmes in schools and the communities around the schools.
ELDER CARE			
73	Rashtriya Netra Yagna	This recently concluded project aimed to reduce reversible blindness and treat eye diseases for around 6000 poor elderly especially from rural areas in various locations.	The senior citizens were reached through a network of eye hospitals and other NGOs located in various parts of India to conduct eye health camps in rural areas and assist with the entire lifecycle of treatment from identification, facilitation of cataract surgery and post-surgery care for the elderly patients.
74	Shraddha: Towards Active and Healthy Ageing	The project aims at promoting active and healthy ageing among more than 20,000 elderly through self-help collectives in four blocks of	The project's primary focus is to improve the social, economic and health status of Project Prajwala- (WASH in KGBVs) the elderly population through the ESHGs model. The models

		four states: Ghatanji (Yavatmal, Maharashtra), Pochampalli (Yadari, Telangana), Kolaghat (Purbi Midnapore, West Bengal) and Basantpur (Supaul, Bihar).	involve a mixed approach, to augment the living standards of elders by involving them in livelihood activities, providing credit, ensuring social integration with other elders and youth through group interaction and also through village volunteer driven run clinics or Gram Chikitsa.
75	National Helpline for Senior Citizens (NHSC) with Ministry of Social Justice and Empowerment (MoSJE), Government of Telangana, National Institute of Social Defense (NISD) and other State Governments.	The recently commenced project aims to create an all India helpline 14567 for senior citizens across the nation that provides information, guidance, emotional support, and field intervention to elders in need and distress.	The project will support the Ministry of Social Justice and Empowerment (MoSJE) to roll out the response system across the States. For the same, a national level agency (NIA) has been created with MOSJE, National Institute for Social Defence, Govt. of Telangana, of which the NSE Foundation has been inducted as a member.
DISASTER RELIEF AND REHABILITATION			
76	Creating Disaster Resilient and Child Friendly Model Schools in Odisha	Cyclone Fani reached the State of Odisha on 3rd May 2019 that resulted in the destruction of public property and utilities. The project objectives included the repair of damaged schools as well as showcasing a model to create disaster-resilient child-friendly models in 9 schools in the Khorda district of Odisha affected by the cyclone. The project aims to cover 4,076 children, parents, and teachers.	Prototype designs have been developed for making disaster resilient and safe schools. Capacity building of various government officials, masons, builders and other stakeholders involved in construction has been undertaken. A manual on construction practices to create disaster-resilient schools in the context of Odisha has been developed in coordination with the Odisha State Disaster Management Authority (OSDMA) and IIT (B).
77	Enabling Drought Free Villages in Nandurbar	In early 2019, the district of Nandurbar was declared drought hit by the State Government due to low rainfall, water scarcity and	The state government undertook the massive Gaalmukta Dharan Gaalyukta Shivar (GDGS) Yojana- under the Jal Yukt Shivar Yojana programme, the

		falling agricultural productivity impacting the sustainability of communities. This project aims to improve water bodies and water conservation.	GDGS scheme involves desilting of small dams/ water bodies with the aim of increasing water storage capacity and providing silt to the farmers to increase crop yield. The programme was run on a PPP model with the involvement of CSR, the local community and the government that bore the expenditure on the fuel required for excavation of silt from these water bodies. This de-silting encourages ground water recharge of nearby wells due to the percolation of water into the ground.
78	Public Health Recovery and Restoration in flood affected districts of Maharashtra	In 2019, the lower regions of Maharashtra received a large amount of rainfall which resulted in floods across 761 villages. Kolhapur and Sangli districts of Maharashtra were the worst affected. The project was implemented in ten villages across two districts of Kholapur and Sangli, to mitigate post-flood WASH risks.	Repair to damaged structures, addressing the gaps in water supply and community and school sanitation, construction of raised platforms for the water storage units, handwashing, masonry, storage tanks, UFW Purifiers, and online chlorination and plumbing works in 16 schools were completed and handed over to the Gram Panchayat. The orientation workshop on operations and maintenance was conducted for the end-users with the school management committee and Gram Panchayat in all 16 schools.
79	PPE KIT-Project- Enabling frontline workers for effective response to Covid-19 in Mumbai, Maharashtra	Personal protective equipment (PPE) supplied to government frontline and health workers of fever clinics and government hospitals to protect themselves.	COVID-19 is thought to be predominantly caused by contact or aerial droplet transmission of the virus., Therefore personal protective equipment (PPE) and other items form an important component of an overall system that protects doctors, health workers, sanitation workers and frontline staff who come in contact with the COVID-19 patients.
80	Supply of critical medical equipment to	COVID-19, which not only affects the respiratory organs but in severe	NSE Foundation supplied critical medical equipment such as Ventilators, Dialysis Machine,

	government hospitals, Mumbai	COVID-19 cases, uncontrolled immune response leading to multi-organ dysfunction.	Air-Seal, Smoke Evacuation System, Pneumo Clear, Hematology Analyzer, Digital Radiography to manage critically ill COVID-19 patients and to prevent transmission of the infection to healthcare providers who carry out emergency procedures and surgeries.
81	Assam Flood Response 2020 Restoration of WASH in Schools	The project looks to create child-friendly WASH facilities in 25 schools of Golaghat and Jorhat district of Assam affected by the severe flood of 2020. The project aims to cover 5000 children, parents and teachers.	This programme aims to repair damaged water and sanitation structures, address the gaps in water supply and sanitation, promotion of hygiene practices with children and communities.
82	Technology Platform for Aarogya Setu Data Analytics to Ensure Speedy Response to COVID-19 by IIT Madras	IIT Madras had developed the Aarogya Setu Fusion Analytics software that integrates COVID-19 data from Arogya Setu users and Bluetooth tracing data, ICMR data, and Cova data.	The software analyses the collected data and provides insights on locations with a high number of infected patients, potential outbreak locations, tracking of COVID-19 positive persons, etc., to enable a quick response mechanism for the local health and municipal administrations, NGOs and other on-ground agencies.
83	Rebuilding Schools Affected by Nisarga Cyclone	Cyclone "Nisarga" that hit the Konkan coast in June 2020, damaged individual, community and school infrastructure. Rooftops were blown away and boundary walls gates, toilets were severely affected due to the storm. The project aims to restore and make the schools functional and child friendly by rebuilding/ repairing school infrastructure with adequate sanitation and water facilities in the selected ten primary schools of Guhagar Block, District of Ratnagiri impacting around 1,000 children.	This programme will undertake repair of damaged WASH structures, addressing the gaps in water supply and sanitation, promotion of hygiene practices as per the local need. Along with repair and construction, behaviour change sessions with children and communities has been undertaken.

84	Retrofitting of WASH and other Infrastructure in GAJA Cyclone Affected Schools	Tamil Nadu was hit by Cyclone Gaja in Nov. 2018. Interventions to restore toilet blocks, water points and other damaged structures in 30 government schools located in Thanjavur and Nagapattinam districts were part of this project.	The interventions involved repair and retrofitting of damaged WASH and school infrastructure such as toilet blocks, hand washing stations, compound wall, classroom windows, roof, etc., which has reached 10,702 students. Capacity building of kitchen staff, teachers and sanitation workers to ensure WASH standards and maintenance of the repaired structures was undertaken.
85	Supply of Medical Equipment to COVID-19 designated Government Hospitals Mumbai, Thane, Birbhum, Nandurbar And Ramanathapura m	To provide relief and support to the overburdened tertiary care centres during the COVID pandemic, critical medical equipment was supplied for respiratory support and monitoring to various government hospitals in Mumbai and Thane as well as the aspirational districts of Birbhum, Nandurbar and Ramanathapuram.	Based on requirements and urgent appeals from hospitals, local NGOs district administration, oxygen concentrators and non-ICU ventilators were provided to reduce the burden on hospital and for better treatment.

e) NSE CSR Focus Group

The CSR Focus Group was formed in 2012 consisting of employees volunteering to contribute part of their time to undertake CSR and other socially relevant activities. The group conducts/coordinates various social activities and awareness programmes internally for employees to encourage volunteering for the NSE Group CSR initiatives such as blood donation camps, organising awareness building programmes on solar power and sustainable lifestyles, recycling of waste paper, screening of documentaries on environmental & social issues, NGO-melas related to social entrepreneurship, education, health & environmental awareness including organising of guest lectures on social issues, nature awareness walks, observing National / International Days, such as Children’s Day, Women’s Day, support of Earth Hour, CSR project visits, etc.

f) NSE Foundation

With the rapid increase in the number of CSR projects, it was felt that a separate and focused entity in the form of a Section 8 Company was required to create a measurable impact and enter into collaborations with on ground implementation partners to scale up the CSR programmes. Accordingly, NSE Foundation was incorporated as a company under Section 8 of the Companies Act, 2013 on 5th March 2018, to initiate, supervise and co-ordinate activities to implement the Corporate Social Responsibility policy of NSE and its Group

Companies as mandated under the Companies Act, 2013. Further, approvals were received from the relevant tax authorities under (i) section 12A of the Income-tax Act, 1961 for registration as an entity for charitable purpose and (ii) section 80G of the Income-tax Act, 1961 as an eligible entity to receive the contribution for charitable purposes from other entities. The CSR projects earlier undertaken by at a group level by NCL CSR were then assigned to be taken forward by NSE Foundation which has since then further expanded the number of projects implemented. A brief summary of the projects is given in the table below:

Description	**Counts**
No. of states where programmes are undertaken	12
No. of districts	76
No of projects	85
No of beneficiaries directly impacted by the programmes	11,10,000+
Local partners	54
Focus sectors	6

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of Meeting of CSR Committee held during the year	Number of Meeting of CSR Committee attended during the year
1	Mr. Harun R Khan	Chairman Public Interest Director	2	2
2	Mr. N. K. Maini	Public Interest Director	2	2
3	Mrs. Bhagyam Ramani	Public Interest Director	2	2

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

(a) Composition of the CSR Committee:
https://www.nscclindia.com/NSCCL/about_us/resources/Other_Committees.pdf

(b) CSR Policy:
https://www.nscclindia.com/NSCCL/disclosures/resources/NSE_Group_CSR_Policy.pdf

(c) CSR Projects approved by the Board: https://www.nscclindia.com/NSCCL/disclosures/resources/CSR_Projects_approved_by_the_Board_NCL.pdf

4. Provide the details of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

   Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (Rs in Cr.)	Amount required to be set off for the financial year, if any (Rs in Cr.)
1	2020-21	Nil	Nil

6. Average net profit of the company as per section 135(5). Rs.252,97,42,854/-

7. (a) Two percent of average net profit of the company as per section 135(5): Rs.5,05,94,857/-

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

   (c) Amount required to be set off for the financial year: Nil.

   (d) Total CSR obligation for the financial year (7a+7b+7c). Rs.5,05,94,857/-

8. (a) CSR amount spent or unspent for the financial year:

<table>
<tr><td rowspan="3">Total Amount Spent for the Financial Year. (In Rs.)</td><td colspan="5">Amount Unspent (in Rs.)</td></tr>
<tr><td colspan="2">Total Amount transferred to Unspent CSR Account as per section 135(6).</td><td colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).</td></tr>
<tr><td>Amount.</td><td>Date of transfer.</td><td>Name of the Fund</td><td>Amount</td><td>Date of transfer.</td></tr>
<tr><td>5,05,94,857</td><td>Nil</td><td>N.A.</td><td>N.A.</td><td>Nil</td><td>N.A.</td></tr>
</table>

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in Rs.)	Amount Spent in the current financial Year (in Rs.)
				State	District.			
1	EQUIP Thirupullani Project (Education Quality Improvement Project)	Primary Education	No	Tamil Nadu	Ramanathapuram	3	46,67,645	8,42,792
2	Project EQUIP (Education QUality Improvement Project)	Primary Education	No	Tamil Nadu	Ramanathapuram	3	63,73,749	14,97,994
3	Serving and Enriching Education to Under-privileged Tribal Children in Talode Block of Nandurbar District	Primary Education	No	Maharashtra	Nandurbar	3	34,76,591	12,17,386
4	School Health Program	Sanitation and Safe Drinking Water	Yes	Maharashtra	Mumbai	2	24,14,299	4,24,326
5	"Gram Samrudhi'- Community Led Climate Smart Initiatives, to Safeguard Local Livelihood and Environment at Dhadgaon and Akkalkuva, tribal blocks in Nandurbar district of Maharashtra	Environmental sustainability	No	Maharashtra	Nandurbar	3	80,47,663	21,27,014
6	Project Prajwala - Education in KGBVs	Primary Education	No	Rajasthan	All District	3	95,12,338	16,31,627
7	Project Prajwala - Education in KGBVs	Primary Education	No	Madhya Pradesh	All District	3	1,18,78,351	42,99,832
8	An initiative to support healthy ageing in the rural communities	Elder Care	No	Rajasthan	Karauli	3	48,28,598	4,76,288
9	Project Prajwala -Swachh Balika, Swachh Vidyalaya: Validating Scalable Models for WASH in Schools	Sanitation and Safe Drinking Water	No	Rajasthan	All District	3	72,77,858	6,08,761
10	Strengthening Wash In Municipal Schools Of Ahmedabad	Primary Education & WASH Int	Yes	Gujarat	Ahmedabad	3	69,37,086	1,51,735
11	**"Ankuram"** Foundational Learning Enhancement in Primary Grades [I-V] in Government Schools in Todabhim block of Karauli district Rajasthan	Primary Education	No	Rajasthan	Karauli	3	72,42,897	3,44,923
12	Foundational Learning Enhancement In Primary Grades [I-V] In Government Schools In Hindaun Block Of Karauli District Rajasthan	Primary Education	No	Rajasthan	Karauli	3	61,16,224	10,46,204
13	Empower Women and Girls - for improving Maternal, Child and Adolescent Health and Nutrition	Health and Nutrition	No	Rajasthan	Karauli	3	74,03,850	-
14	Suswasthya Strengthening health and nutrition services for women, children and adolescents in Khoyrasol Block of Birbhum and upscaling the best practices in other 18 blocks through capacity building and advocacy	Health and Nutrition	No	West Bengal	Birbhum	3	64,38,131	2,89,796
15	Project Alokito Shoishab (Enlightened Childhood)	Primary Education	No	West Bengal	Birbhum	3	36,05,675	5,98,042
16	Atikrānta-An initiative towards transformation	Primary Education & WASH Int	Yes	West Bengal	Kolkata	3	69,20,990	5,40,050
17	Project 'Vidya'	Primary Education	No	Maharashtra	Nandurbar	3	56,33,364	9,19,949
18	JALDHARA: Integrated Water, Sanitation and Hygiene (WASH) interventions in Nandurbar, Maharashtra	Sanitation and Safe Drinking Water	No	Maharashtra	Nandurbar	3	69,37,086	9,64,706
19	Pilot Initiative on Comprehensive Elderly Care Programme in Nandurbar district by operationalising the National Programme for Health Care of Elderly (NPHCE) scheme of the Government.	Elder Care	No	Maharashtra	Nandurbar	2	17,70,486	1,81,826
20	SCORE [Sustainable Conservation of Water Resources Through Enabling] Community-led Development	Environmental sustainability	No	Tamil Nadu	Ramanathapuram	3	48,28,598	20,25,164

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in Rs.)	Amount Spent in the current financial Year (in Rs.)
				State	District.			
21	Creating Enablers For Odf Sustainability	Sanitation and Safe Drinking Water	No	Maharashtra	Nandurbar	3	51,82,695	8,58,042
22	Project for ODF sustainability in Nandurbar	Sanitation and Safe Drinking Water	No	Maharashtra	Nandurbar	3	56,17,269	17,88,892
23	"Promoting Sustainability of WASH facilities and child centered governance in the Schools of Rameswaram"	Sanitation and Safe Drinking Water	No	Tamil Nadu	Ramanathapuram	2	23,82,108	5,53,857
24	Sustainable Community ODF Program at Ramanathapuram Block, Ramnathapuram District, Tamil Nadu.	Sanitation and Safe Drinking Water	No	Tamil Nadu	Ramanathapuram	3	59,55,271	26,49,899
25	Sustainable Community ODF Program in Mandapam Block, Ramanathapuram District, Tamil Nadu.	Sanitation and Safe Drinking Water	No	Tamil Nadu	Ramanathapuram	3	51,02,219	18,38,468
26	Building Water Security for Green Rameswaram	Sanitation and Safe Drinking Water	No	Tamil Nadu	Ramanathapuram	2	24,46,490	10,78,579
27	"Water, Agriculture and Food Security (WAFS) Project" in Bogalur and Mudukulathur Blocks of Ramanathapuram District	Environmental sustainability	No	Tamil Nadu	Ramanathapuram	4 (w.e.f. 24/06/2020)	1,19,58,828	17,41,079
28	Shraddha – Towards Active And Healthy Ageing	Elder Care	No	Maharashtra, Telangana, West Bengal & Bihar	Yavatmal, Nalgonda, Purbi Midnapore & Supaul	5 (w.e.f. 19/12/2016)	88,68,525	11,52,974
29	Aalambana – Towards Active and Healthy Ageing	Elder Care	No	West Bengal, TamilNadu & Rajasthan	Birbhum, Ramanathapuram & Karauli	4 (w.e.f. 28/02/2018)	2,19,05,740	62,53,745
30	Girl child educate programme	Primary Education	No	West Bengal	Purulia and Bankura	5 (w.e.f. 19/12/2016)	89,32,906	12,54,656
31	Technology Support to combat COVID- 19 Pandemic	Disaster Relief and Rehabilitation	Yes	Tamil Nadu	Chennai	1	4,82,860	4,82,860
32	NSE Foundation-Impact India Foundation's (IIF) Lifeline Express - Hospital on Train project.	Health and Nutrition	No	West Bengal	Birbhum	1	24,14,299	2,22,639
33	Project Samarthya: Elderly Care programme(55 Years+) in Nandurbar district, Maharashtra	Elder Care	No	Maharashtra	Nandurbar	3	72,42,897	14,54,299
34	Bhu-Jal Dhaara (A Livelihood Improvement Project Through Integrated Watershed Development)	Environmental sustainability	No	Rajasthan	Karauli	4 (w.e.f. 24/06/2020)	80,47,663	-
35	Project Prajwala- Wash Compliant KGBVs (MP)	Sanitation and Safe Drinking Water	No	Madhya Pradesh	All District	3	1,02,87,684	43,74,315
36	Nse Foundation Block Educational Transformation Karauli B E T Karauli Project Gyanodaya	Primary Education	No	Rajasthan	Karauli	3	72,42,897	7,50,024
37	Skill Mitra And Udyog Mitra Model For Livelihood In Two Blocks Of Ramanathapuram (Tamilnadu)	Skill Development and Entrepreneurship	No	Tamil Nadu	Ramanathapuram	3	67,60,037	11,50,355
38	"Samrakshana: Building Resilience among the Senior Citizens in Green Rameswaram"	Elder Care	No	Tamil Nadu	Ramanathapuram	3	50,70,028	4,01,075
39	Creating And Enabling A Learning Environment For Academic Excellence	Primary Education	Yes	New Delhi	New Delhi	3	40,23,832	8,72,753
40	PROJECT- STUDENT TEACHER EMPOWERMENT PROGRAM (STEP) PLUS	Primary Education	No	Tamil Nadu	Ramanathapuram	3	65,66,893	12,79,387

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in Rs.)	Amount Spent in the current financial Year (in Rs.)
				State	District.			
41	Project Supply Of Medical Equipment To Government Hospitals	Disaster Relief and Rehabilitation	No	Maharashtra , West Bengal & TamilNadu	Mumbai & Thane, Nandurbar, Birbhum, Ramanathapuram	1	27,36,206	24,36,940
42	National Initiative For Skill Training On Dementia And Mental Health For Caregivers Of Older Persons (Nist-Demcope)	Skill Development and Entrepreneurship	No	Tamil Nadu	Ramanathapuram	1	24,14,299	11,77,908
43	Assam Flood Response 2020 Restoration of WASH in Schools	Disaster Relief and Rehabilitation	No	Assam	Jorhat and Golaghat	1	32,19,065	13,35,373
44	To provide sustainable livelihood by way of providing construction Skill training and employment / self-employment for Rural Youth from Nandurbar, Maharashtra.	Skill Development and Entrepreneurship	No	Maharashtra	Nandurbar	3	16,25,628	4,37,253
45	Improving language and numeracy skills of 8,139 children in primary and upper primary schools of Mandrail block in Karauli district of Rajasthan State	Primary Education	No	Rajasthan	Karauli	3	39,75,546	13,21,716
46	Making Mandrail Block of Karauli district as Open Defecation Free Sustainable Block through School, AWC and Community centered WASH interventions	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	3	41,20,404	4,22,890
47	Improving Language and Numeracy skills in Primary schools of Sapotra Block in Karauli District of Rajasthan State.	Primary Education	No	Rajasthan	Karauli	3	46,46,238	16,71,235
48	Working towards making Sapotra Block of Karauli district Open Defecation Free through Community and School based WASH interventions.	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	3	50,21,742	6,66,338
49	The project interventions in Chennai will be titled "NSE Foundation Urban Learning Improvement Program"	Primary Education	Yes	Tamil Nadu	Chennai	3	39,91,641	96,803
50	Creating a Learning Culture	Primary Education	Yes	Maharashtra	Mumbai	3	45,06,691	8,55,773
51	Anupad	Primary Education	No	Maharashtra	Nashik	3	81,60,331	1,89,405
52	Enabling Frontline workers for effective response to Covid-19 through provision of PPE kits and BCC activities in Mumbai, Maharashtra	Disaster Relief and Rehabilitation	Yes	Maharashtra	Mumbai	1	36,53,639	34,57,368
53	Nse Foundation Covid Response- Through Supply Of Medical Equipment To JJ Group Of Hospitals	Health and Nutrition	Yes	Maharashtra	Mumbai	1	64,38,131	55,62,972
54	Rehli Shiksha Pahal Program (RSPP)	Primary Education	No	Madhya Pradesh	Sagar	5 (w.e.f. 19/12/2016)	49,09,075	5,54,442
55	Sustainable Environment & Livelihoods through Soil & Water Conservation and Improving Soil Health.	Environmental sustainability	No	Rajasthan	Karauli	3	94,47,957	46,24,789
56	Sahaj Path: Bridging Learning gaps of students in government primary schools of Dubrajpur block of Birbhum district, West Bengal	Primary Education	No	West Bengal	Birbhum	3	62,77,177	18,63,419
57	Akshara: Learning Centers for Primary Children in Rameswaram	Primary Education	No	Tamil Nadu	Ramanathapuram	3	20,11,916	2,26,019
58	National Helpline for Senior Citizens (NHSC) with the Ministry of Social Justice and Empowerment (MoSJE), Government of Telangana, National Institute of Social Defence (NISD) and other State Governments.	Elder Care	No	17 states in pahse-I	All District	1	22,85,536	6,72,684
59	Rebuilding Schools Affected by Nisarga Cyclone	Disaster Relief and Rehabilitation	No	Maharashtra	Ratnagiri	1	22,53,346	4,82,377
60	ShikshaDeep Prakalpa	Primary Education	No	West Bengal	Birbhum	3	47,15,931	6,87,895

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in Rs.)	Amount Spent in the current financial Year (in Rs.)
				State	District.			
61	Promotion of Tiruppullani as Swachh and Swasth Block.	Sanitation and Safe Drinking Water	No	Tamil Nadu	Ramanathapuram	3	72,42,897	23,97,490
62	Promotion Of Swachh And Swasth Hindaun Block Of Karauli District In Rajasthan	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	3	72,42,897	17,71,973
63	Wash Scale Up Initiative Swaccho - Nirapad Parivesh (Clean And Safe Environment)	Sanitation and Safe Drinking Water	No	West Bengal	Birbhum	3	66,47,370	19,17,130
64	Swaccho – Nirapad Parivesh (Clean and Safe Environment),	Sanitation and Safe Drinking Water	No	West Bengal	Birbhum	3	41,36,499	16,78,453
65	Everyone Forever - Water Services and Systems Strengthening: Rajnagar and Khoyrasol Blocks of Birbhum District in West Bengal	Sanitation and Safe Drinking Water	No	West Bengal	Birbhum	3	85,30,523	19,01,791
66	Project Shiksha Setu	Primary Education	No	Maharashtra	Nandurbar	3	78,70,615	4,78,542
67	'Disha'- Sustainable livelihood by way of providing Skill training and employment / self-employment for Rural Elderly Men and Women from Birbhum, West Bengal.	Elder Care	No	West Bengal	Birbhum	2	49,57,361	22,40,931
68	JAL SAMARTHYA- TECHNICAL ASSISTANCE FOR IMPLEMENTING VILLAGE WATER SAFETY AND SECURITY (VWSS) IN SELECTED VILLAGES FROM MANDRAIL AND SAPOTRA BLOCKS OF KARAULI DISTRICT RAJASTHAN AND ITS MAINSTREAMING IN JAL JEEVAN MISSION	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	2	67,60,037	29,96,943
69	Ensuring sustainable drinking water safety and security in the identified schools and habitations in Nandurbar and Navapur blocks of Nandurbar district	Sanitation and Safe Drinking Water	No	Maharashtra	Nandurbar	2	49,57,361	12,73,954
70	Implementation of Karadi Path Magic English SLL programme for improving English proficiency of students from Zilla Panchayat Primary Schools in selected blocks in Nandurbar District, Maharashtra.	Primary Education	No	Maharashtra	Nandurbar	3	1,77,04,859	-
71	HEALTHCARE ACCESS TO GERIATRIC POPULATION THROUGH TECHNOLOGY	Elder Care		Tamil Nadu & Maharashtra	Ramanathapuram & Nandurbar	3	1,11,37,966	4,82,860
72	DRINKING WATER KIOSKS WITH FLUORIDE AND DESALINITY REMEDIATION	Sanitation and Safe Drinking Water	No	Tamil Nadu & West Bengal	Ramanathapuram & Birbhum	2	75,96,994	17,29,925
73	Capacity Building of Ashramshala staff and TDD officials on WASH	Sanitation and Safe Drinking Water	No	Maharashtra	Nashik	1	3,97,555	1,56,125
74	Solid and Liquid Waste Management strategy and implementation for Nandurbar district in coordination with the district administration	Sanitation and Safe Drinking Water	No	Maharashtra	Nandurbar	2	48,28,598	-
75	Rehabilitation of 30 Government Schools affected by Gaja Cyclone at Nagapattinam District and Thanjavur District, Tamil Nadu	Disaster Relief and Rehabilitation	No	Tamil Nadu	Nagapattinam & Tanjore	1	20,92,392	1,04,620
76	Serving and Enriching Education to Under-privileged Urban Children in Bhiwandi-Nizampur and Malegaon	Primary Education	No	Maharashtra	Thane & Nashik	3	51,65,657	7,10,008
77	Project Learning Orbit for Village Excellence in partnership	Primary Education	No	Rajasthan	Udaipur	3	39,75,546	8,77,495
78	Student Teacher Empowerment Program	Primary Education	No	Madhya Pradesh	Sheopur	3	42,41,923	4,34,859
79	Educate Girls Program	Primary Education	No	Rajasthan	Ajmer	3	60,35,747	-
80	Orientation of the Principals of the Adarsh Schools	Primary Education	No	Rajasthan	Jaipur	3	56,33,364	-

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in Rs.)	Amount Spent in the current financial Year (in Rs.)
				State	District.			
81	Promoting WASH Compliant Ashramshala, Maharashtra	Sanitation and Safe Drinking Water	No	Maharashtra	Nashik	3	1,92,17,820	6,55,153
82	Swachh Vidyalaya, Swachh Aadat	Sanitation and Safe Drinking Water	No	Jharkhand	Dumka and Pakur	3	43,94,024	-
83	Creating Disaster Resilient and Child Friendly Model Schools in Odisha	Disaster Relief and Rehabilitation	No	Odisha	Puri	1	26,87,920	-
84	Public Health Recovery and Restoration (including Drinking Water and Sanitation) in Disaster (Flood) Affected Districts of Maharashtra (Technical collaboration with UNICEF)	Disaster Relief and Rehabilitation	No	Maharashtra	Kolhapur & Sangli	1	27,04,015	4,75,778
85	Enhancing post-disaster Re-Habilitation and Recovery through Provision of Safe Water in Kerala	Disaster Relief and Rehabilitation	No	Kerala	Allapuzha and Thrissur	1	29,93,731	90,018
86	Enhancing post-disaster Re-Habilitation and Recovery through Provision of Safe Water in Kerala	Sanitation and Safe Drinking Water	No	Kerala	Idukki	3	25,75,252	-
87	Enabling Drought Free Villages through Integrated & Participatory Watershed Management in Nandurbar, Maharashtra	Disaster Relief and Rehabilitation	No	Maharashtra	Nandurbar	1	1,20,71,495	-
88	Rashtriya Netra Yagna	Elder Care	No	11 state	22 District	1	19,31,439	-
89	Nation Supports Elderly	Elder Care	No	Jharkhand	Khunti	1	8,04,123	51,725
90	CSR Focus Group*	Various Activities*	Yes				-	1,35,201
91	PME**	Project Monitoring					-	25,26,594
	Total						52,17,49,095	10,41,77,473

***Activities undertaken by NSE CSR Focus Group covers Blood Donation Camps, Flood Relief, Cyclone Relief, Food Distribution to Migrant Workers during the COVID Pandemic, NGO Melas, Environment Awareness, Employee Engagement for CSR projects of the Company, etc.**

**Project Monitoring and Evaluation Agency for conducting programmatic evaluation, monitoring and audit so as to ensure achievement of defined indicators of the projects.

NSE Foundation was incorporated as a company under Section 8 of the Companies Act, 2013 on 5th March 2018, to initiate, supervise and co-ordinate activities to implement the Corporate Social Responsibility Policy of NSE and its Group Companies as mandated under the Companies Act, 2013. The difference between the CSR obligation for FY 20-21 of Rs.5.06 Cr and the allocated spend of Rs.10.76 Cr to the Company, is due to the unspent amounts of previous years which were transferred to NSE Foundation at the time of its incorporation.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Amount spent on the project in the reporting Financial Year (in Rs). FY 2020-21
				State	District.	
-	-	-	-	-	-	

(d) Amount spent in Administrative Overheads: Rs.26,96,568/-

(e) Amount spent on Impact Assessment, if applicable (as advance): Rs.7,34,217/-

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.10,76,08,258/-

(g)Excess amount for set off, if any - Not applicable

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
1	2020-21	Nil	Nil	N.A.	Nil	N.A.	Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Nil
   (a) Date of creation or acquisition of the capital asset(s). Nil
   (b) Amount of CSR spent for creation or acquisition of capital asset. Nil
   (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. Nil
   (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). Nil

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

During the year under report, Rs.5,05,94,857/- being the amount required to be spent to implement the Corporate Social Responsibility Policy of the Company, has been completely expended towards the approved activities including, supporting the Nation in its efforts to fight the effects of the unforeseen pandemic COVID -19 that has collectively impacted us all.

Mr. Vikram Kothari Managing Director	Mr. Harun R Khan Chairman- CSR Committee

ANNEXURE 6 TO DIRECTORS' REPORT

Report on Corporate Governance

I. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of law and commitment to values and ethical business conduct to achieve the Company's objective of enhancing shareholder value and effective discharge of its social responsibility. NSE Clearing Limited ("NCL" or "the Company" or "Clearing Corporation") is a company incorporated under the Companies Act, 1956. NCL is also a recognised Clearing Corporation under Securities Contracts (Regulation) Act, 1956 read with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 [SCR (SECC) Regulations, 2018]. NCL is required to comply with Securities Contracts (Regulation) Act, 1956, the Rules and Regulations laid down thereunder and the directives and circulars issued by Securities and Exchange Board of India (SEBI) from time to time for the purpose of its governance. As per Regulation 33 of the SCR (SECC) Regulations, 2018, the disclosure requirements and corporate governance norms as specified for listed companies are mutatis mutandis applicable to a recognised clearing corporation. NCL has focused on good governance practices and endeavors to improve the same in the corporate landscape. NCL has rigorously stood by the core principles of corporate governance and considers integrity, transparency, fairness, accountability and adherence to the law as the pillars of its business practices. For the information of its stakeholders, NCL is furnishing the Report on Corporate Governance for the financial year ended March 31, 2021.

II. BOARD OF DIRECTORS

A. Composition of the Board and Category of Directors

As on March 31, 2021, the Board consists of 7 Directors of which two are Shareholder Director (of which one is Managing Director) and five are Public Interest Directors. The Board of Directors in the Nomination & Remuneration Policy underscored the need for board diversity by stating that the Board shall have an appropriate combination of executive and non-executive directors and their appointments will be based on meritocracy in the context of skills, diverse experience, independence and knowledge, which the Board as a whole requires to be effective, keeping in mind SEBI prescribed norms such as qualification (in the area of law, finance, accounting, economics, management, administration or any other area relevant to the financial markets), at least one person having experience and background in finance /accounts who may preferably be inducted in the audit committee, persons currently holding positions of trust and responsibility in reputed organizations or person who have retired from such positions. Accordingly, the Directors are chosen from among eminent persons or experts in the field of law, finance, accounting, taxation, information technology, economics, commerce, management, etc. None of the Directors of the Company hold any shares in the Company and are not inter-se related to each other. The Chairman of the Board of Directors is a Non-Executive Director. With the approval of SEBI, the Company has appointed Mr. Harun R Khan, a Non-Executive director as well as a Public Interest Director, as Chairman of the Board of Directors.

The composition of the Board is in conformity with SCR (SECC) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the Board as on March 31, 2021 was as follows:-

Name of Director	Category of Directorship
Mr. Harun R. Khan	Chairman & Public Interest Director (Non-executive Independent Director)
Mr. Salim Gangadharan	Public Interest Director (Non-executive Independent Director)
Mr. Navin K. Maini	Public Interest Director (Non-executive Independent Director)
Mr. C. VR. Rajendran	Public Interest Director (Non-executive Independent Director)
Mrs. Bhagyam Ramani	Public Interest Director (Non-executive Independent Director)
Mr. K.S. Somasundaram	Shareholder Director (Non-executive Director)
Mr. Vikram Kothari	Managing Director & CEO (Executive Director)

❖ **Changes during the year:**

1. The first term of Mrs. Bhagyam Ramani, as PID came to an end on May 31, 2020. SEBI vide its email dated May 26, 2020 and June 01, 2020, respectively, approved her re-nomination as PID for a further term of three years i.e. from June 01, 2020 to May 31, 2023.

2. Mr. J. Ravichandran, Shareholder Director, retired from the directorship of the Company at the 25th Annual General Meeting of the Company held on July 16, 2020.

3. SEBI vide its letter dated August 17, 2020 had acceded to the appointment of Mr. K. S. Somasundaram as Shareholder Director as approved by the shareholders at the 25th Annual General Meeting of the Company.

4. The first term of Mr. Vikram Kothari, as Managing Director of the Company came to an end on November 06, 2020. SEBI vide its letter dated October 19, 2020 received by NCL vide email dated October 20, 2020, approved his re-appointment as Managing Director for a further term of three years i.e. from November 07, 2020 to November 06, 2023.

❖ **NSE Clearing Board**

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

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

- **Qualifications** - law, finance, accounting, economics, management, administration, or any other area relevant to the financial markets.
- **Experience** - capital and financial Market, financial and Management skill, management of the finance function of an enterprise, accounting, economics, financial reporting process, financial securities, commodity market, derivatives market, futures market, equity market, debt market, index, SME Market, etc.
- **Knowledge** - understanding and knowledge of the entity and applicable regulatory norms, constructive and analytical decision-making abilities, understanding of the risk attached with the business structure, understanding of the role, responsibilities, and obligations, etc.
- **Technology** - Technical/Professional skills in relation of Company's business, analysing technological trends, innovation, creative ideas for business, research, and innovation, digitisation and allied knowledge in the field of science and technology
- **Leadership** - demonstrable leadership skills, leadership experience with regard to managing a company including practical understanding, risk management, processes, strategic planning, guiding and leading management teams to make decisions, facilitation skills, strong interpersonal and communications.
- **Governance** - corporate governance, compliance, transparency, board governance, accountability to stakeholders, corporate ethics, and values, strengthening regulatory functions, protecting shareholder interests, law and other areas relevant to business/sector and industry in which company operates.

Skills	Mr. Harun R Khan	Mr. Salim Gangadharan	Mr. Navin K Maini	Mr. C. VR. Rajendran	Mrs. Bhagyam Ramani	Mr. K. S. Somasundaram	Mr. Vikram Kothari
Qualifications	✓	✓	✓	✓	✓	✓	✓
Experience	✓	✓	✓	✓	✓	✓	✓
Knowledge	✓	✓	✓	✓	✓	✓	✓
Technology	✓	✓	✓	✓	✓	✓	✓
Leadership	✓	✓	✓	✓	✓	✓	✓
Governance	✓	✓	✓	✓	✓	✓	✓

❖ Board Diversity

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

❖ D&O Insurance

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

❖ Chairman of the Board

The Governing Board of NCL, vide a Circular Resolution dated September 06, 2019 elected Mr. Harun R. Khan, Public Interest Director as Chairman of the Governing Board of NCL to hold office as Chairman of the Governing Board for a period effective from the date of approval from SEBI till the expiry of his term as Public Interest Director on the Governing Board of NCL. Further, SEBI vide its letter dated September 17, 2019 approved the appointment of Mr. Harun R. Khan as the Chairman of the Governing Board of NCL.

The role and responsibilities of the Chairman are as under:

1. All meetings of the Board shall be presided over by the Chairman if present, but if at any meetings of Directors, the Chairman is not present at the time appointed for holding the same, then in that case the Directors shall choose one of the Public Interest Directors present to preside at the meeting.
2. The Chairman may, unless dissented to or objected by the majority of Directors present at a Meeting at which a Quorum is present, adjourn the Meeting for any reason, at any stage of the Meeting.
3. It would be the duty of the Chairman to check, with the assistance of the Company Secretary, that the Meeting is duly convened and constituted in accordance with the Act or any other applicable guidelines, Rules and Regulations before proceeding to transact business.
4. The Chairman shall ensure that the proceedings of the Meeting are correctly recorded.
5. The Chairman has absolute discretion to exclude from the Minutes, matters which in his opinion are or could reasonably be regarded as defamatory of any
6. person, irrelevant or immaterial to the proceedings or which are detrimental to the interests of the company.
7. The Chairman shall not interfere in the day to day functioning of the Company and shall limit his role to decision making on policy issues and to issues as the Governing Board may decide.
8. The Chairman shall abstain from influencing the employees of the Company in conducting their day to day activities.

9. The Chairman shall not be directly involved in the function of appointment and promotion of employees unless specifically so decided by the Governing Board.
10. In case any Director requires his views or opinion on a particular item to be recorded verbatim in the Minutes, the decision of the Chairman whether or not to do so shall be final.
11. Minutes of the Meeting of the Board shall be signed and dated by the Chairman of the Meeting or by the Chairman of the next Meeting.
12. The Chairman shall initial each page of the Minutes, sign the last page and append to such signature the date on which and the place where he has signed the Minutes.

❖ **Managing Director**

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

The first term of the Managing Director, Mr. Vikram Kothari, came to an end on November 06, 2020. SEBI vide its letter dated October 19, 2020 received by NCL vide email dated October 20, 2020, approved his re-appointment as Managing Director for a further term of three years i.e. from November 07, 2020 to November 06, 2023.

❖ **Responsibilities of the Board**

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

The responsibilities of the Board include the following:

1. Members of Board of Directors and Key Managerial Personnel shall disclose to the Board of Directors whether they directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the entity.

2. The Board of Directors and Senior Management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

3. Key functions of the Board of Directors: -
   a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.
   b. Monitoring the effectiveness of the NSE's governance practices and making changes as needed.
   c. Selecting, compensating, monitoring and, when necessary, replacing Key Managerial Personnel and overseeing succession planning.
   d. Aligning the remuneration of Key Managerial Personnel and Board of Directors with the longer term interests of NSE and its shareholders.

e. Ensuring a transparent nomination process to the Board of Directors with the diversity of thought, experience, knowledge, perspective and gender on the board of the Company.
f. Monitoring and managing potential conflicts of interest of management, members of the Board of Directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
g. Ensuring the integrity of NSE's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
h. Overseeing the process of disclosure and communications.
i. Monitoring and reviewing Board of Director's evaluation framework.

4. The Board of Directors shall provide strategic guidance to NSE, ensure effective monitoring of the management.

5. The Board of Directors shall set a corporate culture and the values by which executives throughout the group shall behave.

6. Members of the Board of Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of NSE and the shareholders.

7. The Board of Directors shall encourage continuing Directors training to ensure that the members of the Board of Directors are kept up to date.

8. Where decisions of the Board of Directors may affect different shareholder groups differently, the Board of Directors shall treat all shareholders fairly.

9. The Board of Directors shall maintain high ethical standards and shall take into account the interests of stakeholders.

10. The Board of Directors shall exercise objective independent judgement on corporate affairs.

11. The Board of Directors shall consider assigning a sufficient number of non-executive members of the Board of Directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.

12. The Board of Directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the entity to excessive risk.

13. The Board of Directors shall have ability to step back to assist executive management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the entity's focus.

14. When Committees of the Board of Directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the

Board of Directors.

15. Members of the Board of Directors shall be able to commit themselves effectively to their responsibilities.

16. In order to fulfil their responsibilities, members of the Board of Directors shall have access to accurate, relevant and timely information.

17. The Board of Directors and Senior Management shall facilitate the Independent Directors to perform their role effectively as a member of the Board of Directors and also as a member of a Committee of Board of Directors.

B. BOARD MEETINGS

❖ Schedule of Board / Committee meetings

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

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

❖ Board agenda

The Board agenda is prepared by the respective department and are finalised in consultation with the MD. The Board agenda and notes thereof are ordinarily sent to the Directors in advance to enable them to read and comprehend the matters to be dealt with and seek further information / clarification, if required.

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

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

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

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

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

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

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

❖ Number of Board Meetings

The Board of Directors met eight times during the year on June 09, 2020, June 17, 2020, July 29, 2020, August 13, 2020, August 28, 2020, October 28, 2020, February 03, 2021 and March 16, 2020. The maximum gap between any two meetings was less than one hundred and twenty days.

C. Directors' Attendance Record and Directorships

As mandated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Directors are neither members of more than ten Board level Committees or act as Chairperson of more than five such committees across all entities in which he or she is a Director. Table No.1 gives the details of the composition of the Board, attendance and details of Committee Membership and Committee Chairmanships.

Table No.1

(1) <u>Details of Directors along with the Directorship(s) and Chairmanship(s) or Membership(s) of Committees in other companies for the year 2020-21</u>:

Name of the Director	Category	Attendance Particulars			No. of Directorships/Chairmanships and Committee Chairmanships /			
		Number of Board Meetings during the: Held	Attended	Last AGM	Directorship(s)/ Chairmanship(s)* [Reg.17A of SEBI LODR Regulations] (Listed entity)	Directorship(s)/ Chairmanship(s)* [Reg.17A of SEBI LODR Regulations] (unlisted entity)	Committee Membership(s)** [Reg.26(1) of SEBI LODR Regulations]	Committee Chairman- ship (s) ** [Reg.25(1) of SEBI LODR Regulations]
Mr. Harun R Khan	Chairman, Public interest Director	8	8	Y	1 (1. NSE Clearing Limited - Non-executive Independent Director)	1 (1. India Mortgage Guarantee Corporation Private Limited)	2	2
Mr. Salim Gangadharan	Public interest Director	8	8	Y	2 (1. The South Indian Bank Limited- Non-executive Director, 2. NSE Clearing Limited- Non-executive Independent Director)	-	1	-

Mr. Navin Kumar Maini	Public interest Director	8	8	Y	2 (1. Ugro Capital Limited- Non-executive Independent Director, 2. NSE Clearing Limited- Non-executive Independent Director)	3 (1. Capital Small Finance Bank Limited, 2. Aye Finance Private Limited, 3.Ananya Finance for Inclusive Growth Private Limited)	3	-
Mr. C VR Rajendran	Public interest Director	8	8	Y	2 (1. CSB Bank Limited- Managing Director, 2. NSE Clearing Limited- Non-executive Independent Director)	-	2	-
Mrs. Bhagyam Ramani	Public interest Director	8	8	N	5(1. Gujarat Sidhee Cement Limited- Non-executive Independent Director, 2. Saurashtra Cement Limited- Non-executive Independent Director, 3. Lloyds Metals and Energy Limited- Non-executive Independent Director, 4. Capri Global Capital Limited- Non-executive Independent Director, 5. NSE Clearing Limited- Non-executive Independent Director)	3 (1. L&T Special Steels And Heavy Forgings Private Limited, 2. Capri Global Housing Finance Limited, 3. TATA AIG General Insurance Company Limited)	7	-
Mr. K. Somasundaram	Shareholder Director	4	4	N	1 (NSE Clearing Limited- Non-executive Director)	-	-	-

Mr. Vikram Kothari, Managing Director	Executive Director	8	8	Y	1 (NSE Clearing Limited-Managing Director)	-	–	–

Y= Yes; N=No

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

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

The Company has been following the principle of separation of the role of Chairman and the Chief Executive Officer. Mr. Harun R Khan is the Non-Executive Chairman of the Board. Mr. Vikram Kothari is the Managing Director of the Company and is entrusted with the day to day management of the affairs of the Company. The Managing Director carries out his functions subject to superintendence, control, and management of the Board of Directors of the Company.

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

The Company conducts orientation programs for Directors covering various operations of the Company so as to familiarise themselves with the various functions being carried out by the Company. The details of familiarization programmes imparted to independent directors are given in the Company's website:
https://www.nscclindia.com/NSCCL/disclosures/resources/Familiarisation_Programmes_to_independent_Directors_2020_21.pdf

The Company also provides training in various fields such as operation, risk management, compliance, information security, etc. to all the Directors regularly. Every D irector inducted on the Board is well known in the financial services industry and has the ability to understand basic financial statements and information and related documents/papers.

Mr. Harun R Khan, PID, Mr. Navin K. Maini, PID and Mrs. Bhagyam Ramani, PID had attended an Online Programme on "Cyber Security Issues & Challenges" on December 23, 2020 organized by the National Institute of Securities Market (NISM) - the educational initiative of SEBI.

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

- Annual capital and revenue budgets and updates
- Quarterly financial results
- Status report on the operations of different segments
- Status of Clearing & Settlement Operations
- Status of Compliance of Operational Norms

- Minutes of the meetings of Audit Committee and other committees of the Board
- Risk Management measures undertaken
- Cyber Security
- Strategic Initiatives
- Regulatory updates
- Details of foreign exchange exposures and the steps taken to limit the risk of adverse exchange rate movements.
- Other information, which is required to be placed before the Board as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is taken to the Board as and when the event occurs.

A quarterly report on compliance of various laws, rules, and regulations, to which the Company is subjected, is placed before the Audit Committee for its review. The Audit Committee from time to time reviews the report and gives suggestions for improvement of compliance level/process. On its review, a consolidated report on a quarterly basis is placed before the Board at its subsequent meetings. Besides the above, the compliance certificate as envisaged in Regulation 17 of SEBI (LODR) Regulations, 2015 is also provided to the Board by the Managing Director and the Chief Financial Officer.

❖ **Succession planning**

NSE Clearing Limited has formulated and adopted a policy on succession planning for the Board, Managing Director, Key Management Personnel and Critical roles.

E. Code of Conduct

A code of conduct for Directors and Senior Management Personnel of the Company is framed. They have affirmed compliance with the Code of Conduct. As per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Code of Conduct, has been hosted on the website of the Company. The Managing Director of the Company has affirmed to the Board of Directors that the Code of Conduct has been complied by the Directors and senior management personnel and the same is attached herewith and forms part of Corporate Governance Report.

As per the requirement of the SEBI (LODR) Regulations, 2015, the code of conduct, has been hosted on the website of the Company at

https://www.nscclindia.com/NSCCL/disclosures/resources/NSCCL_code_board.pdf

F. Independent Directors/ Public Interest Directors (PID)

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

(2) Attributes

The Company as a policy inducts only those persons as Independent Directors who have integrity, experience and expertise, foresight, managerial qualities, and ability to read and understand financial statements.

(3) Tenure

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

(4) Freedom to Independent Directors

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

In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and are independent of the management.

The evaluation exercise in terms of Schedule IV of the Companies Act, 2013 was carried out in a separate meeting of Independent Directors held on April 23, 2021 for this purpose. At the Board Meeting, the performance of the Directors was evaluated by the entire Board except the person being evaluated.

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

G. Remuneration of Directors

In order to align compensation levels with market levels and at the same time attract, retain and motivate Directors of the quality required to run the company successfully, the compensation being paid to Managing Director is periodically reviewed and revised. The remuneration includes both fixed and variable components. The Company pays only sitting fee to its Non-executive Directors. The terms and conditions of appointment of Independent Directors/Public Interest Directors and Shareholder Directors are governed by the provisions of the Companies Act, 2013 & Rules laid down thereunder, Securities Contracts (Regulation)(Stock Exchanges and Clearing Corporations) Regulations, 2018, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the circulars issued thereunder by SEBI. The terms and conditions of service in respect of the Managing Director of the Company are governed by the resolution passed by the shareholders, provisions of the Companies Act, 2013 & Rules laid down thereunder, Securities Contracts (Regulation)(Stock Exchanges and Clearing Corporations) Regulations, 2018 and the circulars issued thereunder by SEBI.

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

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

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

Accordingly, the Company has framed Remuneration policy in conformity with norms specified by SEBI for its employees, which include Key Management Personnel and the Managing Director. For details on the Remuneration Policy, please refer to the Annexure 4 to the Board' Report.

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

The details of remuneration paid to the Managing Director during FY 2020-21 are given in Table No.02 below:-

Table No.02

(Rs.in crores)

Name & Designation	Salary & Allowances	Variable Pay*	Perquisites in cash or in kind	Contribution to PF and other	Total
Mr. Vikram Kothari Managing Director	1.18	0.21	0.02	0.05	1.46

*Excludes 50% of the Variable Pay of Rs. 0.21 crore to be paid on deferred basis after 3 years

The sitting fees paid to the Non-Executive Directors for attending the meetings of the Board and its Committees during the year FY 2020-21 is given in Table No.03 below: -

Table No.03

Name	Board meetings		Board Committees		Total
	No. of meetings attended	Amount (Rs.)	No. of m	Amount (Rs.)	
Mr. Harun R Khan, Chairman	8	800,000	41	3,075,000	3,875,000
Mr. Salim Gangadharan	8	800,000	29	2,175,000	2,975,000
Mr. N K Maini	8	800,000	31	2,325,000	3,125,000
Mr. C VR Rajendran	8	800,000	28	2,100,000	2,900,000
Mrs. Bhagyam Ramani	8	800,000	42	3,150,000	3,950,000
Mr. K. S. Somasundaram	*	*	*	*	*

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

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

The Non-executive Directors [except Managing/ Whole-time Director and the Director who is an employee or equivalent of the Company or any of the NSE Group companies] are remunerated only by way of sitting fees as admissible to independent directors in the Companies Act, 2013 as per the provisions of the SEBI Regulations/Requirements. The Criteria of making payments to the Non-executive Directors of the Company have been disclosed on the website of the Company:

https://www.nscclindia.com/NSCCL/disclosures/resources/criteriaformakingpaymentstononexecutivedirectors.pdf

III. Committees of the Board

(A) Audit Committee

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

The Audit Committee reviews the reports of the internal auditors, operational auditors, statutory auditors, and secretarial auditors. The terms of reference of Audit Committee is as per the provisions contained in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The Audit Committee consists of four Directors viz., Mr. Harun R Khan, Mr. Salim Gangadharan, Mr. C VR Rajendran and Mrs. Bhagyam Ramani as its members with Mr. Harun R Khan as its Chairman. The Committee met six times during the year i.e., June 17, 2020, July 29, 2020, October 28, 2020, January 27, 2021, February 03, 2021 and March 16, 2021, respectively. The details of the attendance of members of the Audit Committee at their meetings held on the above dates are given in Table No.04 hereunder:-

Table No.04:

Name	Number of meetings held during the year	Number of meetings attended
Mr. Harun R Khan	6	6
Mr. Salim Gangadharan	6	6
Mr. C VR Rajendran	6	6
Mrs. Bhagyam Ramani	6	6

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

All members of the Audit Committee have requisite accounting and financial management expertise. Mr. Harun R Khan, Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on July 16, 2020 to answer shareholders queries.

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

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

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act,2013 and the Listing Regulations. Its terms of reference inter alia include the following:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

- Review and monitor the auditor’s independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors’ report thereon;
- Granting the omnibus approval in line with Policy on Related Party Transactions and such approval shall be applicable in respect of transactions which are repetitive in nature. Also granting of approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.
- Call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
- Oversight of the company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
    b. Changes, if any, in accounting policies and practices and reasons for the same
    c. Major accounting entries involving estimates based on the exercise of judgment by management
    d. Significant adjustments made in the financial statements arising out of audit findings
    e. Compliance with listing and other legal requirements relating to financial statements
    f. Disclosure of any related party transactions
    g. Qualifications in the draft audit report

- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- Discussion with internal auditors of any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Examination of the Secretarial Audit reports and matters connected therewith;
- The Audit Committee shall mandatorily review the following information:
  a. Management discussion and analysis of financial condition and results of operations;
  b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  d. Internal audit reports relating to internal control weaknesses; and
  e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- Review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans /advances / investments
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its Shareholders
- Carrying out any other function as the Audit Committee may deem fit with the approval of the Board.

(B) <u>Nomination & Remuneration Committee (NRC)</u>

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

Further, as per requirements of the Companies Act, 2013, the Company is required to constitute a Nomination and Remuneration Committee (NRC) consisting of three or more non-executive directors out of which not less than one-half shall be independent directors. The Chairman of NRC shall be different from Chairman of the Board. The NRC was constituted by the Board for the purpose of discharging its functions required under both the Companies Act, 2013 and under SEBI requirements.

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

The Nomination & Remuneration Committee (NRC) comprises three Directors viz., Mr. N. K. Maini, Mr. Harun R Khan, and Mr. C VR Rajendran as its members with Mr. N. K. Maini as its Chairman. SEBI had approved the induction of Mr. M V Nair and Mr. Parveen Kumar Gupta as Independent External Experts of NRC of NCL for the limited purpose of selection of Managing Director. The Committee met seven times during the year i.e., June 09, 2020, June 16, 2020, August 14, 2020, August 21, 2020, August 27, 2020, December 15, 2020 and March 31, 2020, respectively.

The details of the attendance of members of NRC at their meetings held on the above dates are given in Table No.05 hereunder:-

Table No.05:

Name	**Number of meetings held during the year**	**Number of meetings attended**
Mr. N.K.Maini	7	7
Mr. Harun R Khan	7	7
Mr. C VR Rajendran	7	7
Mr. M. V. Nair (appointed for the limited purpose of Selection of Managing Director)	3	3
Mr. Parveen Kumar Gupta (appointed for the limited purpose of Selection of Managing Director)	3	3

Mr. N. K. Maini, the Chairman of the Nomination & Remuneration Committee, attended the Annual General Meeting (AGM) held on July 16, 2020 to answer shareholders queries.

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

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013, the Listing Regulations and the SECC Regulations.

The brief terms of reference of Nomination & Remuneration Committee are as follows:

- The Nomination and Remuneration Committee (NRC) shall -

(a) formulate the criteria for determining qualifications, positive attributes and independence of a director;

(b) recommend to the Board a policy relating to the remuneration for the directors, senior management (including key managerial personnel) and other employees;

(c) determine the composition of the Board of Directors and the sub-committees of the Board and addressing issues of Board diversity; devising a policy on diversity of Board of Directors;

(d) ensure that appropriate procedures are in place to assess Board membership needs and Board effectiveness;

(e) formulate criteria for evaluation of performance for Independent Directors and Board of Directors; / frame & review the performance review policy to carry out evaluation of every director's performance, including that of Public Interest Director (PID).

(f) identify persons who are qualified to become directors in accordance with the Policy and criteria laid down;

(g) recommend to the Board appointment and removal of Directors in accordance with policy and criteria laid down;

(h) specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

(i) recommend on the extension or continuation of the term of appointment of independent director on the basis of performance evaluation of independent directors;

(j) recommend whether to extend the term of appointment of the PID;

(k) identify persons who may be appointed in Senior Management in accordance with the Policy and criteria laid down; identify a Key management personnel, other than personnel as specifically provided in its definition under Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (SCR SECC Regulations, 2018)

(l) recommend to the Board appointment and removal of personnel in Senior Management accordance with Policy and criteria laid down;

(m) recommend to the board, all remuneration, in whatever form, payable to senior management

(n) approve release of variable pay of KMPs under SCR SECC Regulations, 2018 withheld earlier;

(o) to approve Variable Pay and Fixed Pay of KMPs under SCR SECC Regulations, 2018;

(p) determine the tenure of KMPs under SCR SECC Regulations, 2018 appointed in Regulatory departments;

(q) assist the Board's overall responsibility relating to executive compensation and recommend to the Board appropriate compensation packages for Managing/ Whole-time Directors and Senior Management personnel in such a manner so as to attract and retain best available personnel for position of substantial responsibility with the Company;

(r) review, approve and aid the Board in succession and emergency preparedness plan for key executives;

(s) select the Managing Director;

(t) decide on the Annual Performance Linked Pay (variable pay) payable to Managing Director & CEO and to approve annual increase in the Total Pay payable to Managing Director & CEO; and

(u) besides the above, to discharge the function(s) as entrusted with the Nomination & Remuneration Committee under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) as amended from time to time

(v) lay down the policy for compensation of key management personnel in terms of the compensation norms prescribed by SEBI.

(w) determine the compensation of KMPs in terms of the compensation policy; and

(x) Such other function as may be vested by the Board, from time to time, to this committee to discharge the same.

(C) <u>Risk Management Committee (RMC)</u>

In terms of SEBI requirements, the Clearing Corporation is required to constitute a Risk Management Committee inter alia to formulate a detailed risk management policy. The Board has constituted Risk Management Committee to formulate risk (settlement related risks) management policy and to monitor its implementation, to review the strategic, cyber and business risk (non- settlement risks) and to advise the Board with respect to the same. Prof. Ananth Narayan, Independent External Person completed his term and retired from his position w.e.f. May 31, 2021. The Committee consists of Mr. Salim Gangadharan, Mr. C VR Rajendran, Mrs. Bhagyam Ramani and Mr. Kapil Seth, Independent External Persons as its members with Mr. Salim Gangadharan as its Chairman. During the year, the Committee met 5 times i.e., June 16, 2020, July 28, 2020, October 27, 2020, February 02, 2021 and March 02, 2021.

The details of the attendance of members of RMC at their meetings held on the above dates are given in Table No.06 hereunder:-

Table No.06:

Name	Number of meetings held during the year	Number of meetings attended
Mr. Salim Gangadharan	5	5
Mr. C VR Rajendran	5	5
Mrs. Bhagyam Ramani	5	5
Mr. Kapil Seth	5	5

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

i. To formulate a detailed risk management policy which shall be approved by the governing board;
ii. To review the Risk Management Framework & risk mitigation measures from time to time;
iii. To monitor and review enterprise-wide risk management plan and lay down procedures to inform Board members about the risk assessment and minimisation procedures;
iv. The head of the risk management department shall report to the risk management committee and to the managing director of the Clearing Corporation; and
v. The risk management committee shall monitor implementation of the risk management policy and keep the Board and the governing board informed about its implementation and deviation, if any.

(D) <u>Stakeholders Relationship Committee (SRC)</u>

In terms of SEBI requirements, the Clearing Corporation is required to constitute a Stakeholders Relationship Committee inter alia to look into various aspects of interest of shareholders and other security holders. The Stakeholders Relationship Committee was constituted by the Board of NSE Clearing Limited in its meeting held on January 30, 2019. The Committee consists of Mr. Harun R Khan, Mr. N. K. Maini and Mrs. Bhagyam Ramani as its members with Mr. Harun R Khan heading the Committee as its Chairman. The Company has appointed Mr. Dhawal Shah as the Head of Compliance of the Company. The Committee met once in the FY 2020-21 as per the provisions of SEBI (LODR) Regulations, 2015 on July 28, 2020. All the members had attended the meeting.

Mr. Harun R Khan, Chairman of the Stakeholders Relationship Committee attended the Annual General Meeting (AGM) held on July 16, 2020 to answer shareholders queries.

The brief terms of reference of Stakeholders Relationship Committee are as follows:

(i) Resolving the grievances of the security holders including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
(ii) Review of measures taken for effective exercise of voting rights by shareholders.
(iii) Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.
(iv) Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

(v) To perform all functions to specifically look into various aspects of interests of shareholders, debenture holders and other security holders of the Company relating to the interests of security holders of the Company;

(vi) To perform functions as is entrusted under the Companies Act, 2013 or Rules prescribed thereunder or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) or such other regulatory requirements applicable to the company or in the terms of reference of the Stakeholders Relationship Committee; and

(vii) To discharge functions as may be assigned/vested by the Board of Directors from time to time.

The Company has not received any complaint against it from shareholders of NCL.

(E) <u>Corporate Social Responsibility (CSR) Committee</u>

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

The CSR Committee consists of Mr. Harun R Khan, Mr. N. K. Maini, and Mrs. Bhagyam Ramani as its Members with Mr. Harun R Khan as its Chairman. The CSR Committee met 2 times i.e., on June 16, 2020 and October 27, 2020.

The details of the attendance of members of CSR at their meetings held on the above dates are given in Table No.07 hereunder:-

Table No.07:

Name	**Number of meetings held during the year**	**Number of meetings attended**
Mr. Harun R Khan	2	2
Mr. N.K.Maini	2	2
Mrs. Bhagyam Ramani	2	2

The brief terms of reference of Corporate Social Responsibility Committee are as follows:

1. Formulate and recommend the CSR Policy to the Board for approval, monitor its implementation and suggest modifications from time to time for the same.

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

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

3. Approve or ratify the CSR projects undertaken by NSE Foundation in line with the approved CSR Policy to ensure seamless implementation of the projects and fulfillment of the mandate set out under Section 135 of the Companies Act, 2013 and the Rules thereunder.

4. Report to the Board the manner of utilization of the annual CSR budget in pursuance of the CSR policy, unspent funds or excess spend towards CSR projects and ensure that the administrative overheads shall not exceed five per cent of the total CSR expenditure of the Company for any financial year.

5. Approve and recommend to the Board an Annual Report on the CSR activities in a format prescribed in the Companies Act, 2013

6. Report to the Board on the progress of the various CSR projects undertaken by NSE Foundation or through any entity as prescribed under Section 135 of the Companies Act and CSR rules thereunder and the expenditure incurred for the same on a periodic basis

7. Establish a transparent monitoring mechanism for ensuring implementation of the CSR programme.

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

<u>SEBI Mandated Committees</u>

(i) Advisory Committee
(ii) Regulatory Oversight Committee
(iii) Standing Committee on Technology
(iv) Member and Core Settlement Guarantee Fund Committee
(v) Grievance Redressal Committee

(i) Advisory Committee

The Advisory Committee presently comprises of 8 Clearing members. Mr. Harun R Khan acts as its Chairman and Mr. Vikram Kothari is the permanent invitee to every meeting of the advisory committee.

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

(ii) Regulatory Oversight Committee (ROC)

The Committee consists of Mr. Harun R Khan, PID, Mr. Salim Gangadharan, PID, Mr. N. K. Maini, PID Mr. C VR Rajendran, PID Mr. P. Krishnamurthy, Independent External Person as its members with Mr. Harun R Khan as its Chairman.

The brief terms of reference of Regulatory Oversight Committee are as follows:

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

(iii) Standing Committee on Technology (SCOT)

The Committee consists of Mr. Salim Gangadharan, PID, Mrs. Bhagyam Ramani, PID, Dr. A.S. Ramasastri, Independent External Person and Ms. Mythili Vutukuru, Independent External Person as its members with Mr. Salim Gangadharan as its Chairman.

The brief terms of reference of Standing Committee on Technology are as follows:

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

(iv) Member and Core Settlement Guarantee Fund Committee (MCSGFC)

The Committee consists of Mrs. Bhagyam Ramani, PID, Mr. Harun R Khan, PID, Mr. N. K. Maini, PID, Mr. Vikram Kothari, Managing Director (KMP) as its members with Mrs. Bhagyam Ramani as its Chairperson.

The brief terms of reference of MCSGFC are as follows:

a) To scrutinize, evaluate, accept or reject applications for admission of members and transfer of membership and approve voluntary withdrawal of membership;
b) Also in case of clearing corporations with commodity segment, the committee shall also look into:
    - Approving enplanement & cancellation of Warehouse Service Providers/Vault Service Providers /Assayers, accreditation of warehouse, etc.
    - Reviewing the continuous functioning, monitoring, and compliance of norms by Warehouse Service Providers, Vault Service Providers and assayers.
c) Formulate policy for regulatory actions, including warning, monetary fine, suspension, deactivation of terminal, declaring a member as defaulter , expulsion, to be taken for various violations by the members of the clearing corporation;
d) Based on the laid down policy, the Committee shall consider the cases of violations observed during inspection, etc. and impose appropriate regulatory measure on the members of the clearing corporation;

e) While imposing the regulatory measure, the Committee shall adopt a laid down process, based on the 'Principles of natural justice';

f) Realize the assets / deposits of defaulter/expelled member and appropriate amongst various dues and claims against the defaulter/ expelled member in accordance with the Rules, Byelaws and Regulations of the Clearing corporation;

g) Admission /rejection of claims against such members over the assets of the defaulter/expelled member; and

h) To manage the Core Settlement Guarantee Fund (Core SGF) of the clearing corporation, including its investments as per norms laid down and ensure proper utilization of Core SGF.

(v) Grievance Redressal Committee (GRC)

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

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

(vi) Public Interest Directors

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

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

IV. AUDITORS

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

to be undertaken by them.

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

V. SECRETARIAL AUDIT

The Company has engaged the services of M/s. BNP & Associates., Practicing Company Secretaries, to conduct Secretarial Audit pursuant to the requirements of the Companies Act, 2013 and the rules laid down thereunder for the financial year ended March 31, 2021. The report of the Secretarial Auditors is placed before the Audit Committee and the Board.

VI. Annual Secretarial Compliance Report

NSE Clearing Limited has undertaken an audit for the financial year 2020-21 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder.

The Annual Secretarial Compliance Report has been obtained from M/s. BNP & Associates, Company Secretaries in terms of SEBI circular of February 8, 2019.

VII. MANAGEMENT DISCUSSION AND ANALYSIS

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

VIII. CEO/CFO CERTIFICATION

The Managing Director and CFO certification of the financial statements for the financial year 2020-21 is enclosed at the end of the report.

IX. GENERAL SHAREHOLDER INFORMATION

(A) Annual General Meeting: The 26th Annual General Meeting of the Company will be held on Monday,August 09, 2021 at 12:00 through Video Conference / Other Audio-Visual Means (VC/OAVM). The deemed venue for the 26th Annual General Meeting shall be the registered office of the Company i.e. Exchange Plaza, Plot - C1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai -400051. For details, please refer to the Notice of this

(B) Financial year: 2020-21

(C) Dividend Payment date: within 10 days from the date of declaration by the shareholders at the ensuing AGM. Proposed dividend for financial year 2020-21: Rs.10 per equity share of Rs.10/- each

(D) Registrar and Transfer Agent:

The address for communication and contact details of the Registrar and Transfer Agent are as under:

M/s. Link Intime India Pvt. Ltd, C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. Tel. No.022-4918 6270

(E) Share Transfer system: The equity shares of NCL are in dematerialised form. Further, the ISIN of equity shares is suspended by NCL to prevent transfers not approved by NCL pursuant to Article 63 of its Articles of Association and to ensure compliance of the provisions of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018. Therefore, if and when application for approval of transfer is received adherence to compliance of SECC Regulations is and will be ensured.

(F) Distribution of shareholding: NCL is a wholly owned subsidiary of NSE. Accordingly, NSE holds 100% of the paid-up equity share capital of NCL.

(G) Dematerialization of shares: The Company's shares are dematerialised.

(H) Plant locations: None

(I) Address for correspondence: The Secretarial Department, NSE Clearing Limited, Exchange Plaza, Plot No. C-1, "G" Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051. The Company is also having its branch offices at five locations namely Mumbai, Delhi, Kolkata, Chennai, and Ahmedabad. Shareholders are requested to intimate all changes pertaining to their Bank details, email addresses, Power of Attorney, change of name, change of address, contact details, etc., to their Depository Participants (DP).

(J) Compliance Officer- As on March 31, 2021, Mr. Dhawal Shah is the Head of Compliance of NCL.

X. OTHER DISCLOSURES

(1) Basis of related party transactions

The transactions with related parties are entered in the ordinary course of business and at arm's length price. The details of the related party transactions are disclosed in the Annual Report. The 'Policy on dealing with related party transactions' of the Company is available on the website of the Company:

https://www.nscclindia.com/NSCCL/disclosures/resources/NSCCL_Policy_on_Materiality_and_Dealing_with_Related_Party_Transactions.pdf

The Audit Committee of the Company has granted omnibus approval for the Related Party Transactions (RPTs) which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length. During the financial year 2020-21, NCL did not have any pecuniary relationship or transactions with Non-Executive Directors.

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

None

(3) Vigil mechanism / Whistle Blower Policy

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

Details of the Policy have been disclosed on the website of the Company.

https://www.nscclindia.com/NSCCL/disclosures/resources/Whistle_Blower_Policy_NCL.pdf

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

In addition to the above, NCL also complies with non-mandatory requirements of Part E of Schedule II prescribed under Regulation 27(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 like maintaining a Chairman's office at the Company's expense, reimbursement of expenses incurred by Chairman in performance of his duties, dissemination of financial results to the shareholders, unqualified financial statements, direct reporting of internal auditors to the audit committee, etc.

(5) Subsidiary Companies

As on 31st March 2021, NCL has one wholly owned subsidiary namely NSE IFSC Clearing Corporation Limited.

The 'Policy for determining material subsidiaries' is available on the Website of the Company.
https://www.nscclindia.com/NSCCL/disclosures/resources/Policy-on-Determining-Material-Subsidiaries.pdf

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

NCL follows the guidelines of Accounting Standards laid down by the Central Government under the provisions of Section 133 of the Companies Act, 2013 in the preparation of its financial statements.

(7) Communication with Shareholders

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

The Clearing Corporation disseminates all material information to its shareholders through periodical communications. The financial results are published periodically in the newspapers [generally in Business Standard and Loksatta publications] as per the requirements of SEBI (LODR) Regulations, 2015.

Annual Report: Annual report containing, inter alia, Audited Accounts, Board's Report, Report on Corporate Governance, Management Discussion & Analysis other material and related matters/ information is circulated to the shareholders and others entitled thereto.

(8) Redressal of shareholders' complaints

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

(9) Credit Ratings

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

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

XI. GENERAL BODY MEETINGS

Location, date, and time of the general meetings held in the last three years till March 31, 2021:-

Type of meeting	Date	Time	Venue	Special Resolution
Extra-Ordinary General Meeting	01-Sept-2020	4:00 p.m.	Through Video Conference Room, Ground Floor, 'A' Wing, Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	Appointment of Managing Director
25th Annual General Meeting	16-July-2020	3:30 p.m.	Through Video Conference Room, Ground Floor, 'A' Wing, Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	-
24th Annual General Meeting	26-June-2019	2:30 p.m.	Conference Room, Ground Floor, 'A' Wing, Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	-

Extra-Ordinary General Meeting	July 26, 2018	10.00 a.m.	Conference Room, Ground Floor, 'A' Wing, Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	Change in name of the Company
23rd Annual General Meeting	08-June-2018	5.15 p.m.	Conference Room, Ground Floor, 'A' Wing, Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	-

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

XII. CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE NORMS

As required under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, NCL has obtained Corporate Governance compliance certificate from a Practicing Company Secretary. The same is given as an Annexure to the Board's Report.

XIII. As required under Clause 10(i) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018, NCL obtained a certificate from a Company Secretary in practice that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The same is given as an Annexure to the Board's Report.

XIV. The Board has accepted recommendations of its committees, made during FY 2020-21, which are mandatorily required to be accepted.

XV. The details of the total fees for all services paid by NCL and its subsidiary, NSE IFSC Clearing Corporation Limited, on a consolidated basis, to M/s. Khandelwal Jain & Co., Chartered Accountants, the statutory auditors of NCL and all entities in the network firm/ network entity of which the statutory auditor is a part are given below:-

Particulars	NSE Clearing Limited (NCL)	NSE IFSC Clearing Corporation Limited (NICCL)
As auditor :		
Audit fees	16,00,000.00	1,76,274.93
Tax audit fee	4,40,000.00	-
Limited review	7,50,000.00	75,000.00
In other capacity :		
Taxation matters	9,17,000.00	-
Certification matters	3,00,000.00	25,000.00

Out of pocket	80,260.00	-
Other services	-	-
Total	**40,87,260.00**	**2,76,274.93**

The disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are given in the main part of the Board's Report under Sr. No.3. As of March 31, 2021, no complaint was filed during FY, and hence no complaint was disposed-off and pending as at the end of FY.

XVI. A declaration signed by Managing Director stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of board of directors and senior management is attached herewith and forms part of the Corporate Governance Report.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
NSE CLEARING LIMITED
Exchange Plaza C-1 Block G,
Bandra Kurla Complex,
Bandra East Mumbai-400051

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **NSE CLEARING LIMITED having CIN: U67120MH1995PLC092283** and having its registered office at **Exchange Plaza C-1 Block G Bandra Kurla, Complex Bandra East Mumbai 400051 (hereinafter referred to as 'the Company')**, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Directors	DIN	Date of appointment in Company
1.	MR. HARUN RASID KHAN	07456806	08/09/2016
2.	MR. SALIM GANGADHARAN	06796232	03/05/2016
3.	MR. NAVIN KUMAR MAINI	00419921	25/05/2016
4.	MR. RAJENDRAN CHINNA VEERAPPAN	00460061	03/05/2016
5.	MRS. BHAGYAM RAMANI	00107097	01/06/2017
6.	MR. KUPPUSWAMY SHENBAGARAMAKRISHNAN SOMASUNDARAM	08785903	17/08/2020
7.	MR. VIKRAM KOTHARI	07898773	07/11/2017

Ensuring the eligibility of the directors for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For N. L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
UDIN: F005436C000247251

Bharat Upadhyay
Partner
FCS: 5436
CP. No.: 4457

PLACE: MUMBAI
DATE: MAY 05, 2021

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

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the code of conduct for the Financial Year 2020-21.

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

Signature:

Date: May 05, 2021 Name: Vikram Kothari

Place: Mumbai Managing Director

A synchronized global slowdown witnessed in 2019 owing to US-China trade tensions, Brexit and idiosyncratic factors in key emerging markets including India further worsened with the COVID-19 outbreak in early 2020. Partial/comprehensive lockdowns and social distancing norms adopted by countries across the globe have had a significant adverse impact on global economic and trade activity in 2020-21.

The global economy in calendar 2020 witnessed recession, with the International Monetary Fund (IMF) pegging global growth at -3.3%. The contraction was limited by unprecedented, timely and effective fiscal and monetary policy support provided by Governments and Central Banks. The measures included sharp cuts in policy rates, massive liquidity injection, credit extension to stressed/vulnerable sectors, and a slew of benefits to households and firms.

While the manufacturing sector has almost returned to pre-pandemic levels, supported by policy impulses and gradual easing of restrictions, demand for contact-intensive services such as travel, entertainment and hospitality have remained subdued even a year into the pandemic. Reopening of economies in mid-2020 triggered a second wave of infections in several countries, leading to re-imposition of restrictions. The global health infrastructure continues to remain under pressure, even as gradually expanding vaccination coverage is expected to reduce the severity and frequency of infections. The IMF projects global growth to rebound meaningfully in calendar 2021 and 2022, supported by enhancement in fiscal policy measures and ongoing vaccination drives.

Indian Economic Overview

The COVID-19 pandemic spread and Government precautionary measures as a nationwide lockdown, accompanied with relaxation in phased manner, exacerbated the slowdown in the Indian economy that had persisted for the previous three consecutive years. The economy came to a near standstill for the major part of the first quarter of FY21, leading to the worst-ever-contraction of -24.4% YoY during the quarter. Accompanied with strong monetary and fiscal support, the annual GDP contraction was -8% in FY21—the first contraction in 41 years.

COVID-induced supply-side disruptions and a rebound in commodity prices in the second half resulted in headline retail inflation overshooting the RBI's target range in FY21. With an aim to mitigate the impact of COVID-19 pandemic on the economy and financial markets, the RBI announced a 115/155bps cut in the policy repo/reverse repo rate and a 100bps cut in cash reserve ratio in calendar 2020. This followed a 135bps reduction in policy rates the previous year. Additionally, the RBI undertook a slew of unconventional measures to ensure adequate systemic liquidity and reduce financial distress. These included long-term repo operations (LTROs) and targeted LTROs, Operation Twists (OTs), moratorium on loan repayments, regulatory forbearance as well as refinance facilities and liquidity support for mutual funds.

The Government of India introduced fiscal stimulus in a phased manner. According to the Economic Survey 2020-21, the total stimulus provided by the Government amounted to ~Rs30 trn which was roughly 15% of GDP, of which *Atmanirbhar Bharat Package* accounted for ~Rs17trn. Measures announced in the initial phase of lockdown were aimed at supporting lives and livelihoods comprising of cash transfers and food security to poor and migrant workers. Subsequently, the focus shifted towards providing aid to all crucial sectors and segments of the economy, primarily in the form of liquidity and credit support.

Despite a significant shortfall in tax collections in the wake of an unprecedented economic shock caused by the pandemic, the Government enhanced its capital spending, resulting in the Centre's gross fiscal deficit rising to 9.5% of GDP in FY21. For FY22, the fiscal deficit target is pegged at 6.8% of GDP, reflecting the focus on reviving growth through higher capital expenditure.

India's external vulnerability dropped during the year, with the current account balance expected to turn surplus in FY21 for the first time in 17 years. Persistent lower crude oil prices during the first half of FY21, coupled with the decline in domestic demand owing to COVID-19-induced restrictions and an increase in consumers' propensity to save in times of uncertainty, led to a sharp drop in trade deficit during the year. Further, a renewed global risk-on environment led to record-high foreign capital inflows into India in FY21. All these factors supported the INR against a weak USD, even as gains were constrained by aggressive dollar purchases by the RBI.

Capital market scenario and its impact on NSE

The year 2020-21 turned out to be a very strong year for equity markets across the world despite an extreme economic and social strain caused by the COVID-19 pandemic. Following a sharp sell-off in Q1 2021 amid a worsening outbreak and consequent declaration of the virus as a global pandemic by the WHO, global equity markets recovered sharply beginning April 2020. Positive cues around the development of the COVID-19 vaccine—the fastest vaccine ever developed—further supported market sentiments. The global rally strengthened towards the end of calendar 2020 in the wake of vaccine rollouts, enhanced policy support, abating US election uncertainty and a provisional trade-deal agreement between the UK and EU, even as the emergence of new variants posed some concerns.

Indian equity markets moved broadly in tandem with major global equity markets in FY21. Indian equities saw record-high foreign portfolio inflows of US$37bn (~Rs2.7trn) in FY21, resulting in Indian markets outperforming most major global markets during the year. The benchmark Nifty 50 Index ended the year 71% higher, accompanied with a 68% drop in market volatility (Nifty VIX). This was significantly higher than the 55% and 52% returns generated by MSCI Emerging Market and Developed Market Indices respectively. Market turnover also witnessed a significant jump in the financial year, with an average daily turnover in equity cash and derivative markets (premium) rising by 70% and 31% respectively.

Domestic institutional investors, however, remained net sellers of Indian equities, with net outflows of ~Rs1.3trn, reflecting moderation in retail inflows through the SIP (Systematic Investment Plan) route and higher redemptions. Monthly SIP inflows into domestic mutual funds averaged at ~Rs80bn in FY21 which were a tad higher at Rs83.4bn in FY20. Direct retail participation, on the contrary, strengthened meaningfully during the year—reflected in a sharp rise in new investor additions and an increase in individual investors' share in the cash market turnover.

On the capital raising front, an amount of Rs14.8trn was raised through debt (including public and private placement with short-and long-term paper) as well as equity from the primary market during FY 2020-2021 (as of March 31, 2021). In the equity market, the total amount raised was Rs 2.3trn whereas the amount raised in the debt market was Rs12.5trn.

Key Government initiatives

- **Liquidity, credit availability and financial stability:** The Government, along with RBI, announced a slew of measures to ease financial distress and credit crunch for companies and households, without hurting financial stability. The RBI's six-month moratorium on loan repayments and one-time restructuring scheme provided much needed relief to COVID-affected borrowers. The Government also announced liquidity and credit support measures in the area of MSMEs, Healthcare, DISCOMs, NBFCs, etc.
- **Employment:** Allocation to the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNERGS) was raised to Rs 1trn in FY21—the highest ever, as well as to the PM Garib Kalyan Rozgar Yojana (PMGKRY) to provide job opportunities to rural and migrant workers. To incentivise formalisation and create new employment opportunities, the *Atmanirbhar Bharat Rozgar Yojana* Scheme was launched in November 2020, whereby the Government provided subsidies on new employment to EPFO-registered establishments.
- **Capital Budget:** The Government enhanced its capital and industrial spending in FY21 and provided for an even higher expenditure in the FY22 budget. Several measures to boost investment in housing and infrastructure, including enhanced outlay for urban housing, tax benefits for developers and home buyers, and relief to contractors working on Government projects, were announced in October 2020. Establishing a Development Financial Institution (DFI) for infrastructure financing will help in alleviating funding constraints faced by the infrastructure sector.
- **Production Linked Incentive (PLI) Scheme:** To boost domestic manufacturing, increase global competitiveness and facilitate employment, production-linked incentives were announced for 13 sectors including electronics, pharmaceuticals, medical devices, automobile & auto components, batteries, telecom products and food products, among others.
- **Privatisation and asset monetisation:** The Government announced setting up an institutional framework for asset monetisation and privatisation of central public sector enterprises (CPSEs) with an aim to augment revenues and bring about transparency and efficiency. This includes the creation of a national asset monetisation pipeline and privatisation of CPSEs in non-strategic sectors.
- **Stressed Asset Resolution:** An Asset Reconstruction Company and Asset Management Company would be set up to consolidate and take over the existing stressed debt and then manage and dispose of the assets to Alternate Investment Funds and other potential investors for eventual value realization.

- **Foreign Direct Investment (FDI):** India remains one of the most open economies, with 100% FDI permission under the automatic route for all major sectors. Last year, the Government also raised FDI limit in insurance from 49% to 74%. Net FDI in calendar 2020 rose by 40% to ~US$52 billion.

Outlook

The Indian economy witnessed a resilient normalisation in business activities despite a surge in COVID cases towards the latter part of FY21. While rural demand has stayed strong through the crisis, urban demand showed signs of revival in the second half of FY21, aided by a strong festive season. Onset of the deadlier second wave of COVID-19 in mid-February 2021 and renewed restrictions, however, have temporarily delayed the recovery process that was underway until March 2021. That said, the decentralized and targeted restrictions implemented by states during the second wave as opposed to a nation-wide lockdown last year ensured that the economic ramifications remain contained.

Even as the COVID-induced challenges are likely to persist in the near-term, the Indian economy is now better prepared to deal with them, thanks to gradual adaptation to the new COVID-appropriate working environment. An expected pick-up in the pace of inoculations and sustenance of coordinated policy support should provide an added support to kick-start the economy.

Notwithstanding a temporary roadblock caused by the pandemic, India's economic fundamentals remain strong, with robust medium-term growth prospects, low current account deficit and adequate forex reserves. As such, India continues to be an attractive destination for investments. The private investment climate is also expected to revive in the medium-term, supported by low interest rates, improvement in domestic as well as external demand, strengthening corporate balance sheets and increase in capacity utilisation.

Risks and concerns

While India's medium to long-term fundamentals remain strong, the domestic capital market and especially foreign capital inflows are, to a large extent, susceptible to developments in the global economy. An improving US economy with a strengthening dollar weigh on the INR, particularly with the rise in domestic liquidity on the commitment to growth by the RBI. A sharp spike in international commodity prices and increase in global financial market volatility in Q4 FY21, if they persist, may spill-over to the domestic economy and financial markets. Renewed tightening of restrictions by several state governments in the wake of surge in COVID-19 cases beginning mid-February 2021 may delay the economic recovery. On the positive side, an increase in the pace of vaccinations to cover wide sections of the population, continued improvement in consumption demand and coordinated fiscal and monetary support may accentuate the pace of recovery.

Internal control systems and their adequacy

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

Financials

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

Financial performance –Standalone (2020-21)

During the year 2020-21, the total revenue increased by around 28.83% from Rs.430.74 crores for the year 2019-20 to Rs. 554.91 crores for the year 2020-21.

The total expenditure for the year 2020-21 was Rs.161.31 crores as compared to Rs.132.84 crores for the year 2019-20, an increase of around 21.43 % over the previous year.

The total Profit Before tax and exceptional item for the year 2020-21 was Rs. 393.60 crores as against Rs. 297.90 crores for the year 2019-20, an increase of around 32.12 % over the previous year.

Exceptional Item for the year 2020-21 was 68.23 crores as Provision for Impairment of Intangible assets under development pertaining to Clearing & Settlement System due to discontinuation of the project.

The total Profit Before tax for the year 2020-21 was Rs. 325.36 crores as against Rs. 297.90 crores for the year 2019-20, an increase of around 9.22 % over the previous year.

The total Provision for tax (including deferred tax) for the year 2020-21 was Rs 114.82 crores as against Rs. 84.62 crores for the year 2019-20.

The total Profit after tax for the year 2020-21 was Rs. 210.55 crores as against Rs. 213.28 crores for the year 2019-20, a decrease by around 1.28 % over the previous year.

The total Comprehensive Income for the year 2020-21 was Rs. 210.44 crores as against Rs.212.48 crores for the year 2019-20, a decrease by around 0.96 % over the previous year.

Operating Revenues

Clearing & Settlement charges

NSE Clearing Limited (NCL), a wholly owned subsidiary of the National Stock Exchange of India (NSE), carries out the clearing and settlement of the trades executed in the CM, F&O and CD segments. During the previous year, as prescribed by SEBI interoperability framework among Clearing corporations was implemented which allows market participants to consolidate their clearing and settlement functions at a single Clearing Corporation, irrespective of the stock exchanges on which the trades are executed. The clearing & settlement charges for the year 2020-21 increased by around 61.72% from Rs.180.53 crores for the year 2019-20 to Rs.291.95 crores for the year 2020-21.

Interest & Other Investment income

During the year 2020-21, the total investment income increased from Rs.244.57 crores for the year 2019-20 to Rs.255.28 crores for the year 2020-21.

Other Operating Revenues

During the year 2020-21, the other operating revenues increased from Rs.5.41 crores for the year 2019-20 to Rs.7.53 crores for the year 2020-21.

Expenditure

Other expenses

During the year 2020-21, other expenses were at Rs.112.91 crores as against Rs.89.27 for the year 2019-20.

Employee cost

Employee related expenses for FY 2020-21 was Rs.35.00 crores which was Rs.33.80 crores for the year 2019-20. For the year 2020-21, the total employee cost as a percentage to total income was 6.31% and as a percentage of expenditure was 21.77% which is comparable to the industry standards.

Depreciation

During the year, Depreciation increased by around 37.15% from Rs.9.77 crores for the year 2019-20 to Rs.13.40 crores for the year 2020-21.

Financial Statement as on March 31, 2021

Share Capital

The total paid up capital of the Company as on March 31, 2021 was Rs. 45 crores divided in to 4,50,00,000 equity shares of Rs. 10 each.

Reserves & Surplus

The total other Equity as on March 31, 2021 was Rs.659.16 crores comprising of General reserve of Rs.244.71 crores, Capital Redemption Reserve of Rs10.00 crores and balance in P&L A/c of Rs.404.45 crores.

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

Thus, the total Net worth of the Company as on March 31, 2021 was Rs.704.16 crores (excluding contribution to Core SGF) and Rs.1716.82 crores (including contribution to Core SGF and contribution to Settlement Guarantee Fund (SGF)- Commodity derivatives) and the book value was Rs.156.48 per share (excluding contribution to Core SGF) and Rs.381.52 per share (including contribution to Core SGF and contribution to Settlement Guarantee Fund (SGF)- Commodity derivatives).

Core Settlement Guarantee Fund (Core SGF)

a) Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, inter-alia, has issued norms related to the computation and Minimum Required Contribution (MRC) to the Core Settlement Guarantee Fund by the Clearing Corporation (minimum 50%), Stock Exchange (minimum 25%) and members (maximum 25%). Further, SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05, 2016 advised the Stock Exchange to transfer 25% of its annual profits to Core SGF. Accordingly, total Core SGF as on March 31, 2021 was Rs. 3528.30 crores comprising of: a) Rs.762.66 crores contributed by NCL by appropriating reserves / profits b) Rs.373.65 crores received from NSE towards Core SGF. c) Member's contribution to Core SGF amounting to Rs. 364.43 crores utilised out of the amount received from NSE towards 25% of its annual profits upto August 2015 d) The balance amount of 25% of Exchange profits amounting to Rs. 327.51 crores is credited to Core SGF e) Rs.128.84 crores, Rs.76.35 crores and Rs.75.07 crores adjusted towards the incremental requirement of Minimum Required Corpus (MRC) from the interest accrual on the cash contribution by NCL, NSE and NSE`s Contribution on behalf of members respectively. In addition to the above, Fines & penalties collected by NCL amounting to Rs.869.76 crores and an amount of Rs. 534.06 crores being Income from investments of Core SGF funds have been credited to Core SGF.

NCL's own contribution to Core SGF for the quarter ended March 2021, Dec 2020, and March 2020 are NIL respectively and for the financial year ended March 2021 is Rs.28.20 Crores (for the year ended March 2020 Rs. Nil) have been appropriated out of profits.

Further incremental requirement of Contribution to core SGF adjusted from interest on respective investments for the quarter ended March 2021, Dec 2020 and March 2020 are NIL respectively. Further incremental requirement of Contribution to core SGF for financial year ended March 2021 was Rs. 115.94 crores (from NCL Rs.59.80 crores, NSE Rs.29.09 crores and NSE on behalf of members Rs.27.05 crores). Also, interest on the investment of balance amount of 25% of Exchange profits amounting to Rs. 14.91 crores and Rs. 16.95 Crores adjusted for Incremental Contribution of NSE and NSE on behalf of members respectively.

Further, as per circular dated SEBI/HO/MRD2/DCAP/CIR/P/2021/03 January 08, 2021, SEBI has allowed the transfer of excess contribution made by Stock Exchanges from Core SGF of one Clearing Corporation to the Core SGF of another Clearing Corporation in inter-operable scenario. Accordingly, Rs.15.97 crores contribution of other stock exchanges has been received from respective clearing corporations and an amount of Rs.70.51 crores pertaining to contribution of NSE has been transferred to other clearing corporations.

Deposits from members & Clearing Banks (Unsecured)

The total deposits from members & Clearing Banks as on March 31, 2021 stood at Rs.918.28 crores as against Rs.838.26 crores as on March 31, 2020.

Fixed Assets

Total Gross Block as on March 31, 2021 was Rs 94.56 crores. Total Accumulated depreciation up to March 31, 2021 was Rs.48.41 crores. Net fixed Assets (including Capital W.I.P) were Rs.46.15 crores.

Investments

The prudential policy of the Company permits to invest both long term and short-term surplus funds into deposits of highly rated banks, bonds issued by the Central / State governments, debt oriented schemes of high performing liquid schemes of mutual funds. As on March 31, 2021, the total non-current investments were Rs.90.00 crores as against Rs.80.00 crores as on March 31, 2020. Current investments were Rs.292.86 crores as on March 31, 2021 as against Rs.290.64 crores as on March 31, 2020, an increase of Rs.12.22 crores.

Other Non-Current and Current Assets

Total other assets (non-current and current) as on March 31, 2021 stood at Rs.9,847.41 crores mainly comprising of cash and bank balances in current and Fixed Deposits amounting to Rs.9,636.89 crores, interest accrued on investments and Fixed Deposits amounting to Rs.74.58 crores, trade receivables amounting to Rs.58.34 crores.

Other Non-Current and Current Liabilities

Total other liabilities (non-current and current) as on March 31, 2021 stood at Rs.8,653.97 crores mainly comprising of Settlement Obligations payable Rs.4,141.70 crores, Margins from Members Rs.4,148.93 crores.

Taxation

The total Provision for tax (including deferred tax) for the year 2020-21 was Rs.114.82 (net off tax on contribution to Core SGF) crores as against Rs.84.62 crores for the year 2019-20.

Events occurring after the balance sheet date.

There are no transactions of material nature that have occurred after March 31, 2021 which could have any impact on the financial performance of the Company for the year 2020-21.

<u>Financial performance –Consolidated (2020-21)</u>

During the year 2020-21, the total revenue increased by around 28.71% from Rs.431.83 crores for the year 2019-20 to Rs.555.82 crores for the year 2020-21.

The total expenditure for the year 2020-21 was Rs.171.45 crores as compared to Rs.140.33 crores for the year 2019-20, an increase of around 22.18 % over the previous year.

The total Profit Before tax and exceptional item for the year 2020-21 was Rs. 384.37 crores as against Rs. 291.50 crores for the year 2019-20, an increase of around 31.86% over the previous year.

Exceptional item for the year 2020-21 was 68.23 crores as Provision for Impairment of Intangible assets under development pertaining to Clearing & Settlement System due to discontinuation of the project.

The total Profit Before tax for the year 2020-21 was Rs.316.14 crores as against Rs.291.50 crores for the year 2019-20, an increase of around 8.45% over the previous year.

The total Provision for tax (including deferred tax) for the year 2020-21 was Rs 114.82 crores as against Rs. 84.62 crores for the year 2019-20.

The total Profit after tax for the year 2020-21 was Rs.201.31 crores as against Rs.206.88 crores for the year 2019-20, a decrease of around 2.69% over the previous year.

The total Comprehensive Income for the year 2020-21 was Rs.199.70 crores as against Rs.210.86 crores for the year 2019-20, a decrease of around 5.29% over the previous year.

Operating Revenues

Clearing & Settlement charges

NSE carries out the clearing and settlement of the trades executed in the CM, F&O and CD segments. During the previous year, as prescribed by SEBI interoperability framework among Clearing corporations was implemented which allows market participants to consolidate their clearing and settlement functions at a single Clearing Corporation, irrespective of the stock exchanges on which the trades are executed. The clearing & settlement charges for the year 2020-21 increased by around 61.72% from Rs.180.53 crores for the year 2019-20 to Rs.291.95 crores for the year 2020-21.

Interest & Other Investment income

During the year 2020-21, the total investment income increased from Rs.245.89 crores for the year 2019-20 to Rs.256.19 crores for the year 2020-21.

Other Operating Revenues

During the year 2020-21, the other operating revenues increased from Rs.5.41 crores for the year 2019-20 to Rs.7.53 crores for the year 2020-21.

Expenditure

Other expenses

During the year 2020-21, other expenses were at Rs.119.59 crores as against the other expenses of Rs.93.85 for the year 2019-20.

Employee cost

Employee related expenses for FY 2020-21 was Rs.36.61 crores which was Rs.35.29 crores for the year 2019-20. During the year, certain employees of NSE were deputed to the Company for IT management and consultancy, accordingly, Salaries, wages and bonus of Deputed Staff pertains to amount reimbursed by the Company to NSE in respect of employees made available to the company. For the year 2020-21, the total employee cost as a percentage to total income was 6.59% and as a percentage of expenditure was 21.35% which is comparable to the industry standards. Total number of employees as on March 31, 2021 were 103 employees.

Depreciation

Depreciation increased by around 36.28% from Rs.11.19 crores for the year 2019-20 to Rs.15.25 crores for the year 2020-21.

<u>Financial Statement as on March 31, 2021</u>

Share Capital

The total paid up capital of the Company as on March 31, 2021 was Rs.45 crores divided in to 4,50,00,000 equity shares of Rs.10 each.

Reserves & Surplus

The total other Equity as on March 31, 2021 was Rs. 623.27 crores comprising of General reserve of Rs.244.71 crores, Capital Redemption Reserve of Rs. 10.00 crores, Foreign Currency Translation Reserve of Rs.5.22 crores and balance in P&L A/c of Rs.363.35 crores.

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

Thus the total Net worth of the Company as on March 31, 2021 was Rs. 668.27 crores (excluding contribution to Core SGF) and Rs.1690.77 crores (including contribution to Core SGF and contribution to Settlement Guarantee Fund (SGF) - Commodity derivatives) and the book value was Rs.148.50 per share (excluding contribution to Core SGF) and Rs.375.73 per share(including contribution to Core SGF and contribution to Settlement Guarantee Fund (SGF) - Commodity derivatives).

Core Settlement Guarantee Fund (Core SGF)

a) Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, interalia, has issued norms related to the computation and Minimum Required Contribution (MRC) to the Core Settlement Guarantee Fund by the Clearing Corporation (minimum 50%), Stock Exchange (minimum 25%) and members (maximum 25%). Further SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05, 2016 advised Stock Exchange to transfer 25% of its annual profits to Core SGF. Accordingly, total Core SGF as on March 31, 2021 was Rs. 3528.30 crores comprising of: a) Rs.762.66 crores contributed by NSE Clearing Ltd (NCL) by appropriating reserves / profits b) Rs.373.65 crores received from NSE towards Core SGF. c) Member's contribution to Core SGF amounting to Rs. 364.43 crores was utilised out of the amount received from NSE towards 25% of its annual profits upto August 2015 d) The balance amount of 25% of Exchange profits amounting to Rs. 327.51 crores is credited to Core SGF e) Rs.128.84 crores, Rs.76.35 crores and Rs.75.07 crores adjusted towards incremental requirement of Minimum Required Corpus (MRC) from the interest accrual on the cash contribution by NCL, NSE and NSE`s Contribution on behalf of members respectively. In addition to the above, Fines & penalties collected by NCL amounting to Rs.869.76 crores and an amount of Rs. 534.06 crores being Income from investments of Core SGF funds have been credited to Core SGF.

NCL's own contribution to Core SGF for the quarter ended March 2021, Dec 2020, and March 2020 are NIL respectively and for the financial year ended March 21 is Rs.28.20 Crores (for the year ended March 2020 Rs. Nil) have been appropriated out of profits.

Further incremental requirement of Contribution to core SGF adjusted from interest on respective investments for quarter ended March 2021, Dec 2020 and March 2020 are NIL respectively. Further incremental requirement of Contribution to core SGF for financial year ended March 2021 was Rs. 115.94 crores (from NCL Rs.59.80 crores, NSE Rs.29.09 crores and NSE on behalf of members Rs.27.05 crores). Also interest on investment of balance amount of 25% of Exchange profits amounting to Rs. 14.91 crores and Rs. 16.95 Crores adjusted for Incremental Contribution of NSE and NSE on behalf of members respectively.

Further, as per circular dated SEBI/HO/MRD2/DCAP/CIR/P/2021/03 January 08, 2021, SEBI has allowed transfer of excess contribution made by Stock Exchanges from Core SGF of one Clearing Corporation to the Core SGF of another Clearing Corporation in inter-operable scenario. Accordingly, Rs.15.97 crores contribution of other stock exchanges has been received from respective clearing corporations and an amount of Rs.70.51 crores pertaining to contribution of NSE has been transferred to other clearing corporations.

b) SEBI vide circular no. SEBI/HO/MRD/DSA/ CIR / P/2016/125 dated November 28, 2016 has issued norms for set up of a fund and minimum corpus of such fund to guarantee the settlement of trades executed in the stock exchanges in International Financial Service Centre (IFSC). Accordingly, total Core SGF as on March 31, 2021 of NSE IFSC Clearing Corporation Limited (NICCL), WOS of NCL was Rs.10.28 crores comprising of Rs.9.84 crores contributed by NICCL by appropriating reserves / profits and Fines & penalties collected by NICCL amounting to Rs.0.03 crores & an amount of Rs 0.41 crores being Income from investments of Core SGF funds have been credited to Core SGF. Further, NICCL contribution to its Core SGF for the quarter ended March 2021, Dec 20 and March 20 amounting to Rs. 1 crore, Rs. NIL and Rs. 0.50 crores, respectively and Contribution for year ended March 2021 is Rs.1.00 Crore and for year ended March 31, 2020 Rs.0.50 crores.

c) During the financial year 2018-19, the Company received approval from SEBI to start clearing & settlement activities in Commodity Derivatives and commenced operations w.e.f. October 12, 2018. As required by SEBI an amount of Rs.250 crores. has been earmarked towards a separate fund to augment Settlement Guarantee Fund for Commodity Derivatives by way of appropriation from General Reserves. Further, the company has also earmarked investments amounting to Rs. 250 crores. towards the same.

Deposits from members & Clearing Banks (Unsecured)

The total deposits from members & Clearing Banks as on March 31, 2021 stood at Rs.923.06 crores as against Rs.842.52 crores as on March 31, 2020.

Fixed Assets

Total Gross Block as on March 31, 2021 was Rs.104.33 crores. Total Accumulated depreciation up to March 31, 2021 was Rs.52.35 crores. Net fixed Assets (including Capital W.I.P) were Rs.51.98 crores.

Investments

The prudential policy of the Company permits to invest both long term and short-term surplus funds in to deposits of highly rated banks, bonds issued by the Central / State governments, debt oriented schemes of high performing liquid schemes of mutual funds. Current investments were Rs.292.86 crores as on March 31, 2021 as against Rs.290.64 crores as on March 31, 2020, an increase of Rs.2.22 crores.

Other Non-Current and Current Assets

Total other assets (non-current and current) as on March 31, 2021 stood at Rs.9,909.75 crores mainly comprising of cash and bank balances in current and Fixed Deposits amounting to Rs.9,698.61 crores, interest accrued on investments and Fixed Deposits amounting to Rs.74.61 crores, trade receivables amounting to Rs.58.34 crores.

Other Non-Current and Current Liabilities

Total other liabilities (non-current and current) as on March 31, 2021 stood at Rs.8,663.25 crores mainly comprising of Settlement Obligations payable Rs.4,141.70 crores, Margins from Members Rs.4,155.27 crores.

Taxation

The total Provision for tax (including deferred tax) for the year 2020-21 was Rs.114.82 (net off tax on contribution to Core SGF) crores as against Rs.84.62 crores for the year 2019-20.

Events occurring after the balance sheet date.

There are no transactions of material nature that have occurred after March 31, 2021 which could have any impact on the financial performance of the Company for the year 2020-21.

CEO – CFO Certification

To,
The Board of Directors
NSE Clearing Limited

We, Vikram Kothari, Managing Director and Amit Amlani, Chief Financial Officer of the NSE Clearing Limited hereby certify to the Board that:

a. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2021 and that to the best of our knowledge and belief :
   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit committee
   i. significant changes, if any, in internal control over financial reporting during the year;
   ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai	**Vikram Kothari**	**Amit Amlani**
Date: May 05, 2021	**Managing Director**	**Chief Financial Officer**

To,
The Members of
NSE Clearing Limited.

We have examined all relevant records of **NSE Clearing Limited** (formerly known as National Securities Clearing Corporation Limited) (further known as the Company) for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies for the financial year ended 31st March 2021. In terms of Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the disclosure requirements and corporate governance norms as specified for listed companies have become mutatis mutandis applicable to a recognised Stock Exchange. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified for listed company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: May 05, 2021

For BNP & Associates
Company Secretaries
Firm Regn. No. P2014MH037400
PR. NO: 637/2019

Avinash Bagul
Partner
FCS No: 5578 CP NO:19862
UDIN: F005578C000245213

ANNEXURE 7(I) TO DIRECTORS' REPORT
STATEMENT PURSUANT TO RULE 5(2) OF THE
COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of	Remuneration Received		Experience (No.of	Date of Commencement of	Last Employment
				Gross	Net			
1	Mr. Vikram Kothari # & CA ICWA.	50	Managing Director	16851383	10696372	25	November 7, 2017	Executive Director J P Morgan Chase Bank
2	Mr. Ravindra Bathula # & $ LL.B.	51	General Counsel	11761089	7981626	27	December 1, 2016	Head - General Counsel National Stock Exchange of India Ltd.
3	Mr Natarajan Ramasamy # & $ @ CFA, FRM Diploma in Business Finance, M.Sc	60	Head-Risk Analysis & Operations	4604085	2224087	35	December 1, 2016	Head - Clearing & Settlement National Stock Exchange of India Ltd.
4	Mr Huzefa Mahuvawala # & $ CA	43	Vice President	13750647	9078456	21	December 1, 2016	Asst. Vice President National Stock Exchange of India Ltd.
5	Ms. Rana Usman # & $ M.Com, PGDBM	50	Head - Clearing & Settlement	12347537	8445563	26	December 1, 2016	Sr. Asst. Vice President National Stock Exchange of India Ltd.
6	Mr R Jayakumar # & @ CS LL.B MA	53	Senior Vice President	2440033	1712915	30	September 1, 2017	Assistant Vice President National Stock Exchange of India Ltd.
7	Ms. Hima Bindu Vakkalanka # & MBA	47	Vice President	7591594	5141598	25	September 1, 2017	Asst. Vice President National Stock Exchange of India Ltd.
8	Mr. Nilesh Tinaikar # & MMS	49	Vice President	8135611	5415988	25	September 1, 2017	Asst. Vice President National Stock Exchange of India Ltd.
9	Mr. Amit Amlani # & MBA DBM	44	Associate Vice President	6034554	4021214	21	September 1, 2017	Chief Manager National Stock Exchange of India Ltd.
10	Mr Dhawal Shah # C.A	42	Vice President	5882873	4015790	18	December 02, 2019	Head - Operations MCX Clearing Corporation Limited
11	Mr. Chirag S Nagda # @ CS, LL.B, Master of Business Laws	34	Chief Manager	1297911	788523	11	June 9, 2020	Chief Manager National Stock Exchange of India Limited
12	Mr Paul Moonjelil # & B.E	42	Associate Vice President	3606917	2629452	19	August 05, 2019	Senior Manager Price Waterhouse
13	Ms Moushumi Mandal Suganth # & M.M.S	43	Associate Vice President	8145986	5542599	20	December 01, 2019	Associate Vice President National Stock Exchange of India Limited
14	Mr Aniket Bhanu # B.E, PGDBM	37	Vice President	5893603	4142021	13	July 03, 2017	Partner Giganalytics LLP

1 Gross Remuneration includes Salary and other benefits, Company's contribution to Provident Fund, Pension, Superannuation Fund, taxable value of perquisites etc. Net remuneration represents gross remuneration less Company's contribution to provident, pension and superannuation funds, taxable value of perquisites, profession tax and income tax. Where applicable, the amounts also include certain allowances accrued during previous year(s) but claimed in the current year.

2 Besides the above, leave encashment amounting to Rs.354088, Rs 597130, Rs 908609, Rs 597072, Rs 863172, Rs 368869, Rs 403508, Rs 299544, Rs 86918 was paid to Mr. Ravindra Bathula, Mr Huzefa Mahuvawala, Mr Natarajan Ramasamy, Ms Rana Usman, Mr R Jayakumar, Ms Hima Bindu Vakkalanka, Mr Nilesh Tinaikar, Mr Amit Amlani and Ms Moushumi Mandal Suganth respectively and interest on withheld variable pay for FY 2016-17 of Rs.87364, Rs 307957, Rs 265136 and Rs 278132 was paid to Ms. Rana Usman, Mr Natrajan Ramasamy, Mr, Ravindra Bathula and Mr Huzefa Mahuvawala respectively. Mr. Natarajan Ramaswamy and Mr R Jayakumar were also paid Rs 1303625 and Rs 5984550 towards gratuity respectively.

3 Employees, whose names are marked with # are Key Management Personnel under SCR(SECC) Regulations, 2018 of SEBI. The remuneration of employee marked with & excludes 50% of their Variable Pay to be paid on deferred basis after 3 years. For employees marked with $, remuneration received includes 50% variable pay pertaining to earlier period namely Ms Rana Usman (Gross Rs 388169 - Net Rs 248889), Mr Natarajan Ramasamy (Gross Rs 1368293 - Net Rs 877353), Mr Ravindra Bathula (Gross Rs 1178036 - Net Rs 755356) and Mr Huzefa Mahuvawala (Gross Rs 1235779 - Net Rs 792379)

4 None of the employees mentioned above is a relative of any Director.

5 All Employees are in permanent employment of the company on contractual basis governed by the employment terms & conditions and service rules.

6 Employees whose name has been marked with @ were employed with the company for part of the year.

7 None of the above employees is holding any equity share in the company within the meaning of clause (iii) of sub-rule 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

8 The Company does not have any Employees Stock Option Plan (ESOP) Scheme for its employees.

NSE CLEARING LIMITED

ANNEXURE 7 (II) TO DIRECTORS' REPORT

DISCLOSURES PURSUANT TO SECTION 197 (12) OF THE COMPANTES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The disclosures pertaining to remuneration in terms of Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 27 (6) of SCR (SECC) Regulations, 2018 are as per the details provided below.

i. **Ratio of Remuneration of each director to the median remuneration of the employees of the Company for the Financial year**

- Director's remuneration : Rs. 2,20,00,000
- Employees' remuneration : Rs. 21,26,88,385
- Median of employees' remuneration : Rs. 10,28,225

The ratio of remuneration of the Managing Director to the median remuneration of the employees of the Company for the financial year is 21.4 X

ii. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial year**

The percentage increase in remuneration of Managing Director, Company Secretary and Chief Financial Officer in the financial year is around 8%, 5% and 7% respectively.

* Changes in the following positions :
- There has been a change in the Company Secretary on account of his untimely demise and a new Company Secretary has been appointed with effect from 9 June 2020.
- Re-appointment of Managing Director with effect from 7 November 2020 and with 21% increase in his remuneration. This has been approved by the Board and SEBI.

iii. **The percentage increase in the median remuneration of employees in the Financial year**
The percentage increase in the median remuneration of employees in the financial year is around 7.9%.

iv. **The number of permanent employees on the rolls of the Company**
As on March 31, 2021, there are 103 employees on the rolls of the Company.

v. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

The average percentile increase for the employees has been 7% as against 8% for the managerial personnel in the last financial year. Apart from the performance based normal increment, there was no other exceptional salary revision given in FY 2020-21.

Note: KMPs under Companies Act and KMPs under SECC Regulations are considered as managerial personnel.

vi. **Affirmation that the remuneration is as per the remuneration policy of the Company.**

The remuneration is as per the remuneration policy of the Company.

ANNEXURE 8 TO DIRECTORS' REPORT

KMP compensation - NCL

INFORMATION REQUIRED UNDER REGULATION 27(5) & (6) OF THE SECURITIES CONTRACTS (REGULATION) (STOCK EXCHANGES AND CLEARING CORPORATIONS) REGULATIONS, 2018

Sr. No.	KMP Name	KMP Compensation	Median of compensation of all employees	Ratio of median of compensation of all employees against KMP compensation
1	Mr. Vikram Kothari #	1,68,51,383	8,50,764	19.81
2	Mr. Natarajan Ramasamy # $ @	46,04,085	8,50,764	5.41
3	Mr. Huzefa Mahuvawala # $	1,37,50,647	8,50,764	16.16
4	Ms. Rana Usman # $	1,23,47,537	8,50,764	14.51
5	Mr. Ravindra Bathula # $	1,17,61,089	8,50,764	13.82
6	Mr. R Jayakumar # @	24,40,033	8,50,764	2.87
7	Mr. Nilesh Tinaikar #	81,35,611	8,50,764	9.56
8	Ms. Hima Bindu Vakkalanka #	75,91,594	8,50,764	8.92
9	Ms. Moushumi Mandal Suganth #	81,45,986	8,50,764	9.57
10	Mr. Dhawal Shah	58,82,873	8,50,764	6.91
11	Mr. Amit Amlani #	60,34,554	8,50,764	7.09
12	Mr. Aniket Bhanu	58,93,603	8,50,764	6.93
13	Mr. Paul Moonjelil #	36,06,917	8,50,764	4.24
14	Mr. Chirag S Nagda @	12,97,911	8,50,764	1.53

Notes :

1 Gross Remuneration includes Salary and other benefits, Company's contribution to Provident Fund, Pension, Superannuation Fund, taxable value of perquisites etc. Net remuneration represents gross remuneration less Company's contribution to provident, Pension and superannuation funds, taxable value of perquisites, profession tax and income tax. Where applicable, the amounts also include certain allowances accrued during previous year(s) but claimed in the current year.

2 Besides the above, leave encashment amounting to Rs.354088, Rs 597130, Rs 908609, Rs 597072, Rs 863172, Rs 368869, Rs 403508, Rs 299544, Rs 86918 was paid to Mr. Ravindra Bathula, Mr Huzefa Mahuvawala, Mr Natarajan Ramasamy, Ms Rana Usman, Mr R Jayakumar, Ms Hima Bindu Vakkalanka, Mr Nilesh Tinaikar, Mr Amit Amlani and Ms Moushumi Mandal Suganth respectively and interest on withheld variable pay for FY 2016-17 of Rs.87364, Rs 307957, Rs 265136 and Rs 278132 was paid to Ms. Rana Usman, Mr Natrajan Ramasamy, Mr, Ravindra Bathula and Mr Huzefa Mahuvawala respectively. Mr. Natarajan Ramaswamy and Mr R Jayakumar were also paid Rs

3 The remuneration of employee marked with # excludes 50% of their Variable Pay to be paid on deferred basis after 3 years.For employees marked with $, remuneration received includes 50% variable pay pertaining to earlier period namely Ms Rana Usman Rs 388169, Mr Natarajan Ramasamy Rs 1368293, Mr Ravindra Bathula Rs 1178036 and Mr Huzefa Mahuvawala Rs 1235779.

4 Employees marked with @ were employed with the company for part of the year.

KHANDELWAL JAIN & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **NSE Clearing Limited** (formerly known as National Securities Clearing Corporation Limited) ("the Holding Company") and its subsidiary, (Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records, (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of its consolidated profit, its consolidated total comprehensive income, its consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Legal matters and uncertain tax positions As of March 31, 2021, the Holding Company has various ongoing litigations on legal matters and proceedings with tax authorities involving uncertain direct and indirect tax positions. Refer note 32 and 33 to the consolidated financial statements. <u>Uncertain direct and indirect tax positions</u> There are various direct and indirect tax cases against the Holding Company, including disallowance of certain expenses under income tax, applicability of service tax on certain services etc. This is a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources, if any, provisions and related disclosures to be made in the consolidated financial statements.	Our audit procedures related to legal matters and uncertain tax positions included– • Evaluating the design and operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the consolidated financial statements in respect of these matters; • Obtaining details of litigations on legal matters and uncertain direct and indirect tax positions. • Reviewing orders and management responses thereto. • Inspecting the supporting documents to evaluate management's assessment of probability of outcome of ongoing proceedings, the magnitude of potential loss, if any, and testing related provisions and disclosures made in the consolidated financial statements; • Reviewing expert's legal advice/opinion obtained by the Holding Company's management for evaluating certain legal and tax matters; and • Evaluating competence and capabilities of the experts. Based on the above procedure, we noted that the Holding Company has reviewed the above pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its consolidated financial statements.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, 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.

If, based on the work we have performed and the report of the other auditors as furnished to us (refer 'Other Matter' paragraph below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of Rs 78.74 Crores and net assets of Rs 54.10 Crores as at March 31, 2021, total revenue of Rs. 0.91 Crores, its loss Rs. (9.23) Crores, total comprehensive loss of Rs. (10.73) Crores and net cash flows amounting to Rs. (2.23) Crores for the year ended on that date, as considered in the consolidated financial statements. This financial statements have been audited by other auditors whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other information insofar as it relates to the aforesaid subsidiary is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure 'A'**.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiary, as noted in the Other Matter paragraph:

(i) The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – refer Note 33 to the consolidated financial statements.

(ii) The Group had long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Group did not have any derivative contracts as at March 31, 2021 - refer Note 34 to the consolidated financial statements.

(iii) During the year ended March 31, 2021, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India - refer Note 44 to the consolidated financial statements.

For Khandelwal Jain & Co.
Chartered Accountants
Firm's Registration No. 105049W

(Narendra Jain)
Partner
Membership No. 048725
UDIN: 21048725AAAABT1442

Place: Mumbai
Date: May 05, 2021

6-B&C, Pil Court, 6th Floor,
111, M. Karve Road, Churchgate,
Mumbai - 400 020.
Tel.: (+91-22) 4311 5000
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Annexure A to the Independent Auditor's Report
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report on consolidated financial statements to the Members of **NSE Clearing Limited** of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of **NSE Clearing Limited** (formerly known as National Securities Clearing Corporation Limited) (hereinafter referred to as "the Holding Company") and its subsidiary company which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which is company incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to a subsidiary company, which is company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of this matter.

For Khandelwal Jain & Co.
Chartered Accountants
Firm's Registration No. 105049W

(Narendra Jain)
Partner
Membership No. 048725
UDIN: 21048725AAAABT1442

Place: Mumbai
Date: May 05, 2021

NSE CLEARING LIMITED
(Formerly known as NATIONAL SECURITIES CLEARING CORPORATION LIMITED)

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(Rs.in Crores)

	Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
I	**ASSETS**			
1	**Non-current Assets**			
a	Property, Plant and Equipments	2	**35.17**	17.18
b	Right-Of-Use Assets	2	**0.94**	1.05
c	Capital work-in-progress	2	**0.39**	-
d	Other Intangible Assets	3	**13.72**	17.65
e	Intangible assets under development	3	**1.76**	63.48
f	Financial assets			
i	Non-current bank balances	4	**138.20**	89.19
ii	Other Financial assets	5	**1.42**	2.50
			191.60	191.05
g	Income tax assets (net)	14	**62.11**	63.59
h	Other Non -current assets	6	**0.00**	0.00
	Total Non-current Assets		**253.71**	254.63
2	**Investments -Core Settlement Guarantee Fund**	10	**3,538.58**	3,158.47
3	**Investment earmarked towards SGF - Commodity derivatives**	4 & 7	**250.00**	250.00
4	**Current Assets**			
a	Financial Assets			
i	Investments	7	**292.86**	290.64
ii	Trade Receivables	8	**58.34**	14.29
iii	Cash and Cash equivalents*	9	**9,031.82**	9,074.98
iv	Bank balances other than cash and cash equivalents*	4	**528.58**	544.33
	* Includes Rs. 8296.97 crores (March 20: Rs 8702.82 crores) pertaining to Settlement obligations and margin money from members			
v	Other Financial assets	5	**74.11**	67.07
			9,985.71	9,991.32
b	Other current assets	6	**15.16**	16.57
	Total Current Assets		**10,000.87**	10,007.89
	TOTAL ASSETS		**14,043.16**	13,671.00
II	**EQUITY AND LIABILITIES**			
1	**Equity**			
a	Equity Share capital	11 (a)	**45.00**	45.00
b	Other Equity	11 (b)	**623.27**	534.55
	Total Equity		**668.27**	579.55
2	**Core Settlement Guarantee Fund (Core SGF)**	26	**3,538.58**	3,158.47
3	**Settlement Guarantee Fund (SGF)- Commodity derivatives**	27	**250.00**	250.00
	Liabilities			
4	**Non-current liabilities**			
a	Provisions	18	**9.63**	8.37
b	Lease Liability	40	**1.05**	1.11
c	Deferred tax liabilities (Net)	12(c)	**1.83**	2.89
	Total Non-current Liabilities		**12.51**	12.37
5	**Current Liabilities**			
a	Financial Liabilities			
i	Deposits	15	**923.06**	842.52
ii	Trade payable to ;	16		
	Total Outstanding dues of micro enterprises and small enterprises		**0.00**	-
	Total Outstanding dues of creditors other than micro enterprises and small enterprises		**18.03**	13.55
iii	Lease Liability	40	**0.02**	0.01
iv	Other financial liabilities	16	**8,338.90**	8,730.97
	* Includes Rs. 8296.97 crores (March 20: Rs 8702.82 crores) pertaining to Settlement obligations and margin money from members			
			9,280.01	9,587.06
b	Provisions	18	**7.02**	7.34
c	Income tax liabilities (net)	13	**95.83**	45.67
d	Other current liabilities	18	**190.94**	30.55
	Total Current Liabilities		**9,573.80**	9,670.62
	Total Liabilities		**13,374.89**	13,091.47
	TOTAL EQUITY AND LIABILITIES		**14,043.16**	13,671.00
	Summary of significant accounting policies	1		

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

This is the Balance sheet referred to in our report of even date
For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No : 105049W

For and on behalf of the Board of Directors

HARUN R KHAN
Chairman
[DIN :07456806]

VIKRAM KOTHARI
Managing Director
[DIN : 07898773]

NARENDRA JAIN
Partner
Membership No.: 048725

AMIT AMLANI
Chief Financial Officer

CHIRAG NAGDA
Company Secretary

Place : Mumbai
Date : May 05, 2021

NSE CLEARING LIMITED

(Formerly known as NATIONAL SECURITIES CLEARING CORPORATION LIMITED)

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

(Rs.in Crores)

Particulars	Notes	For the year ended 31.03.2021	For the year ended 31.03.2020
Income			
Revenue from operations	19	**501.74**	**366.82**
Other income	20	**54.08**	**65.01**
Total Income		**555.82**	431.83
Expenses			
Employee benefits expense	21	**36.61**	35.29
Depreciation and amortisation expense	2,3 & 40	**15.25**	11.19
Other expenses	22	**119.59**	93.85
Total Expenses		**171.45**	140.33
Profit before exceptional item		**384.37**	**291.50**
Less : Exceptional Items			
Provision for Impairment of Intangible assets under development	36	**68.23**	-
Profit before tax		**316.14**	**291.50**
Less : Tax expenses	12		
Current tax		**115.84**	90.43
Tax for earlier year		**-**	0.38
Deferred tax		**(1.02)**	(6.19)
Total tax expenses		**114.82**	84.62
Profit for the year (A)		**201.31**	206.88
Other Comprehensive Income			
Items that will be reclassified to profit or loss			
Changes in foreign currency translation reserve		**(1.50)**	4.77
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		**(0.15)**	(1.12)
Income tax relating to items that will not be reclassified to profit or loss			
Tax Remeasurements of post-employment benefit obligations		**0.04**	0.33
Total Other Comprehensive Income for the year (B)		**(1.61)**	3.98
Total Comprehensive Income for the year (A+B)		**199.70**	210.85
Earnings per Equity Share (FV Rs. 10 each) (before contributions to Core SGF)			
Basic (Rs.)	30	**44.74**	45.97
Diluted (Rs.)	30	**44.74**	45.97
Summary of significant accounting policies	1		

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

This is the Statement of Profit & loss referred to in our report of even date

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No : 105049W

NARENDRA JAIN
Partner
Membership No.: 048725

Place : Mumbai
Date : May 05, 2021

For and on behalf of the Board of Directors

HARUN R KHAN
Chairman
[DIN :07456806]

VIKRAM KOTHARI
Managing Director
[DIN : 07898773]

AMIT AMLANI
Chief Financial Officer

CHIRAG NAGDA
Company Secretary

NSE Clearing Limited
(Formerly known as NATIONAL SECURITIES CLEARING CORPORATION LIMITED)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31 2021

(A) **Equity Share Capital**

	(Rs.in Crores)
Balance as at 01.04.2019	**45.00**
changes in equity share capital during the Year	-
Balance as at 01.04.2020	**45.00**
changes in equity share capital during the Year	-
Balance as at 31.03.2021	**45.00**

(B) **Other Equity** **(Rs.in Crores)**

	Reserves and Surplus				
	Capital Reserve	General reserve	Foreign Currency Translation Reserve	Retained Earnings	Total
Balance at the 01.04.2019	10.00	244.71	1.95	165.18	421.84
Profit for the year				206.88	206.88
Other Comprehensive Income				(0.79)	(0.79)
Contribution to core SGF				(0.50)	(0.50)
Share issue expenses				(0.00)	(0.00)
Changes in Foreign Currency Translation Reserve through Other Comprehensive Income			4.77	-	4.77
Transaction with owners in their capacity as owners					
Dividends paid				(81.00)	(81.00)
Dividend Distribution Tax				(16.65)	(16.65)
Balance at the 31.03.2020	**10.00**	**244.71**	**6.72**	**273.12**	**534.55**
Profit for the year.				201.31	201.31
Other Comprehensive Income				(0.11)	(0.11)
Contribution to core SGF (Refer Note 26)				(29.19)	(29.19)
Tax on contribution to Core SGF				8.21	8.21
Share issue expenses				(0.01)	(0.01)
Changes in Foreign Currency Translation Reserve through Other Comprehensive Income			(1.50)	-	(1.50)
Transaction with owners in their capacity as owners					
Dividend paid				(90.00)	(90.00)
Balance at the 31.03.2021	**10.00**	**244.71**	**5.22**	**363.34**	**623.27**

The accompanying notes are an integral part of the financial statements.
This is the statement of changes in equity referred to in our report of even date

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No : 105049W

NARENDRA JAIN
Partner
Membership No.: 048725

Place : Mumbai
Date : May 05, 2021

For and on behalf of the Board of Directors

HARUN R KHAN
Chairman
[DIN :07456806]

VIKRAM KOTHARI
Managing Director
[DIN : 07898773]

AMIT AMLANI
Chief Financial Officer

CHIRAG NAGDA
Company Secretary

NSE CLEARING LIMITED

(Formerly known as NATIONAL SECURITIES CLEARING CORPORATION LIMITED)

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

Rs. in Crores

		For the year ended 31.03.2021	For the year ended 31.03.2020
A)	**CASHFLOW FROM OPERATING ACTIVITIES**		
	NET PROFIT BEFORE TAX	**316.14**	291.50
	Add/(Less) :- Adjustments for :		
	- Depreciation	**15.25**	11.19
	- Net gain on financial assets mandatorily measured at Fair Value through Profit or Loss	**(9.98)**	(10.06)
	- Provision for Impairment of Intangible assets under development	**68.23**	
	- Finance Cost	**0.07**	0.07
	Less : Adjustments for :		
	- Interest income on Bank deposit	**(40.84)**	(47 38)
	- Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	**(1.38)**	(7.34)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**347.49**	237.98
	Adjustments for :		
	Decrease/(Increase) in Trade Receivable	**(44.05)**	(4 63)
	Increase / (Decrease) in Trade payables	**4.48**	(9.73)
	Decrease/(Increase) in other financial assets	**(0.10)**	1.25
	Decrease/(Increase) in Other Assets	**1.41**	(7.18)
	Increase / (Decrease) in Other Financial Liabilities	**(392.08)**	2,634.05
	Increase / (Decrease) in Provision	**0.79**	2.28
	Increase /(Decrease) in Other Liabilities	**160.37**	7.22
	Proceed of Deposit from Trading member / applicant	**254.10**	143.46
	Refund of deposit from trading members / applicant	**(173.56)**	(92.57)
	CASH GENERATED FROM OPERATIONS	**158.86**	2,912.12
	Contribution to Core SGF	**(29.19)**	(0 50)
	Direct Taxes paid (Net of Refunds)	**(56.00)**	(124.07)
	NET CASH FROM OPERATING ACTIVITIES - Total (A)	**73.67**	2,787.55
B)	**CASHFLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipment's/ Capital work-in-progress	**(36.17)**	(40.93)
	Interest received	**34.97**	41.79
	(Increase)/Decrease in Fixed deposit	**(33.27)**	(120 22)
	Purchases of Investment	**(167.11)**	(217.69)
	Sale of Investment	**176.26**	309.87
	NET CASH USED IN INVESTING ACTIVITIES - Total (B)	**(25.32)**	(27 18)
C)	**CASHFLOW FROM FINANCING ACTIVITIES**		
	Dividend Paid (inclusive of corporate dividend tax)	**(90.00)**	(97.65)
	Share Issue Expense	**(0.01)**	(0.00)
	NET CASH FROM FINANCING ACTIVITIES - Total (C)	**(90.01)**	(97.65)
	Changes on account of conversion of balances from functional currency to presentation currency	**(1.50)**	4.77
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(43.16)**	2,667.49
	CASH AND CASH EQUIVALENTS : OPENING BALANCE*	**9,074.98**	6,407.49
	CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE*	**9,031.82**	9,074 98
	* Includes amount received from Settlement obligations and margin money from members (Refer to note 9 & 16)		
	NET INCREASE IN CASH AND CASH EQUIVALENT	**(43.16)**	2,667 49

Notes to Cash Flow Statement :

Cash and Cash equivalent represent bank balances and balances in fixed deposit accounts

2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind-AS 7 on Statement of Cash Flow notified underCompanies (Indian Accounting Standards) Rules, 2015

3 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification / disclosure

The accompanying notes are an integral part of the financial statements

This is the statement of cash flow referred to in our report of even date

For Khandelwal Jain & Co. **For and on behalf of the Board of Directors**
Chartered Accountants
Firm Registration No : 105049W

HARUN R KHAN
Chairman
[DIN :07456806]

VIKRAM KOTHARI
Managing Director
[DIN : 07898773]

NARENDRA JAIN
Partner
Membership No.: 048725

Place : Mumbai
Date : May 05, 2021

AMIT AMLANI
Chief Financial Officer

CHIRAG NAGDA
Company Secretary

Background and Significant Accounting Policies

Background

The NSE Clearing Limited (NCL), a wholly owned subsidiary of NSE, was incorporated in August 1995. It was the first clearing corporation to be established in the country and also the first clearing corporation in the country to introduce settlement guarantee. It was set up to bring and sustain confidence in clearing and settlement of securities, to promote and maintain, short and consistent settlement cycles, to provide counter-party risk guarantee, and to operate a tight risk containment system.

The consolidated financial statements relates to the Parent Company NSE Clearing Limited and its wholly owned Sole subsidiary company NSE IFSC Clearing Limited. (Collectively referred to as "the Group").

Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Ind As financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act , 2013 ('Act') (to the extent notified) .The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Amendments thereto.

The financial statements for the year ended March 31, 2021 has been approved by the Board of directors of the Company in their meeting held on May 05, 2021.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value, and
- defined benefit plans - plan assets measured at fair

iii) Principles of consolidation and equity accounting

i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the grou

Non-controlling interests, if any , in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

iii) Joint Arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post - acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note (i) below

v) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of profit o loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(b) Foreign currency translation and transactions

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian currency (INR), which is the Group`s functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

(iii) Group Companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to statement of profit or loss, as part of the gain or loss on sale.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, incentives, service taxes and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised in the period when the service is provided as per arrangements/agreements with the customers. The sources of revenue are:

(i) Clearing and Settlement charges, IT & support charges and processing charges are recognized on accrual basis as and when the services are rendered.;

(ii) In respect of Members who have been declared as defaulters by the Company all amounts (dues) remaining to be recovered, net of available security and insurance cover available if any, till the date of being declared as defaulters are written off as bad debts. All subsequent recoveries are accounted when received.

Shortages arising after the date of declaration of default are written off as bad debts in the year in which it arises, after exhausting all remedies including forfeiture of securities and insurance cover available if any.

Other overdue amounts are provided for as doubtful debts or are written off as bad debts, if the same are considered doubtful/irrecoverable in the opinion of the management.

(iii) Penal Charges, in the year of declaration of default, in respect of shortages due from the respective member, are booked to the extent such charges are recoverable.

(iv) Other insurance claims are accounted on accrual basis when the claims become due and payable.

(v) Income excludes applicable taxes and other levies

(d) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Group recognizes MAT credit available as an asset only to the extent there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Group recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the sufficient period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differen e can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(e) Leases

As a lessee

The Group`s lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of the contract. Ind AS 116 defines a lease as a contract, or a part of a contract, that conveyas the right of use an asset (the underlying asset) for a period of time in exchange of consideration. To assess whether as contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expenses on a straight line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the underlying assets.

As a lessor

Lease for which the Group is a lessor is classified as finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on straight line basis over the term of the relevant lease.

(f) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked/restricted for specific purposes.

Restricted cash:

Other bank balances comprise of Fixed deposits with maturity of more than three months and less than twelve months, other financial assets contains Fixed deposits with maturity of more than one year. This deposits are restricted balance and with lien for advances received from issuer of securities and advance received from defaulting members.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(i) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortised cost**: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) De-recognition of financial assets

A financial asset is de-recognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be reliably measured.

(j) Financial liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(k) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

(l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(m) Property, plant and equipment (including CWIP)

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

Furniture and fixture	5 to 10 years
Office equipment	4 to 5 years
Electrical equipment	10 years
Computer systems office automation	3 years
Computer systems – others	4 years
Computer software	4 years
Telecommunication systems	4 years
Clearing and Settlement Systems	4 years

The property, plant and equipment including land acquired under finance leases is depreciated over the asset's useful life or the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.

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

(n) Intangible assets

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Standard packaged software products are written off in the year of purchase.

Computer software is amortised over a period of 4 years.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(p) Provisions

Provisions for legal claims and discounts/incentives are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for restructuring are recognised by the Group when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Group will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

(q) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not disclosed in case the possibility of an outflow of resources embodying economic benefits is remote.

(r) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in statement of profit and loss in the year in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

(a) defined benefit plans such as gratuity, and

(b) defined contribution plans such as provident fund and superannuation.

Gratuity obligations

The Group has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iv) Defined contribution plans

Provident fund

Provident Fund: The Group is registered with Regional Provident Fund Office, Bandra, Mumbai, and both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively.

Superannuation

Superannuation benefits for employees designated as chief managers and above are covered by group policies with the Life Insurance Corporation of India. The contribution payable for the year is charged to revenue. There are no other obligations other than the annual contribution payable.

(v) Bonus plans

1. The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2. SEBI has laid down certain norms in terms of the compensation policy for the key management personnel which are as under :
   A. The variable pay component will not exceed one third of the total pay.
   B. 50% of the variable pay will be paid on a deferred basis after three years.

(s) Core Settlement Guarantee Funds

As per SEBI vide circular no. CIR/MRD/DRMNP/25/2014 dated August 27,2014 every recognised clearing corporation shall establish and maintain a Fund for each segment, to guarantee the settlement of trades executed in that respective segment of a recognised stock exchange. Similarly SEBI vide circular no. SEBI/HO/MRD/DSA/ CIR / P/2016/125 dated November 28, 2016 has issued norms for set up of fund and minimum corpus of fund to guarantee the settlement of trades executed in the stock exchanges in IFSC.

The Clearing Corporation shall have a fund called Core SGF for each segment of each Recognised Stock Exchange to guarantee the settlement of trades executed in the respective segment of the Stock Exchange. In the event of a clearing member(member) failing to honour settlement commitments, the Core SGF shall be used to fulfil the obligations of that member and complete the settlement without affecting the normal settlement process. The Core SGF shall be contributed by Clearing Corporation (NCL), Stock Exchanges and the clearing members, in a manner as prescribed by SEBI. This fund is represented by earmarked Core SGF investments. The income earned on such investments is credited to the respective contributor's funds and adjusted towards incremental requirement of Minimum Required Corpus (MRC) as per SEBI letter reference no. SEBI/HO/MRD/DRMNP/OW/P/2018/4559/1 dated February 12, 2018. Penalties and fines levied by the Group are transferred to Core SGF as Other Contributions.

(t) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(v) Earnings per share

(I) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(w) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

x) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Estimation of current tax expense and payable Note 12 and 13
Estimated useful life of intangible asset Note 3
Estimation of defined benefit obligation Note 25
Estimation of fair values of contingent liabilities refer Note 32

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

y) Recent pronouncements

The Ministry of Corporate affairs ("MCA") through a notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013 which will be applicable effective April 1, 2021.Disclosure of shareholding of promoters in specified format.

- Disclosure of current maturities of Long term borrowings under the head short term borrowings
- Disclosure of ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development in specified format.
- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Financial Ratios to be disclosed along with explanation with respect to items included in numerator and denominator.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The Group will evaluate the above and give effect as required by law.

Note 2 - Property, Plant and Equipments

(Rs. in Crores)

	OFFICE EQUIPMENTS	ELECTRICAL INSTALLATIONS	FURNITURE AND FIXTURES	COMPUTER SYS - OFF AUTOM	TELECOMMUNICATION SYSTEM	CLEARING AND SETTLEMENT SYSTEM	TOTAL	CAPITAL WORK IN PROGRESS	Right-Of-Use Assets Building
Year ended March 31 , 2020									
Gross carrying amount									
Opening gross carrying amount	0.15	0.10	0.51	0.23		18.37	19.36	3.11	
Exchnage differences	0.03	0.02	0.10				0.15		0.01
Additions					8.29	10.59	18.88		1.12
Disposals									
Transfers								(3.11)	
Closing gross carrying amount	**0.17**	**0.12**	**0.61**	**0.23**	**8.29**	**28.96**	**38.39**		**1.13**
Accumulated depreciation									
Opening accumulated depreciation	0.02	0.02	0.11	0.16		15.28	15.59		
Depreciation for the year	0.04	0.01	0.09	0.03	1.70	3.75	5 62		0.08
Disposals						(0.01)	(0.01)		
Closing accumulated depreciation	**0.06**	**0.03**	**0.20**	**0.19**	**1.70**	**19.03**	**21.20**		**0.08**
Net carrying amount	**0.12**	**0.09**	**0.41**	**0.04**	**6.59**	**9.94**	**17.18**		**1.05**
Year ended March 31, 2021									
Gross carrying amount									
Opening gross carrying amount	0.17	0.12	0.61	0.23	8.29	28.96	38.39		1.13
Exchnage differences	(0.08)	(0.06)	(0.26)				(0.39)		(0.03)
Additions				1.52	4.44	20.84	26.81	0.39	
Disposals									
Closing gross carrying amount	**0.10**	**0.06**	**0.36**	**1.75**	**12.73**	**49.80**	**64.81**	**0.39**	**1.10**
Accumulated depreciation									
Opening accumulated deprec'ation	0.06	0.03	0.20	0.19	1.70	19.03	21.20		0.08
Depreciation for the year	0.04	0.01	0.09	0.22	2.56	5.51	8.42		0.08
Exchange differences	0.00	0.01	0.01				0.02		(0.00)
Closing accumulated depreciation	**0.09**	**0.05**	**0.29**	**0.41**	**4.26**	**24.53**	**29.64**		**0.16**
Net carrying amount	**0.00**	**0.02**	**0.06**	**1.35**	**8.47**	**25.27**	**35.17**	**0.39**	**0.94**

Note 3: Intangible Assets

	COMPUTER SOFTWARE	TOTAL	INTANGIBLE ASSETS UNDER DEVELOPMENT
Year ended March 31 , 2020			
Gross carrying amount			
Opening gross carrying amount	22.39	22.39	49.58
Exchnage differences	0.23	0.23	
Additions	10.79	10.79	23.98
Disposals			
Transfers			(10.08)
Closing gross carrying amount	**33.41**	**33.41**	**63.48**
Accumulated Amortisation and impairment			
Opening accumulated Amortisation	10.27	10.27	
Amortisation for the year	5.49	5.49	
Disposals			
Closing amortization	**15.76**	**15.76**	
Net carrying amount	**17.65**	**17.65**	**63.48**
Year ended March 31, 2021			
Gross carrying amount			
Opening gross carrying amount	33.41	33.41	63.48
Exchnage differences	(0.12)	(0.12)	
Additions	2.98	2.98	10.52
Provision for Impairment of Intangible assets under development (Refer Note 36)			(68.23)
Disposals			
Transfers			(4.01)
Closing gross carrying amount	**36.27**	**36.27**	**1.76**
Accumulated Amortisation and impairment			
Opening accumulated Amortisation	15.76	15.76	
Amortisation for the year	6.74	6.74	
Disposals			
Exchange differences	0.05	0.05	
Closing amortization	**22.55**	**22.55**	
Net carrying amount	**13.72**	**13.72**	**1.76**

Significant estimate: Useful life of intangible assets under development

The Company has completed the development of software that is used to in its various business processes. As at 31 March 2021, the net carrying amount of this software was Rs.13.72 crores (31 March 2020: Rs.17.65 crore). The Company estimates the useful life of the software to be 4 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 4 years, depending on technical innovations and competitor actions.

4 **Other bank balances**

	Non-current		Current	
	31.03.2021	31.03.2020	**31.03.2021**	31.03.2020
	(Rs. In Crores)		**(Rs. in Crores)**	
Deposits with original maturity for more than 12 months #	**138.20**	89.19	**435.37**	381.15
Earmarked Deposits with original maturity for more than 12 months	**795.72**	636.92	**1,897.33**	1,976.49
Deposits with original maturity for more than 3 months but less than 12 months #			**73.45**	143.94
Earmarked Deposits with original maturity for more than 3 months but less than 12 months			**380.57**	381.16
Earmarked Deposits with original maturity for less than 3 months			**298.90**	
Earmarked Deposits with origina maturity less than 12 months*			**19.76**	19.24
Total	**933.92**	726.11	**3,105.38**	**2,901.98**
Less :				
Amount disclosed under Core SGF Investments (note 10)	**771.03**	620.21	**2,402.44**	2,174.52
Amount disclosed under Investments -SGF for Commodity segment (refer Note 26)	**24.69**	16.71	**174.36**	183.12
Total	**138.20**	89.19	**528.58**	544.33

* Earmarked towards withheld payouts.

Other bank balances & Cash and cash equivalents Includes Rs. 8296.97 crores (March 20: Rs.Rs. 8702.82 crores) pertaining to Settlement obligations and margin money from members

5 **Others Financial Assets**

	Non-current		Current	
	31.03.2021	31.03.2020	**31.03.2021**	31.03.2020
	(Rs. in Crores)		**(Rs. in Crores)**	
Advances recoverable in cash				
Unsecured, considered good			**0.28**	0.24
Other loans and advances				
Security Deposits	**0.31**	0.22		0.09
Others				
Interest accured on Bank deposits	**1.11**	2.28	**73.50**	66.47
Other receivable			**0.33**	0.27
Total	**1.42**	2.50	**74.11**	67.07

6 **Others Assets**

	Non-current		Current	
	31.03.2021	31.03.2020	**31.03.2021**	31.03.2020
	(Rs. in Crores)		**(Rs. in Crores)**	
Balances with GST authorities			**0.88**	5.24
Deposits with GST authorities			**2.78**	2.78
Other receivable*			**6.18**	6.18
Prepaid expenses	**0.00**	0.00	**5.32**	2.37
Total	**0.00**	0.00	**15.16**	16.57

* Other receivable is Deposits with Supreme Court pursuant to its directives in a case filed by the Company with regard to sale of col ateral securities with the company of a defaulter member

Note No. 7 CURRENT INVESTMENTS

	31.03.2021		31.03.2020	
	Number of Units	Rs. In crores	Number of Units	Rs. In crores
I **Investment in mutual funds**				
Un-quoted investments in mutual funds at FVPL				
UTI Liquid Fund - Cash Plan -Direct- Growth	35,777	12.06	76,270	24.80
Axis Liquid Fund -Direct - Growth	1,69,498	38.73	-	-
Edelweiss Liquid Fund - Direct - Growth	-	-	1,60,152	40.96
Mirae Asset Cash Management Fund - Direct Plan - Growth	86,796	18 85	1.85,766	38.91
LIC MF Liquid Fund - Direct - Growth	1,12,860	42.17	91,183	32.86
Templeton India Tma - Direct - Growth	-	-	76,651	22.87
Aditya Birla Sun Life Liquid Fund - Direct - Growth	11,97,511	39.70	2,85,867	9.14
HDFC Liquid Fund - Direct - Growth	1,31,057	53.02	1,48,170	57.88
ICICI Prudential Liquid - Direct Plan - Growth	5,51,531	16.81	11,66,657	34.27
HSBC Cash Fund Direct Growth	1,77,523	36.37	81,760	16.17
SBI Premier Liquid Fund - Direct - Growth	76,128	24.53	98,387	30.59
Nippon India LIQUID FUND - DIRECT - GROWTH	57,421	28.90	57,421	27.85
Idfc Cash Fund - Direct - Growth	1,31,446	32.68	-	-
Aditya Birla Sun Life Overnight Fund - Direct - Growth		-	41,695	4.50
Total mutual fund		**343.81**		**340.81**
Less :				
Amount disclosed under Investments -SGF for Commodity segment (refer Note 28)		50.95		50.17
Total current investments		**292.86**		**290.64**
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		343.81		340.81

8 **Trade receivables**

	Current	
	31.03.2021	31.03.2020
	(Rs. in Crores)	
Receivable from related parties (Refer to Note No. 29)	20.91	
Others	37.43	14.29
	58.34	14.29
Break up of security details		
Trade Receivables considered good - Secured		
Trade Receivables considered good - Unsecured	58.34	14.29
Trade Receivables which have significant increase in credit risk		
Trade Receivables - credit impaired		
Total	58.34	14.29

9 **Cash and cash equivalents**

	Current	
	31.03.2021	31.03.2020
	(Rs. In Crores)	
In current accounts #	493.55	183.94
Deposits held for the purpose of meeting short term cash commitments #	8,710.70	9,038.81
Deposits with original maturity of less than three months	19.59	
Cash on hand		
	9,223.84	9,222.75
Less :		
Amount disclosed under Core SGF Investments (note 10)	192.02	147.77
Total	9,031.82	9,074.98

Other bank balances & Cash and cash equivalents Includes Rs. 8296.97 crores (March 20: Rs.Rs. 8702.82 crores) pertaining to Settlement obligations and margin money from members

10 **Core SGF Investments**

	31.03.2021	31.03.2020
	(Rs. in Crores)	
Fixed Deposits	3,173.47	2,794.73
Cash and cash equivalents	192.02	147.77
Accrued interest	119.37	172.33
Income Tax Assets	53.72	43.64
	3,538.58	3,158.47

11 (a) **Share Capital**

	31.03.2021	31.03.2020
	(Rs. In Crores)	
Authorised		
4,50,00,000 (Previous Year :4,50,00,000) Equity Shares of Rs 10 each.	45.00	45.00
Issued, Subscribed and Paid-up 4,50,00,000 (Previous Year :4,50,00,000) Equity Shares of Rs.10 each fully paid up. (all the above shares are held by the holding company- National Stock Exchange of India Limited and its nominees)	45.00	45.00
Total	45.00	45.00

Aggregate number of bonus shares Issued during the period of five years immediately preceeding the reporting date

Particulars	Aggregrate No. of Shares				
Equity Shares	2020-21	2019-20	2018-19	2017-18	2016-17
Fully paid up by way of Bonus Shares					

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

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

	31.03.2021		31.03.2020	
	No.	% holding	No.	% holding
National Stock Exchange of India Limited (Holding Company) and its nominees	4,50,00,000	100%	4,50,00,000	100%

Capital management

The Group considers the following components of its Balance Sheet to be managed capital:
Total equity (as shown in the balance sheet). – retained profit, other reserves, share capital

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capita to shareholders or issue new shares.

The Group aims to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company is not subject to financ al covenants in any of its significant financing agreements.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods. Refer note 11 B for the final and interim dividends declared and paid.

Compliance with externally imposed capital requirements:

NSE Clearing Ltd:

Capital requirement of Company is regulated by Securities and Exchange Board of India (SEBI). As per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, Clearing corporation shall have a minimum net worth of Rs.300 crores at all times.

Further, SEBI vide Regulation 14(3) of SECC Regulations 2018 adopted risk-based approach towards computation of capital and net worth requirement for Clearing Corporations(CC) to adequately cover counterparty credit risk, business risk, orderly Wind-down and operational & legal risk. As per Regulation 14(3) (c) of SECC Regulations 2018 every CC shall have a minimum net worth of Rs.100 crores or networth Computed as per the risk-based approach as may specified by SEBI from time to time, whichever is higher.

Accordingly, SEBI vide circular Ref No: SEBI/HO/MRD/DRMP/CIR/P/2019/55 dated April 10, 2019 issued granular norms related to computation of risked based capital and net worth requirement for CCs effective from FY2019-20. The networth requirement for the Company calculated as per the above SEBI circular is Rs.1083.76 crores based on audited financial statments for year ended March 31, 2020. Minimum requirement of Net worth is maintained throughout the year ended March 31, 2021.

NSE IFSC Clearing Corporation Ltd:

Under amended Clause 5 (2) of SEBI (IFSC) Guidelines, 2015, Recognised Corporations Clearing operating in IFSC are required to maintain Risk-based capita and networth requirements w'th a minimum networth of Rs. 50 crores equivalent initially which needs to be enhanced, over a period of three years from commencement of operations, to higher of Rs. 100 crores equivalent or capital required as per risk-based capital requirements. However, the Company has taken a relaxation period of one year from SEBI to meet those networth criteria. As per relaxation guidelines received from SEBI, Company is required to maintain aforesaid networth of Rs. 50 Crores or risk based capital whichever is higher till June 05, 2021.

11(b) **Other Equity**

Other Equity (Rs.in Crores)

	Reserves and Surplus				
	Capital Reserve	General reserve	Foreign Currency Translation Reserve	Retained Earnings	Total
Balance at the 01.04.2019	10.00	244.71	1.95	165.18	421.84
Profit for the year				206.88	206.88
Other Comprehensive Income				(0.79)	(0.79)
Contribution to core SGF				(0.50)	(0.50)
Share issue expenses				(0.00)	(0.00)
Changes in Foreign Currency Translation Reserve through Other Comprehensive Income			4.77		4.77
Transaction with owners in their capacity as owners					
Dividends paid *				(81.00)	(81.00)
Dividend Distribution Tax*				(16.65)	(16.65)
Balance at the 31.03.2020	**10.00**	**244.71**	**6.72**	**273.12**	**534.54**
Profit for the year.				201.31	201.31
Other Comprehensive Income				(0.11)	(0.11)
Contribution to core SGF (Refer Note 26)				(29.19)	(29.19)
Tax on contribution to Core SGF				8.21	8.21
Share issue expenses				(0.01)	(0.01)
Changes in Foreign Currency Translation Reserve through Other Comprehensive Income			(1.50)		(1.50)
Transaction with owners in their capacity as owners					
Dividend paid #				(90.00)	(90.00)
Balance at the 31.03.2021	**10.00**	**244.71**	**5.22**	**363.34**	**623.27**

The Board of directors, in their meet ng on May 05, 2021 proposed a dividend of Rs.10 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend proposed for the year ended March 31, 2021 amounted to Rs.45.00 crores.

\# During the year ended March 31, 2021, the amount of per share dividend recognized as distribution to equity shareholders was Rs.20/- per equity share. The dividend paid during the year ended March 31, 2021 amounted to Rs.90.00 crore.

During the year ended March 31, 2020, the amount of per share dividend recognized as distribution to equity shareholders was Rs.18/- per equity share. The dividend paid during the year ended March 31, 2020 amounted to Rs.81.00 crore excluding Dividend Distribution Tax of Rs.16.65 crores.

12 Income Tax

	31.03.2021	31 03.2020
	(Rs. in Crores)	
a) The major components of income tax expense statement of profit and loss		
Statement of profit and loss		
Current Tax		
Current tax on profit for the year	**115.84**	90.43
Adjustment for current tax of prior periods		0.38
Total current tax expense	**115.84**	90.81
Deferred tax expense (income)		
Decrease (increase) in deferred tax assets	**(0.23)**	0.01
(Decrease) increase in deferred tax liabilities	**(0.79)**	(6.20)
Total deferred tax expense (benefit)	**(1.02)**	(6.19)
Total for statement of profit and loss	**114.82**	84.62

OCI section	31.03.2021	31.03.2020
	(Rs. in Crores)	
Related to items recognised in OCI during in the year:		
Re-measurement of the defined benefit(liability) / asset	**0.04**	0 33
Income tax charged to Other Comprehensive Income	**0.04**	0.33

b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	31.03.2021	31.03.2020
	(Rs. in Crores)	
Profit before income tax expense	**316.14**	291.50
Tax rate (%)	**29.12%**	29.12%
Tax at the Indian Tax Rate	**92.06**	84.89
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
(Profit)/ Loss on sale of investments taxed at other than Statutory rate	**0.16**	(0.02)
Contribution to NSE Foundation towards CSR	**0.74**	0.66
Impact of tax rate reduction		(3.23)
Provision for Impairment of Intangible assets under development	**19.87**	
MAT credit Entitlement		
MTM realized on sale of investments		0.38
Profits/(Loss) of Subsidaries taxed at different rate	**2.68**	1.87
Others	**(0.69)**	0.07
Tax on Perquisites [u/s 40(a)(v)]	***0.00***	0.01
Income Tax Expense	**114.82**	**84.62**

c) Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

Particulars	31.03.2021	31.03.2020
	(Rs. in Crores)	
Deferred income tax assets		
Financial Assets at Fair Value through profit and Loss		
Others	3.52	3.25
Total deferred tax assets (a)	3.52	3.25
Deferred income tax liabilities		
Property, plant and equipment and investment property	0.46	1.20
Financial Assets at Fair Value through OCI		
Financial Assets at Fair Value through profit and Loss	4.89	4.94
Total deferred tax liabilities (b) Net	5.35	6.14
Deferred Tax Assets /(Liabilities) (a-b)	(1.83)	(2 89)

d) **Movement in Deferred Tax Assets** (Rs. in Crores)

Particulars	Property, plant and equipment	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	Others (Gratuity, PBVP, LE)	Total
At 01 April 2019				**2.93**	2.93
(Charged) / Credited					
- to profit or loss				(0.00)	(0.00)
- to other comprehensive income				0.33	0.33
At 31st March 2020				**3.26**	**3.25**
(Charged) / Credited					
- to profit or loss				0.23	0.23
- to other comprehensive income				0.04	0.04
At 31st March 2021				**3.52**	**3.52**

e) **Movement in Deferred Tax liabilities** (Rs. in Crores)

Particulars	Property, plant and equipment	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	Others	Total
At 01 April 2019	**0.46**	**11.88**			**12.34**
Charged / (Credited)					
- to profit or loss	0.74	(6.94)			(6.20)
- to other comprehensive income					
At 31st March 2020	**1.20**	**4.94**			**6.14**
Charged / (Credited)					
- to profit or loss	(0.74)	(0.05)			(0.79)
- to other comprehensive income					
At 31st March 2021	**0.46**	**4.89**			**5.35**

f) The company recognizes MAT credit available as an asset only to the extent there is reasonable certainty that the company will pay normal income tax during the specified period. Accordingly, MAT credit entitlement not recognized in books of accounts till March 31, 2021 is Rs.119.29 crore out of which MAT credit entitlement to be carried forward is Rs.37.00 crore. Further, if even the MAT credit will be recognised the same will be directly credited to reserves and not the statement to profit & loss account as the same is arising out of contribution to Core SGF.

		31.03.2021	31.03.2020
		(Rs. in Crores)	
13	**Income tax liabilities (net)**		
	Income Tax (Net of Advances)	**95.82**	45.66
	Fringe Benefit Tax (Net of Advances)	**0.01**	0.01
		95.83	45.67

		31.03.2021	31.03.2020
14	**Income tax assets (net)**		
	Income Tax paid including TDS (Net of Provisions)	**62.09**	63.57
	Fringe Benefit Tax (Net of Provisions)	**0.02**	0.02
		62.11	63.59

15 **Deposits (Unsecured)**

	Current	
	31.03.2021	31.03.2020
	(Rs. in Crores)	
Security Deposit from Clearing Members	**313.65**	335.28
Security Deposit in lieu of Bank Guarantee/securities	**89.72**	79.01
Deposits from applicants for membership	**2.14**	2.23
Deposits from Clearing Banks	**517.55**	426.00
Total	**923.06**	842.52

16 **Other financial liabilities**

	Current	
	31.03.2021	31.03 2020
	(Rs. in Crores)	
Trade payables		
Trade Payable to Micro and Small Enterprises	**0.00**	
Trade Payable to other than Micro and Small Enterprises	**14.11**	8.72
Trade payables to related parties (ref to Note No.29)	**3.92**	4.83
	18.03	13.55
Others		
Margins From Members	**4,155.27**	6,356.02
Settlement Obligations payable	**4,141.70**	2,348.80
Creditor for Capital Expenditure	**0.76**	0.11
Other liabilities	**41.17**	26.04
	8,338.90	8,730.97
	8,356.93	8,744.52

Trade payables include outstanding amounts of Rs. 0.00 Crores (Previous Year: Rs. NIL) (including interest of Rs. Nil, (Previous Year Rs. Nil) payable to Micro Enterprises & Small Enterprises. Total outstanding dues to Micro Enterprises & Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

17 **Other current liabilities**

	Current	
	31.03.2020	31.03.2020
	(Rs. in Crores)	
Statutory payments	**10.53**	10.81
Stamp Duty Payable	**174.18**	
Amount payable into Core SGF	**4.24**	18.09
Advances from debtors	**1.99**	1.65
	190.94	30.55

18 **Provision employee benefits**

	Non-current		Current	
	31.03.2021	31.03.2020	**31.03.2020**	31.03.2020
	(Rs. in Crores)		**(Rs. in Crores)**	
Provisions for Leave encashments			**1.88**	2.09
Provision for Gratuity	**6.09**	5.65	**0.63**	0.73
Provision for variable pay and other allowances	**3.54**	2.72	**4.51**	4.52
	9.63	8.37	**7.02**	7.34

Legal and Professional fees	**7.66**	8.20
Repairs & Maintenance :		
- On Building	**0.40**	0.60
- On Computer systems	**33.87**	23.73
- Others		
IT Management & Consultancy Charges	**0.55**	0.45
Software Expenses	**19.38**	11.76
Directors' Sitting fees	**0.51**	0.35
Electricity expenses	**2.28**	3.16
Interest on Lease Liability	**0.10**	0.09
Rates and Taxes		
Contribution to NSE foundation towards CSR (Refer to Note 39)	**5.06**	4.53
Other expenses	**21.35**	17.18
Total	**119.59**	93.85

Note :

Payment to auditor		
As auditor :		
Audit fees	**0.18**	0.16
Tax audit fee	**0.04**	0.04
Limited review	**0.08**	0.08
In other capacity		
Taxation matters	**0.09**	0.15
Certification matters	**0.03**	0.04
Out of pocket	**0.01**	0.01
Other services		0.02
Total	**0.44**	0.50

23 **Expenditure in foreign currency :**
Travelling Expenses: NIL (Previous Year ended March 31,2020 :NIL)
Others: Rs. 1.34 Crores (Previous Year ended March 31,2020 : Rs. 0.62 Crores)
Capital payments : NIL (Previous Year ended March 31,2020 : Rs.0.19 Crores).

24 Payments to and provision for employees includes the amount reimbursed by the group to The National Stock Exchange of India Limited (NSEIL) in respect of employees made available to the Group. Accordingly, necessary provisions as required for all retirement benefits and other long term employee benefits as per Ind AS 19 - Employee Benefits as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended , was carried out by NSEIL in respect of employees made available to the Group.

25 Disclosure under Ind AS 119 on Employee Benefits notified under Rule 7 of the Companies (Accounts) Rules, 2015.

i) Defined Benefit Plan :

Provident & Pension Fund: Company has contributed Rs. 0.64 Crores (previous year : Rs.0.71 crores) towards Provident & Pension Fund during the year ended March 31, 2021 to Employee Provident Fund Organisation.

Gratuity: The Group provides for gratuity for employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity, The amount of Gratuity is payable on retirement/termination of the emplyee's last drawn basic salary per month multiplied for the number of years of service.

A Balance Sheet

(i) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the period are as follows:

(Rs. in Crores)

	31.03.2021	31.03.2020
Liability at the beginning of the year	**6.37**	4.45
Interest cost	**0.42**	0.33
Current service Cost	**0.48**	0.32
Transfers	**0.06**	0.16
Benefits paid	**(0.76)**	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	**0.04**	0.98
Actuarial (gains)/losses on obligations - due to experience	**0.11**	0.14
Liability at the end of the year	**6.72**	6.37

(ii) The net liability disclosed above relates to funded plans are as follows:

(Rs. in Crores)

	31.03.2021	31.03.2020
Fair value of plan assets as at the end of the year	-	-
Liability as at the end of the year	**(6.72)**	(6.37)
Net (liability) / asset	**(6.72)**	(6.37)

(iii) Balance sheet reconciliation

(Rs. in Crores

	31.03.2021	31.03.2020
Opening net liability	**6.37**	4.44
Expenses recognized in Statement of Profit or Loss	**0.91**	0.65
Expenses recognized in OCI	**0.15**	1.12
Net (liability)/asset transfer in	**0.05**	0.16
Employers contribution	**(0.76**	-
Amount recognised in the Balance Sheet	**6.72**	**6.37**

B Statement of Profit & Loss

(Rs. in Crores

(i) Net interest cost for current period

	31.03.2021	31.03.2020
Interest cost	0.42	0.33
Interest income		-
Net interest cost for current period	**0.42**	0.33

(Rs. in Crores

(ii) Expenses recognised in the Statement of Profit & Loss

	31.03.2021	31.03.2020
Current service cost	0.47	0.32
Net interest cost	0.42	0.33
Expenses recognised in the Statement of Profit & Loss	**0.89**	0.65

(Rs. in Crores

(iii) Expenses recognised in the Other Comprehensive Income

	31.03.2021	31.03.2020
Re-measurement		
Expected return on plan assets	-	-
Actuarial (gain) or loss	**0.15**	1.12
Net (income)/expense for the period recognized in OCI	**0.15**	1.12

C Sensitivity Analysis

(Rs. in Crores

	31.03.2021	31.03.2020
Projected Benefit Obligation on Current Assumptions	**6.72**	6.37
Delta Effect of +1% Change in Rate of Discounting	**(0.41)**	(0.38)
Delta Effect of -1% Change in Rate of Discounting	**0.46**	0.42
Delta Effect of +1% Change in Rate of Salary Increase	**0.44**	0.41
Delta Effect of -1% Change in Rate of Salary Increase	**(0.40)**	(0.37)
Delta Effect of +1% Change in Rate of Employee Turnover	**(0.09)**	(0.08)
Delta Effect of +1% Change in Rate of Employee Turnover	**0.10**	0.09

D Significant actuarial assumptions are as follows:

	31.03.2021	31.03.2020
Discount rate	**6.49%**	6.59%
Rate of return on plan assets	**N.A.**	N.A.
Salary escalation	**10.00%**	10.00%
Attrition rate	**12.00%**	12.00%

E Maturity Analysis of Projected Benefit Obligation: From the Employer

Projected Benefits Payable in Future Years From the Date of Reporting	31.03.2021	31.03.2020
1st Following Year	**0.63**	0.73
2nd Following Year	**0.63**	0.59
3rd Following Year	**0.62**	0.58
4th Following Year	**0.61**	0.57
5th Following Year	**0.65**	0.50
Sum of Years 6 To 10	**3.08**	2.74

26 (a) Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, interlia, has issued norms related to the computation and contribution to the Core Settlement Guarantee Fund by the Clearing Corporation (minimum 50%), Stock Exchange (minimum 25%) and members (maximum 25%) and also norms issued under Interoperability Framework. Further, SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05,2016 advised Stock Exchange to transfer 25% of its annual profits to Core

Details of Core SGF a on March 31, 2021 are as follows : **(Rs. in Crores)**

Details of MRC of Core SGF	**CM**	FO	**CD**	**Debt**	TRI Party	**Commodity**	**Total**
NCL own contribution	77.96	593.00	75.20	3.00	8.50	5.00	**762.66**
Interest Adjusted towards NCL`s Contribution	29 04	79 00	20.80	-		-	**128.84**
Contribution by NSE on behalf of Member	42 93	296.00	23.00	-		2.50	**364.43**
Interest Adjusted towards member`s Contribution	10.07	40.00	25.00	-	-	-	**75.07**
Contribution by NSE	40.65	297.00	24.00	1.00	8.50	2.50	**373.65**
Interest Adjusted towards NSE`s Contribution	13.35	39.00	24.00		-	-	**76.35**
Contribution by BSE Limited (BSE)	4.36	0.05	10.55				**14.96**
Contribution by Metropolitan Stock Exchange of India (MSE)			1.01				**1.01**
Total	**218.36**	**1,344.05**	**203.56**	**4.00**	**17.00**	**10.00**	**1,796.97**
Previous Year	214.00	1,248.00	112.00	4.00	17.00	10.00	1,605.00

II **Details of Core SGF as on March 31, 2020 are as follows :** **(Rs. in Crores)**

	Contribution to Corpus of Core SGF	**CM**	FO	**CD**	**Debt**	TRI Party	**Commodity**	**Other**	Total
a	NCL own contribution	107.00	624.00	56.00	3.00	8.50	5.00	-	803.50
b	Contribution by NSE on behalf of Member	53.00	312.00	28.00	-	-	2.50	-	395.50
c	Contribution by NSE	54.00	312.00	28.00	1.00	8.50	2.50	327.51	733.51
1	**Total (a+b+c+d)**	**214.00**	1,248.00	**112.00**	**4.00**	17.00	**10.00**	**327.51**	**1,932.51**
2	Penalty*	64.94	550.95	30.89	-	-	0.03	-	646.81
3	Income on Investments*	26.79	420.24	27.26	0.87	2.27	0.85	91.52	569.81
	Grand Total (1+2+3)	**305.73**	2,219.19	**170.15**	**4.87**	19.27	**10.88**	**419.03**	**3,149.13**

III **Contribution made during the year 2020-21**

(Rs. in Crores)

Contribution during the year	**CM**	FO	**CD**	**Debt**	TRI Party	**Commodity**	**Other #**	**Total**
NCL own contribution								
Direct Contribution	-	-	28.20	-	-	-	-	28.20
Adjusted from Interest Income **	-	48.00	11.80	-	-		-	59.80
Total	-	48.00	**40.00**	-				**88.00**
Contribution by NSE on behalf of Member								-
Direct Contribution	-	-	-	-	-	-	-	
Contribution adjusted from NSE Other Contribution #	-	-	-	-	-	-	-	-
Adjusted from Interest Income **		24.00	20.00	-	-		-	44.00
Total	-	24.00	**20.00**		-		-	**44.00**
Contribution by NSE								
Direct Contribution	-	-	-	-	-	-		
Adjusted agaisnt NSE`s Own and member`s contrib	-	-	-	-	-	-		-
Contribution adjusted from NSE Other Contribution #	-	-	-		-	-		-
Adjusted from Interest Income **	-	24.00	20.00				70.51	114.51
Excess Contribution transfer to Other Clearing Corporation***							(70.51)	(70.51)
Total	-	24.00	**20.00**	-		-	-	**114.51**

	CM	FO	CD	Debt	TRI Party	Commodity	Other	Total
Contribution bv BSE								
Direct Contribution	4.36	0.05	10.55	-		-	-	14.96
Total	4.36	0.05	10.55	-		-	-	14.96
Contribution by MSEI								
Direct Contribution	-	-	1.01	-		-	-	1.01
Total	-	-	1.01	-		-	-	1.01

Income during the period (Net Off adjustment towards MRC) **	CM	FO	CD	Debt	TRI Party	Commodity	Other	Current year	Previous year
Penalty	46.00	170.16	6.75	-	-	0.04	-	222.95	161.10
Income on Investments	17.67	131.47	11.74	0.08	1.13	0.62	19.86	182.57	201.11
Less : Income adjusted against MRC**	-	96.00	19.94	-	-	-	31.86	147.80	18.00
Less : Income adjusted towards transfer of contribution to Other Clearing Corporation***	-		-	-	-	-	70.51	70.51	-
Income on Investments (Net Off adjustment	17.67	35.47	(8.20)	0.08	1.13	0.62	(82.51)	(35.75)	183.11

IV Details of Core SGF a on March 31, 2021 are as

Out of the above the details of the Cash contributions and investment of the same are as follows

(Rs. in Crores)

	Contribution to Corpus of Core SGF	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
a	NCL own contribution	107 00	672.00	96.00	3.00	8.50	5.00	-	**891.50**
b	Contribution by NSE on behalf of Member	53.00	336.00	48.00	-	-	2.50	-	**439.50**
c	Contribution by NSE	54.00	336.00	48.00	1.00	8.50	2.50	327.51	**777.51**
	Contribution by BSE	4.36	0.05	10.55	-	-	-	-	**14.96**
	Contribution by MSE		-	1.01	-	-	-	-	**1.01**
1	Total (a+b+c+d)	**218.36**	**1,344.05**	**203.56**	**4.00**	**17.00**	**10.00**	**327.51**	**2,124.48**
2	Penalty*	110.94	721.11	37.64	-	-	0.07	-	**869.76**
3	Income on Investments (After allocation towards MR	44.46	455.71	19.06	0.95	3.40	1.47	9.01	**534.06**
	Grand Total (1+2+3)	**373.76**	2,520.87	**260.26**	**4.95**	20.40	**11.54**	**336.52**	**3,528.30**

II	Details of Investment	CM	FO	CD	Debt	TRI Party	Commodity	Other	Total
1	Mutual Funds								-
2	Fixed Deposit with Banks	327.23	2,263.15	227.26	0.90	19.21	7.87	318.09	**3,163.71**
3	Flexi Fixed Deposits	25.87	131.19	17.75	0.95	0.01	3.39	-	**179.16**
4	Balance in Bank Accounts	3.95	1.04	4.98	2.73	-	0.05	-	**12.75**
5	Accrued interest	11.78	86.99	7.54	0.11	0.93	0.15	11.45	**118.95**
6	Prepaid taxes	4.93	38.50	2.73	0.25	0.25	0.08	6.98	**53.72**
	Grand Total (1+2+3+4+5+6)	**373.76**	2,520.87	**260.26**	**4.95**	20.40	**11.54**	**336.51**	**3,528.30**
	Previous year	305.73	2,219.19	170.15	4.87	19.27	10.88	419.03	3,149.13

* Net of applicable corporate tax Rs. 9.38 Crores , if any, on cash

Other contribution is balance amount of transfer from NSE pertain to 25% of NSE`s Annual profits as contribution to Core SGF . SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05, 2016 advised Stock Exchange to transfer 25% of its annual profits upto August 2015 to Core SGF and utilise the same for contribution required by Members and NSE.

** SEBI vide its letter reference no. SEBI/HO/MRD/DRMNP/OW/P/2018/4559/1 dated February 12, 2018 has clarified that "Clearing Corporations may adjust incremental requirement of Minimum Required Corpus (MRC) against the interest accrual on the cash contribution of respective contributors before taking additional contribution from them.

*** Further, as per circular dated SEBI/HO/MRD2/DCAP/CIR/P/2021/03 January 08, 2021, SEBI has allowed transfer of excess contribution made by Stock Exchanges from Core SGF of one Clearing Corporation to the Core SGF of another Clearing Corporation in inter-operable scenario. Accordingly, Rs.15.97 crores contribution of other stock exchanges received from respective clearing

(b) SEBI vide circular no. SEBI/HO/MRD/DSA/ CIR / P/2016/125 dated November 28, 2016 has issued norms for set up of fund and minimum corpus of fund to guarantee the settlement of trades executed in the stock exchanges in IFSC.

(Rs. in Crores)

	As at 31.03.2021	As at 31.03.2020
Company's Own contribution*	**9.84**	9.05
Penalty collected from members	**0.03**	0.02
Accrued interest on CSGF FD	**0.41**	0.27
	10.28	**9.34**

*Company's own contribution includes contributions of Rs. 1.00 crores made during current year (Rs. 0.50 crores made during previous year 2019-20) and balance increase is on account of currency

27 TThe Company had received approval from SEBI to start clearing & settlement activities in Commodity Derivatives and commenced operations w.e.f. October 12, 2018. As required by SEBI an amount of Rs.250 crores has been earmarked towards a separate fund to augment Settlement Guarantee Fund for Commodity Derivatives by way of appropriation from General Reserves. Further, the Company has also earmarked investments amounting to Rs. 250 crores towards the same

28 Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Group. The Group operates only in one Business Segment i.e. facilitating Clearing & Settlement in securities and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating

29 In compliance with Indian Accounting Standard (Ind AS)-24 - "Related Party Disclosures" notified under section 133 of the Act read with Companies (Accounting Standards) Rules 2015 , the required disclosures are given in the table

(a) **Names of the related parties and related party relationship**

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	Holding Company
2	NSE Investments Limited (formerly NSE Strategic	Fellow Subsidiary
3	NSE Foundation	Fellow Subsidiary
4	NSEIT Limited	Fellow Subsidiary's Subsidiary
5	NSE Data & Analytics Ltd (formerly DotEx	Fellow Subsidiary's Subsidiary
6	Nse Indices Limites (formerly India Index Services & Products Limited)	Fellow Subsidiary's Subsidiary
7	NSE Infotech Services Limited	Fellow Subsidiary's Subsidiary
8	NSE.IT (US) Inc.	Fellow Subsidiary's Subsidiary's Subsidiary
9	Aujas Cybersecurity Limited (Formerly known as Aujas Networks Limited /Aujas Networks Private	Fellow Subsidiary's Subsidiary's Subsidiary
10	Talentsprint Private Limited (w.e.f. 10.11.2020)	Fellow Subsidiary's Subsidiary's Subsidiary
11	Cogencis Information Services Limited (w.e.f. 21.01.2021)	Fellow Subsidiary's Subsidiary's Subsidiary
12	NSE Academy LTD	Fel ow Subsidiary
13	NSE IFSC Limited	Fellow Subsidiary
14	National Securities Depository Limited	Holding Company's Associate
15	BFSI Sector Skill Council of India	Holding Company's Associate
16	Power Exchange India Limited	Associate of Fellow Subsidiary
17	NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited)	Associate of Fellow Subsidiary
18	Market Simplified India Limited (formerly known as INXS Technologies Limited)	Associate of Fellow Subsidiary
19	Computer Age Management Services Private Limited (upto 04.02.2020)	Associate of Fellow Subsidiary
20	Receivables Exchange Of India Limited	Associate of Fellow Subsidiary
21	Indian Gas Exchange Limited (w.e.f. 16.03.2021)	Associate of Fellow Subsidiary
22	Capital Quant Solutions Private Limited (w.e.f 03.03.2021)	Associate of Fellow Subsidiary's Subsidiary's Subsidiary
23	Mr. T. Venkata Rao - Managing Director (upto 06.11.2017)	Key Managerial Personnel
24	Mr. Vikram kothari (Managing Director)	Key Managerial Personnel

25	Ms.Bhagyam Ramani(Director)	Key Managerial Personnel
26	Mr. C VR Rajendran(Director)	Key Managerial Personnel
27	Mr Harun R Khan (Director)	Key Managerial Personnel
28	Mr. Salim Gangadharan(Director)	Key Managerial Personnel
29	Mr.N K Maini (Director)	Key Managerial Personnel
30	Mr.J Ravichandran (Director) (upto 16.07.2020)	Key Managerial Personnel
31	Mr. K. S. Somasundaram (w.e.f. 17.08.2020)	Key Managerial Personnel
32	Prof. Samir K Barua	Key Managerial Personnel
33	Mr. Mukesh Agarwal	Key Managerial Personnel
34	Mr. Natarajan Ramasamy	Key Managerial Personnel

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

(Rs. in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2020	Year ended 31.03.2019
National Stock Exchange of India Ltd.	• Clearing and Settlement charges received	**310.74**	200.87
	• Usage charges Received	**1.66**	1.66
	• Usage charges paid	**26.73**	21.70
	• EBP Platform Usage charges Received	**0.62**	-
	• Reimbursement paid for expenses on staff on deputation	**12.46**	12.01
	•Salary Liability transferred	-	-
	• Reimbursement paid for other expenses incurred	**46.30**	39.67
	• Reimbursement received for services Rendered	**0.32**	0.38
	• Space & Infrastructure usage Charges paid	**5.48**	5.29
	• Dividend paid	**90.00**	81.00
	• Outstanding balance – (Credit) / Debit	**21.14**	0.19
NSEIT Ltd.	• Repairs & Maintenance – Clearing & Computer systems	**11.86**	14.59
	• Outstanding balance – (Credit) / Debit	**(3.40)**	(3.33)
NSDL Database Management Limited	• Payment for services	**0.18**	0.02
	• Outstanding balance – (Credit) / Debit		-
NSE Foundation	• Contribution towards CSR	**5.06**	4.53
NSE IFSC Limited	• Reimbursement paid for other expenses incurred	**0.16**	0.13
	• SEBI turnover fees payable (closing balance)	**0.01**	0.00
	• Outstanding balance – (Credit) / Debit	**0.15**	0.18
National Securities Depository Limited	• Depository operation fees	**0.18**	0.28
	• Outstanding balance – (Credit) / Debit	**(0.01)**	-
Computer Age Management Services Private Limited	• Cash management charges	-	-
	• Outstanding balance – (Credit) / Debit	**(0.05)**	(0.05)
Key Management Personnel (Mr. T Venkata Rao - Managing Director (Upto 06.11.2017)	Short term employee Benefits* $	**0.25**	**0.24**
	Long term employee Benefits	-	-
Key Management Personnel (Mr. Vikram Kothari- Managing Director (From		1.63	1.42
		0.05	0.05

07.11.2017)	Long term employee Benefits	0.23	
Directors	Sitting fees/Committee sitting		
	Mr. Harun R Khan	**0.39**	0.30
	Mr. Salim Gangadharan	**0.30**	0.30
	Mr.N K Maini	**0.31**	0.26
	Mr. C VR Rajendran	**0.29**	0.31
	Ms.Bhagyam Ramani	**0.40**	0.29
	Prof. Samir K Barua	**0.05**	0.02
	Mr. Natarajan Ramasamy	**0.06**	

* Includes amount paid towards Leave encashment, Medical allowance & Leave Travel allowance and 50% of the variable pay payable after 3 years subject to certain conditions.

$ pertaining to earleir years

** As the liabilities for define benefits plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial person are not included.

No commitments made during the years to associate concems and vice versa

30 In accordance with Indian Accounting Standard (Ind AS) 33 - "Earning per Share" issued by the Institute of Chartered Accountants of India, the required disclosure is given below.

Basic and diluted eamings per share is computed by dividing the net profit attributable to equity shareholders for the year, by weighted average number of equity shares outstanding during the year.

	Year ended 31.03.2021	Year ended 31.03.2020
Net Profit attributable to Shareholders (Rs. In Crores)*	201.31	206.88
Weighted Average number of equity shares issued No. (in Crores)	4.50	4.50
Eamings per share of Rs. 10/- each (in Rs.) (Basic and diluted)	44.74	45.97

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

There are no instruments (including contingently issuable shares) issued that could potentially dilute basic eamings per share in the future.

31 **Capital and other commitments :**

Est mated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs.11.35 crores (Previous Year :Rs.5.36 crores) and other Commitments Rs.14.63 crores (Previous Year :Rs.5.15 Crores)

32 **Contingent liabilities and Commitments :**

(i) Claims against company not acknowledged as debts: Rs. 6.34 Crores (Previous Year : Rs. 6.34 Crores)

(ii) A suit field against the Company for damages / compensation amounting to Rs.NIL (Previous Year : Rs. Nil).

(iii) On account of disputed demand of Income tax of Rs.66.62 Crores (Previous Year : Rs.67.10 Crores) and on account of disputed demand of Income tax pertaining to Core SGF amounting to Rs.338.37 Crores (Previous Year : Nil).

iv) On account of disputed demand of Service tax Rs.74.20 Crores plus interest as applicable the Company has filed appeal before CESTAT. (Previous Year :Rs.74.20 crores plus interest and penalty, as applicable)

v) Bank Guarantee Rs.1000 Crores (Previous year Rs.500 Crores). (Also refer to Note no. 41)

Based on the legal opinion received by the company, Company is of the view that the above matters are not likely to have any impact on financial position of the Company.

33 The Group's pending litigations comprise of claims against the Group and proceedings pending with Statutory and Tax Authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, whenever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial position. (Refer note no .32)

34 In accordance with the relevant provisions of the Companies Act, 2013, the Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as of March 31, 2021 and March 31, 2020.

35 NSE Clearing Limited encountered an incident on February 24, 2021 due to certain issues in the links with telecom service providers which in turn impacted the Storage Area Network (SAN) system of the Company, resulting in the primary SAN becoming inaccessible to the host servers. This also resulted in the risk management system and clearing & settlement system of the Company and other systems such as index and surveillance systems of NSE becoming unavailable leading to a decision to halt the Trading at NSE. The Company has submitted root cause analysis of the incident to SEBI.

36 Exceptional item represents provision for impairment of intangible assets under development amounting to Rs.68.23 crores pertaining to Clearing & Settlement System due to discontinuation of the project.

37 A **Fair value measurement**

(i) Fair Value Hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value and are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three level prescribed under the accounting standard. An explaination of each level follows underneath the

Rs In crores

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At March 31, 2021	Notes	Level 1	Level 2	Level 3	Total March 31, 2021
Financial Assets					
Financial Investments at FVPL					
Mutual Fund - Growth Plan	7	292.86	-		292.86
Total Financial Assets		292.86	-		292.86

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At March 31, 2020	Notes	Level 1	Level 2	Level 3	Total March 31, 2020
Financial Assets					
Financial Investments at FVPL					
Mutual Fund - Growth Plan	7	290.64	-		290.64
Total Financial Assets		290.64	-	-	290.64

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarachy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

- Level 1: Level 1 hierarchy includes financ al instruments measured using quoted prices. This includes listed equity instruments. exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

- Level 2: The fair value of financial instruments that are not traded in an active market (for example. traded bonds. debentures, government securities and commercial papers) is determined using FIMMDA valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

There are no transfers between levels 1 and 2 during the period. The Group's policy is to recognise transfers into and transfers out of fair value hirerchy level as at the end of reporting period.

ii) Valuation technique used to determine fair value :

Specific valuation techniques used to value financial instruments include:

1) The use of quoted market prices or dealer quotes for similar instruments in case of quoted equity shares. exchange traded funds and mutual funds.

2) The fair value of the unlisted equity instruments is determined using the price / book multilple (P/B) multiple approach.

3) All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, where the fair values have been determined as per 2 above.

(iii) Fair value measurements using significant unobservable inputs (level 3)

No item falling in level 3 during the restated period .

(iv) Valuation processes

The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO).

B Financial Instruments by category

Rs. In crores

	31-Mar-21		31-Mar-20	
	FVPL	Amortised Cost	FVPL	Amortised Cost
Financial Assets				
Investments				
Fixed Deposits		666.79	-	633 52
Mutual Funds	292.86	-	290.64	-
Trade receivables	-	58.34	-	14.29
Cash and Cash equivalents	-	9,031.82		9,074.98
Other financial assets		75.53	-	67.07
Total financial assets	**292.86**	**9,832.48**	**290.64**	9,789.86
Financial Liabilities				
Deposits		923.06	-	842.52
Trade payable	-	18.03		13.55
Other financial liabilities	-	8,338.90		8,730.97
Lease Liability		1.07	-	1.12
Total financial Liabilities		**9,281.06**	-	9,588.16

38 FINANCIAL RISK MANAGEMENT

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Assessment & Review Committee (RARC), which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The RARC is supported by Treasury department among others, that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Treasury department activities are designed to:
- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

The Treasury department is responsible to maximise the return on companies internally generated funds.

A MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintains a conservative funding and investment strategy, with a positive cash balance throughout the year ended 31st March, 2021 and 31st March, 2020. This was the result of cash generated from operating activities and investing activities to provide the funds to service the financial liabilities on a day-to-day basis.

The Company's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, is retained as cash equivalents (to the extent required), other highly liquid investments and excess is invested in interest bearing term deposits and other highly marketable debt investments including the government securities with appropriate maturities to optimise the returns on Investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

	Carrying amount	Payable on demand	Less than 3 months	3-6 months	6-12 months	More than 12 months	Total
As at March 31, 2021							
Trade payables	18.03		18.03				18.03
Deposits	923.06	923.06					923.06
Creditor for Capital Expenditure	0.76		0.76				0.76
Margins From Members	4,155.27	4,155.27					4,155.27
Settlement Obligations payable	4,141.70	4,141.70					4,141.70
Lease Liability	1.07		0.01	0.00	0.01	1.05	1.07
Other liabilities	41.17		41.17				41.17
As at March 31, 2020							
Trade payables	13.55		13.55				13.55
Deposits	842.52	842.52					842.52
Creditor for Capital Expenditure	0.11		0.11				0.11
Margins From Members	6,356.02	6356.02					6,356.02
Settlement Obligations payable	2,346.80	2346.80					2,346.80
Lease Liability	1.12		0.00	0.00	0.01	1.11	1.12
Other liabilities	28.04		28.04				28.04

B MANAGEMENT OF MARKET RISK

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
1. PRICE RISK		
The Company is mainly exposed to the price risk due to its investment in mutual funds and exchange traded funds. The price risk arises due to uncertainties about the future market values of these investments.	In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.	As an estimation of the approximate impact of price risk, with respect to mutual funds and exchange traded funds, the Company has calculated the impact as follows.
At 31st March, 2021, the exposure to price risk due to investment in mutual funds amounted to Rs. 343.81 crores (March 31, 2020: Rs. 340.81 crores).	The Treasury department maintains a list of approved financial instruments. The use of any new investment must be approved by the Chief Financial Officer.	For mutual funds, a 0.25% increase in prices would have led to approximately an additional Rs. 0.86 crores gain in the Statement of Profit and Loss (FY 2019-20: Rs. 0.85 crores gain). A 0.25% decrease in prices would have led to an equal but opposite effect.

C MANAGEMENT OF CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations.

Trade and other receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse and also on account of members deposits kept by the Group as collateral which can be utilised in case of member default. Further, amount lying in Core settlement Guarantee fund (CSGF) is available for utilisation in case of settlement default by member. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

Revenue from top customer is account for 90% (Previous Year 98%)

Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in commercial papers, government securities, investments in mutual funds and exchange traded funds. The Company has diversified portfolio of investment with various number of counter-parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Treasury department.

The Group's maximum exposure to credit risk as at March 31, 2021 and March 31, 2020 is the carrying value of each class of financial assets as disclosed in note no. 4,5,7,9 and 10.

39 a) As per Section 135 of the Act, every Company having net worth of Rs. 500 crores or more or a Turnover of Rs. 1000 crores or more or a Net Profil of Rs 5 crores or more during any financial year is required to spend at least 2% of its Average Net Profit made during the immediately 3 preceding financial years on the Corporate Social Responsibility (CSR) activities. Gross amount required to be spent by the Company is Rs. 5 06 Crores (Previous Year Rs.4 53 Crores) the details of spending is as given below:

b) **Amount spent / contribution to NSE Foundation towards CSR during the year on:**

Rs In crores

	Particulars		In Cash	Yet to be paid in Cash	Total
i	Construction / acquisition of any asset	Current Year			
		Previous Year		-	
ii	On purposes other than (i) above (through Contribution to NSE Foundation)	Current Year	5.06	-	5.06
	On purposes other than (i) above (through Contribution to NSE Foundation)	Previous Year *	4.53		4.53

NSE Group incorporated NSE Foundation to undertake CSR activities for the Group. Accordingly, the Company has contributed an amount of Rs.5.06 crores (previous year Rs.4.53 Crores) to NSE Foundation to be spent on CSR activities as stated in the Group CSR policy which has been adopted by the Company as Company's CSR policy.

40 The Subsidiary company has measured the right of use of assets and lease liability based on remaining lease period and payment discounted using the incremental borrowing rate as on date of application of Ind As 116 Leases.

(i) Amount recognised in balance sheet Rs. in crores

Particulars	Amount (Rs.) 31.03.2021	Amount (Rs.) 31.03.2020
Right-Of-Use Assets		
Building	0.94	1.05
Total	**0.94**	**1.05**

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Lease liability		
Current	0.02	0.01
Non Current	1.05	1.11
Total	**1.07**	**1.12**

(ii) Amount recognised in Statement of Profit and Loss

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Depreciation Charge of Right-Of-Use Assets		
Building	0.08	0.08
Total	**0.08**	**0.08**

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Interest Expenses (Included in Other Expenses)	0.10	0.09
Total	**0.10**	0.09

41 During the year, the Holding Company has given additional bank guarantee of Rs 500 crores (previous year Rs.500 crores) in favour of ICCL towards Inter CCP collateral under interoperatiability framework as prescribed by SEBI. Total bank guarantee amount as on March 31, 2021 is Rs.1000 crores (previous year Rs.500 crores).

42 **Interests in Other Entities**

Subsidiary:

The Group's subsidiary is set out below. Share capital consisting solely of equity shares that are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also its principal place of business.

Name of Entity	With effect from	Principal Place of business / country of incorporation	Ownership interest held by the Group March 31, 2021	Ownership interest held by the Group March 31, 2020	Principal activities
NSE IFSC Clearing Corporation Limited	02-Dec-16	India	100%	100%	Clearing and Settlement of Securities.

43 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

(Rs. In crores)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company								
NSE CLEARING LTD								
31st March, 2021	91.90%	614.17	104.58%	210.54	6.56%	(0.11)	105.37%	210.43
31st March, 2020	90.37%	523.72	103.10%	213.28	(19.96%)	(0.79)	100.77%	212.48
Subsidiary (group's share)								
NSE IFSC Clearing Corporation Limited								
31st March, 2021	8.10%	54.10	(4.58%)	(9.23)	93.44%	(1.51)	(5.37%)	(10.73)
31st March, 2020	9.63%	55.83	(3.09%)	(6.40)	119.96%	4.77	(0.77%)	(1.63)
Adjustment arising out of consolidation								
31st March, 2021	0.00%		0.00%		0.00%		0.00%	
31st March, 2020	0.00%		0.00%		0.00%		0.00%	
Total								
31st March, 2021	100.00%	668.27	100.00%	201.31	100.00%	(1.61	100.00%	199.70
31st March, 2020	100.00%	579.55	100.00%	206.88	100.00%	3.98	100.00%	210.85

44 For the year ended March 31, 2021 and March 31, 2020, the Group is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of the Companies Act, 2013.

45 The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

46 The Coronavirus (COVID-19) outbreak is an unprecedented global situation, declared as a 'pandemic' by World Health Organisation. Based on the Group's current assessment, the impact of COVID-19 on its operations and the resultant financial performance is not likely to be significant. The Group has also made an assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets and ability to pay its liabilities as they become due and effectiveness of internal financial controls as at the balance sheet date and is of the view that there is no material impact or adjustments required to be made in these financial statements. The impact assessment of COVID-19 may be different from that presently estimated and the Company will continue to evaluate any significant changes to its operations and its resultant impact on the financial performance.

47 Previous year figures have been regrouped / reclassified wherever necessary.

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No : 105049W

For and on behalf of the Board of Directors

HARUN R KHAN
Chairman
[DIN :07456806]

VIKRAM KOTHARI
Managing Director
[DIN : 07898773]

NARENDRA JAIN
Partner
Membership No.: 048725

Place : Mumbai
Date : May 05, 2021

AMIT AMLANI
Chief Financial Officer

CHIRAG NAGDA
Company Secretary

KHANDELWAL JAIN & CO.
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **NSE Clearing Limited** (formerly known as National Securities Clearing Corporation Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Legal matters and uncertain tax positions As of March 31, 2021, the Company has various ongoing litigations on legal matters and proceedings with tax authorities involving uncertain direct and indirect tax positions. Refer note 33 and 34 to the standalone financial statements. <u>Uncertain direct and indirect tax positions</u> There are various direct and indirect tax cases against the Company, including disallowance of certain expenses under income tax, applicability of service tax on certain services etc. This is a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources, if any, provisions and related disclosures to be made in the standalone financial statements.	Our audit procedures related to legal matters and uncertain tax positions included- • Evaluating the design and operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the standalone financial statements in respect of these matters; • Obtaining details of litigations on legal matters and uncertain direct and indirect tax positions. • Reviewing orders and management responses thereto. • Inspecting the supporting documents to evaluate management's assessment of probability of outcome of ongoing proceedings, the magnitude of potential loss, if any, and testing related provisions and disclosures made in the standalone financial statements; • Reviewing expert's legal advice/opinion obtained by the Company's management for evaluating certain legal and tax matters; and • Evaluating competence and capabilities of the experts. Based on the above procedure, we noted that the Company has reviewed the above pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its standalone financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure 'A'**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, based on our audit we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

      (i) The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements.

(ii) The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses - Refer Note 35 to the standalone financial statements.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021 - Refer Note 42 to the standalone financial statements.

For Khandelwal Jain & Co.
Chartered Accountants
Firm's Registration No. 105049W

(Narendra Jain)
Partner
Membership No. 048725
UDIN: 21048725AAAABS9215

Place: Mumbai
Date: May 05, 2021

6-B&C, Pil Court, 6th Floor,
111, M. Karve Road, Churchgate,
Mumbai - 400 020.
Tel.: (+91-22) 4311 5000
Fax : 4311 5050

12-B, Baldota Bhavan, 5th Floor,
117, M. Karve Road, Churchgate,
Mumbai - 400 020.
Tel.: (+91-22) 4311 6000
Fax : 4311 6060

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement's section of our report to the Members of **NSE Clearing Limited** of even date)

The Annexure referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2021. We report that:

i) a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

b) The Company has physically verified the fixed assets in accordance with a program of verification which in our opinion provides for physical verification of all fixed assets at reasonable intervals. We have been informed that no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable property in its name.

ii) The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi) The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii) (a) According to the information and explanations given to us and on the basis of records examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues, wherever applicable. According to the records of the Company, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the dues of Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Custom, Duty of Excise and Value Added Tax which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

Sr. No.	Name of Statue	Nature of the Dues	Period to which the amount relates (Financial Year)	Amount (in crores)	Forum where the dispute is pending
1	Income Tax Act, 1961	Income Tax and Interest thereon	1996-97	0.06	Joint Commissioner of Income Tax
2	Income Tax Act, 1961	Income Tax and Interest thereon	2008-09	0.41	Assessing Officer
3	Income Tax Act, 1961	Income Tax and Interest thereon	2011-12	0.44	Commissioner of Income Tax (Appeals)
4	Income Tax Act, 1961	Income Tax and Interest thereon	2014-15	46.55	Commissioner of Income Tax (Appeals)
5	Income Tax Act, 1961	Income Tax and Interest thereon	2015-16	0.36	Assessing Officer
6	Income Tax Act, 1961	Income Tax and Interest thereon	2016-17	8.62	Commissioner of Income Tax (Appeals)
7	Income Tax Act, 1961	Income Tax and Interest thereon (Core SGF)	2017-18	338.37	Commissioner of Income Tax (Appeals), National Faceless Appeal Centre
8	Chapter V of Finance Act, 1944	Service Tax (including penalty)	July 2012 to June 2017	71.42*	'Customs, Excise and Service Tax Appellate Tribunal' (CESTAT)

* Plus applicable interest

viii) The Company has not taken any loan from banks, financial institutions or government and the Company has not issued any debentures. Therefore, the provisions of clause 3(viii) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

ix) The Company has not taken any term loans and has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provisions of clause 3(ix) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.

xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and section 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause 3(xv) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Khandelwal Jain & Co.
Chartered Accountants
Firm's Registration No. 105049W

(Narendra Jain)
Partner
Membership No. 048725
UDIN: 21048725AAAABS9215

Place: Mumbai
Date: May 05, 2021

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirement's section of our report to the Members of **NSE Clearing Limited** of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of **NSE Clearing Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Khandelwal Jain & Co.
Chartered Accountants
Firm's Registration No. 105049W

(Narendra Jain)
Partner
Membership No. 048725
UDIN: 21048725AAAABS9215

Place: Mumbai
Date: May 05, 2021

NSE CLEARING LIMITED

(Formerly known as NATIONAL SECURITIES CLEARING CORPORATION LIMITED)

STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

(Rs.in Crores)

	Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
I	**ASSETS**			
1	**Non-current Assets**			
a	Property, Plant and Equipments	2	**33.77**	16.56
b	Capital work-in-progress	2	**0.39**	-
c	Other Intangible Assets	3	**10.63**	13.64
d	Intangible assets under development	3	**1.36**	63.48
e	Financial assets			
i	Investments	4	**90.00**	80.00
ii	Non-current bank balances	5	**91.16**	87.68
iii	Other Financial assets	6	**1.30**	2.45
			228.61	263.81
f	Income tax assets (net)	15	**61.92**	63.44
g	Other Non -current assets	7	**0.00**	0.00
	Total Non-current Assets		**290.53**	327.25
2	**Investments -Core Settlement Guarantee Fund**	11	**3,528.30**	3,149.13
3	**Investment earmarked towards SGF - Commodity derivatives**	5 & 8	**250.00**	250.00
4	**Current Assets**			
a	Financial Assets			
i	Investments	8	**292.86**	290.64
ii	Trade Receivables	9	**58.34**	14.29
iii	Cash and Cash equivalents*	10	**9,022.00**	9,064.72
iv	Bank balances other than cash and cash equivalents*	5	**523.73**	494.62
	* Includes Rs.8290.63 crores (March 20: Rs.8699.24 crores) pertaining to Settlement obligations and margin money from members			
v	Other Financial assets	6	**74.18**	67.45
			9,971.11	**9,931.72**
b	Other current assets	7	**14.78**	16.55
	Total Current Assets		**9,985.89**	9,948.27
	TOTAL ASSETS		**14,054.72**	**13,674.65**
II	**EQUITY AND LIABILITIES**			
1	**Equity**			
a	Equity Share capital	12 (a)	**45.00**	45.00
b	Other Equity	12 (b)	**659.16**	558.71
	Total Equity		**704.16**	603.71
2	**Core Settlement Guarantee Fund (Core SGF)**	27	**3,528.30**	3,149.13
3	**Settlement Guarantee Fund (SGF)- Commodity derivatives**	28	**250.00**	250.00
	Liabilities			
4	**Non-current liabilities**			
a	Provisions	19	**9.61**	8.36
b	Deferred tax liabilities (Net)	13 (c)	**1.83**	2.89
	Total Non-current Liabilities		**11.44**	11.25
5	**Current Liabilities**			
a	Financial Liabilities			
i	Deposits	16	**918.28**	838.26
ii	Trade payable to ;	17		
	Total Outstanding dues of micro enterprises and small enterprises		**-**	-
	Total Outstanding dues of creditors other than micro enterprises and small enterprises		**16.57**	11.64
iii	Other financial liabilities*	17	**8,332.55**	8,727.39
	* Includes Rs.8290.63 crores (March 20: Rs.8699.24 crores) pertaining to Settlement obligations and margin money from members	-		
			9,267.40	9,577.29
b	Provisions	19	**6.99**	7.31
c	Income tax liabilities (net)	14	**95.83**	45.67
d	Other current liabilities	18	**190.60**	30.29
	Total Current Liabilities		**9,560.82**	**9,660.57**
	Total Liabilities		**13,350.56**	**13,070.94**
	TOTAL EQUITY AND LIABILITIES		**14,054.72**	**13,674.65**
	Summary of significant accounting policies	1		

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

This is the Balance sheet referred to in our report of even date

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No : 105049W

For and on behalf of the Board of Directors

HARUN R KHAN
Chairman
[DIN :07456806]

VIKRAM KOTHARI
Managing Director
[DIN : 07898773]

NARENDRA JAIN
Partner
Membership No.: 048725

Place : Mumbai
Date : May 05, 2021

AMIT AMLANI
Chief Financial Officer

CHIRAG NAGDA
Company Secretary

NSE CLEARING LIMITED

(Formerly known as NATIONAL SECURITIES CLEARING CORPORATION LIMITED)

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Rs.in Crores)

Particulars	Notes	For the year ended 31.03.2021	For the year ended 31.03.2020
Income			
Revenue from operations	20	**501.74**	366.83
Other income	21	**53.17**	63.91
Other income			
Total Income		**554.91**	430.73
Expenses			
Employee benefits expense	22	**35.00**	33.80
Depreciation and amortisation expense	2 & 3	**13.40**	9.77
Other expenses	23	**112.91**	89.27
Total Expenses		**161.31**	132.84
Profit before exceptional item		**393.60**	297.90
Less : Exceptional Item			
Provision for Impairment of Intangible assets under development	37	**68.23**	-
Profit before tax		**325.37**	297.90
Less : Tax expenses	13		
Current tax		**115.84**	90.43
Tax for earlier year		**-**	0.38
Deferred tax		**(1.02)**	(6.19)
Total tax expenses		**114.82**	84.62
Profit for the year (A)		**210.55**	213.27
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		**(0.15)**	(1.12)
Income tax relating to items that will not be reclassified to profit or loss			
Tax Remeasurements of post-employment benefit obligations		**0.04**	0.33
Total Other Comprehensive Income for the year (B)		**(0.11)**	(0.79)
Total Comprehensive Income for the year (A+B)		**210.44**	212.48
Earnings per Equity Share (FV Rs. 10 each) (before contributions to Core SGF)			
Basic (Rs.)	31	**46.79**	**47.39**
Diluted (Rs.)	31	**46.79**	**47.39**
Summary of significant accounting policies	1		

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

This is the Statement of Profit & loss referred to in our report of even date

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No : 105049W

NARENDRA JAIN
Partner
Membership No.: 048725

Place : Mumbai
Date : May 05, 2021

For and on behalf of the Board of Directors

HARUN R KHAN
Chairman
[DIN :07456806]

VIKRAM KOTHARI
Managing Director
[DIN : 07898773]

AMIT AMLANI
Chief Financial Officer

CHIRAG NAGDA
Company Secretary

NSE CLEARING LIMITED
(Formerly known as NATIONAL SECURITIES CLEARING CORPORATION LIMITED)

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

Rs. in Crores

		For the year ended 31.03.2021	For the year ended 31.03.2020
A)	**CASHFLOW FROM OPERATING ACTIVITIES**		
	NET PROFIT BEFORE TAX	325.37	297.90
	Add/(Less) :- Adjustments for :		
	- Depreciation	13.40	9.77
	- Net gain on financial assets mandatorily measured at Fair Value through Profit or Loss	(9.98)	(10.06)
	- Provision for Impairment of Intangible assets under development	68.23	-
	Less : Adjustments for :		
	- Interest income on Bank deposit	(39.93)	(46.28)
	- Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	(1.38)	(7.34)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	355.71	243.99
	Adjustments for :		
	Decrease/(Increase) in Trade Receivable	(44.05)	(4.63)
	Increase / (Decrease) in Trade payables	4.93	(4.11)
	Decrease/(Increase) in other financial assets	0.38	4.82
	Decrease/(Increase) in Other Assets	1.77	(7.10)
	Increase / (Decrease) in Other Financial Liabilities	(395.48)	2,638.33
	Increase / (Decrease) in Provision	0.78	2.26
	Increase /(Decrease) in Other Liabilities	160.31	7.63
	Proceed of Deposit from Trading member / applicant	253.61	142.52
	Refund of deposit from trading members / applicant	(173.56)	(92.57)
	CASH GENERATED FROM OPERATIONS	164.40	2,931.13
	Contribution to Core SGF	(28.20)	-
	Direct Taxes paid (Net of Refunds)	(55.95)	(124.07)
	NET CASH FROM OPERATING ACTIVITIES - Total (A)	80.25	2,807.07
B)	**CASHFLOW FROM INVESTING ACTIVITIES**		
	Investment in Equity Share Capital of Subsidiary	(10.00)	(5.00)
	Purchase of Property, Plant and Equipment's/ Capital work-in-progress	(33.46)	(40.18)
	Interest received	33.96	40.71
	(Increase)/Decrease in Fixed deposit	(32.60)	(115.06)
	Purchases of Investment	(167.13)	(217.63)
	Sale of Investment	176.26	309.88
	NET CASH USED IN INVESTING ACTIVITIES - Total (B)	(32.97)	(27.28)
C)	**CASHFLOW FROM FINANCING ACTIVITIES**		
	Dividend Paid (inclusive of corporate dividend tax)	(90.00)	(97.65)
	NET CASH FROM FINANCING ACTIVITIES - Total (C)	(90.00)	(97.65)
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(42.72)	2,682.14
	CASH AND CASH EQUIVALENTS : OPENING BALANCE*	9,064.72	6,382.58
	CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE*	9,022.00	9,064.72
	* Includes amount received from Settlement obligations and margin money from members (Refer to note 10 & 17)		
	NET INCREASE IN CASH AND CASH EQUIVALENT	(42.72)	2,682.14

Notes to Cash Flow Statement :

1 Cash and Cash equivalent represent bank balances and balances in fixed deposit accounts.

2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind-AS 7 on Statement of Cash Flow notified underCompanies (Indian Accounting Standards) Rules, 2015

3 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification / disclosure.

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

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No : 105049W

For and on behalf of the Board of Directors

HARUN R KHAN
Chairman
[DIN :07456806]

VIKRAM KOTHARI
Managing Director
[DIN : 07898773]

NARENDRA JAIN
Partner
Membership No.: 048725

Place : Mumbai
Date : May 05, 2021

AMIT AMLANI
Chief Financial Officer

CHIRAG NAGDA
Company Secretary

NSE Clearing Limited
(Formerly known as NATIONAL SECURITIES CLEARING CORPORATION LIMITED)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021.

(A) Equity Share Capital

	(Rs.in Crores)
Balance as at 01.04.2019	**45.00**
changes in equity share capital during the year	-
Balance as at 31.03.2020	**45.00**
changes in equity share capital during the year	-
Balance as at 31.03.2021	**45.00**

(B) Other Equity

(Rs.in Crores)

	Reserves and Surplus			
	Capital Reserve	General reserve	Retained Earnings	Total
Balance at the 01.04.2019	10.00	244.71	189.16	443.87
Profit for the year			213.28	213.28
Other Comprehensive Income			(0.79)	(0.79)
Transaction with owners in their capacity as owners				
Dividends paid			(81.00)	(81.00)
Dividend Distribution Tax			(16.65)	(16.65)
Balance at the 01.04.2020	**10.00**	**244.71**	**303.99**	**558.71**
Profit for the year			210.55	210.55
Other Comprehensive Income			(0.11)	(0.11)
Contribution to core SGF (Refer Note 27)			(28.20)	(28.20)
Tax on contribution to Core SGF			8.21	8.21
Transaction with owners in their capacity as owners				
Dividend paid			(90.00)	(90.00)
Dividend Distribution Tax				-
Balance at the 31.03.2021	**10.00**	**244.71**	**404.45**	**659.16**

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

This is the statement of changes in equity referred to in our report of even date

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No : 105049W

NARENDRA JAIN
Partner
Membership No.: 048725

Place : Mumbai
Date : May 05, 2021

For and on behalf of the Board of Directors

HARUN R KHAN
Chairman
[DIN :07456806]

VIKRAM KOTHARI
Managing Director
[DIN : 07898773]

AMIT AMLANI
Chief Financial Officer

CHIRAG NAGDA
Company Secretary

Background and Significant Accounting Policies

Background

The NSE Clearing Limited (NCL) (formerly known as National Securities Clearing Corporation Limited), a wholly owned subsidiary of NSE, was incorporated in August 1995. It was the first clearing corporation to be established in the country and also the first clearing corporation in the country to introduce settlement guarantee. It was set up to bring and sustain confidence in clearing and settlement of securities, to promote and maintain, short and consistent settlement cycles, to provide counter-party risk guarantee, and to operate a tight risk containment system.

Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Ind As financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act , 2013 (`Act') (to the extent notified) .The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Amendments thereto.

The financial statements for the year ended March 31, 2021 has been approved by the Board of directors of the Company in their meeting held on May 05, 2021.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value, and
- defined benefit plans - plan assets measured at fair

(b) Foreign currency translation and transactions

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian currency (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

Effective April 1, 2018 the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, incentives, service taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised in the period when the service is provided as per arrangements/agreements with the customers. The sources of revenue are:

(i) Clearing and Settlement charges, IT & support charges and processing charges are recognized on accrual basis as and when the services are rendered.

(ii) In respect of Members who have been declared as defaulters by the Company all amounts (dues) remaining to be recovered, net of available security and insurance cover available if any, till the date of being declared as defaulters are written off as bad debts. All subsequent recoveries are accounted when received.

Shortages arising after the date of declaration of default are written off as bad debts in the year in which it arises, after exhausting all remedies including forfeiture of securities and insurance cover available if any.

Other overdue amounts are provided for as doubtful debts or are written off as bad debts, if the same are considered doubtful/irrecoverable in the opinion of the management.

(iii) Penal Charges, in the year of declaration of default, in respect of shortages due from the respective member, are booked to the extent such charges are recoverable.

(iv) Other insurance claims are accounted on accrual basis when the claims become due and payable.

(v) Income excludes applicable taxes and other levies

(d) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(e) Leases

As a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of the contract. Ind AS 116 defines a lease as a contract, or a part of a contract, that convey as the right of use an asset (the underlying asset) for a period of time in exchange of consideration. To assess whether as contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expenses on a straight line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the underlying assets.

As a lessor

Lease for which the Company is a lessor is classified as finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on straight line basis over the term of the relevant lease.

(f) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked/restricted for specific purposes.

Restricted cash:

Other bank balances comprise of Fixed deposits with maturity of more than three months and less than twelve months, other financial assets contains Fixed deposits with maturity of more than one year. This deposits are restricted balance and with lien for advances received from issuer of securities and advance received from defaulting members.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(i) Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortised cost**: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) De-recognition of financial assets

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be reliably measured.

(j) Financial liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(k) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

(l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(m) Property, plant and equipment (including CWIP)

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

Furniture and fixture	5 to 10 years
Office equipment	4 to 5 years
Electrical equipment	10 years
Computer systems office automation	3 years
Computer systems – others	4 years
Computer software	4 years
Telecommunication systems	4 years
Clearing and Settlement Systems	4 years

The property, plant and equipment including land acquired under finance leases is depreciated over the asset's useful life or the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.

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

(n) Intangible assets

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Standard packaged software products are written off in the year of purchase.

Computer software is amortised over a period of 4 years.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(p) Provisions

Provisions for legal claims and discounts/incentives are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

(q) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not disclosed in case the possibility of an outflow of resources embodying economic benefits is remote.

(r) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in statement of profit and loss in the year in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:
(a) defined benefit plans such as gratuity, and

(b) defined contribution plans such as provident fund and superannuation.

Gratuity obligations

The Holding company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.
The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iv) Defined contribution plans

Provident fund
Provident Fund: The company is registered with Regional Provident Fund Office, Bandra, Mumbai, and both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively.

Superannuation
Superannuation benefits for employees designated as chief managers and above are covered by group policies with the Life Insurance Corporation of India maintained by the Holding Company. The contribution payable for the year is charged to revenue. There are no other obligations other than the annual contribution payable..

(v) Bonus plans

1. The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2. SEBI has laid down certain norms in terms of the compensation policy for the key management personnel which are as under :
   A. The variable pay component will not exceed one third of the total pay.
   B. 50% of the variable pay will be paid on eferred basis after three years.

(s) Core Settlement Guarantee Funds

As per SEBI vide circular no. CIR/MRD/DRMNP/25/2014 dated August 27,2014 every recognised clearing corporation shall establish and maintain a Fund for each segment, to guarantee the settlement of trades executed in that respective segment of a recognised stock exchange. The Clearing Corporation shall have a fund called Core SGF for each segment of each Recognised Stock Exchange to guarantee the settlement of trades executed in the respective segment of the Stock Exchange. In the event of a clearing member(member) failing to honour settlement commitments, the Core SGF shall be used to fulfil the obligations of that member and complete the settlement without affecting the normal settlement process. The Core SGF shall be contributed by Clearing Corporation, Stock Exchanges and the clearing members, in a manner as prescribed by SEBI. This fund is represented by earmarked Core SGF investments. The income earned on such investments is credited to the respective contributor's funds and adjusted towards incremental requirement of Minimum Required Corpus (MRC) as per SEBI letter reference no. SEBI/HO/MRD/DRMNP/OW/P/2018/4559/1 dated February 12, 2018. Penalties and fines levied by the Company are transferred to Core SGF as Other Contributions.

(t) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(v) Earnings per share

(I) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(w) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

x) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Estimation of current tax expense and payable Note 13 and 14
Estimated useful life of intangible asset Note 3
Estimation of defined benefit obligation Note 26
Estimation of fair values of contingent liabilities refer Note 33

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

y) Recent pronouncements

The Ministry of Corporate affairs ("MCA") through a notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013 which will be applicable effective April 1, 2021.Disclosure of shareholding of promoters in specified format.

- Disclosure of current maturities of Long term borrowings under the head short term borrowings
- Disclosure of ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development in specified format.
- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Financial Ratios to be disclosed along with explanation with respect to items included in numerator and denominator.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The Company will evaluate the above and give effect as required by law.

Note 2 - Property, Plant and Equipments

	OFFICE EQUIPMENTS	FURNITURE AND FIXTURES	COMPUTER SYS - OFF AUTOM	TELECOM MUNICATIO N SYSTEMS	CLEARING AND SETTLEMEN T SYSTEM	Total	Capital Work In Progress
Year ended March 31 , 2020							
Gross carrying amount							
Opening gross carrying amount	0.01	0.06	0.23		18.37	18.66	3 11
Exchnage differences							
Additions				8.29	10.59	18.88	
Disposals							
Transfers							(3.11)
Closing gross carrying amount		**0.06**	**0.23**	**8.29**	**28.96**	**37.54**	
Accumulated depreciation							
Opening accumulated depreciation	0.00	0.06	0.16		15.28	15.50	
Depreciation for the year			0.03	1.70	3.75	5.48	
Disposals							
Closing accumulated depreciation	**0.00**	**0.06**	**0.19**	**1.70**	**19.03**	**20.98**	
Net carrying amount	**(0.00)**	**(0.00)**	**0.04**	**6.59**	**9.93**	**16.56**	
Year ended March 31, 2021							
Gross carrying amount							
Opening gross carrying amount		0.06	0.23	8.29	28.96	37.54	
Additions			0.01	4.44	20.84	25.30	0.39
Disposals							
Transfers							
Closing gross carrying amount		**0.06**	**0.24**	**12.73**	**49.80**	**62.84**	**0.39**
Accumulated depreciation							
Opening accumulated depreciation	0.00	0.06	0.19	1.70	19.03	20.98	
Depreciation for the year			0.02	2.56	5.51	8.09	
Disposals							
Closing accumulated depreciation	**0.00**	**0.06**	**0.21**	**4.26**	**24.54**	**29.07**	
Net carrying amount	**(0.00)**	**(0.00)**	**0.03**	**8.47**	**25.26**	**33.77**	**0.39**

Note 3: Intangible Assets

(Rs. in Crores)

	COMPUTER SOFTWARE	Intangible assets under development
Year ended March 31 , 2020		
Gross carrying amount		
Opening gross carrying amount	17.39	49.48
Additions	10.28	23.98
Disposals		
Transfers		(9.98)
Closing gross carrying amount	**27.67**	**63.48**
Accumulated Amortisation and impairment		
Opening accumulated Amortisation	9.74	
Amortisation for the year	4.29	
Disposals		
Closing amortization	**14.03**	
Net carrying amount	**13.64**	63.48
Year ended March 31, 2021		
Gross carrying amount		
Opening gross carrying amount	27.67	63.48
Exchnage differences		
Additions	2.30	10.12
Disposals		
Transfers		(4.01)
Closing gross carrying amount	**29.97**	69.59
Accumulated Amortisation and impairment		
Opening accumulated Amortisation	14.03	
Amortisation for the year	5.31	
Provision for Impairment of Intangible assets under development (Refer Note 37)		(68.23)
Disposals		
Closing amortization	**19.34**	1.36
Net carrying amount	**10.63**	**1.36**

Significant estimate: Useful life of intangible assets under development

The Company has completed the development of software that is used to in its various business processes. As at 31 March 2021, the net carrying amount of this software was Rs.10.63 crores (31 March 2020: Rs.13.64 crore). The Company estimates the useful life of the software to be 4 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 4 years, depending on technical innovations and competitor actions.

Note 4 NON CURRENT INVESTMENTS

	31.03.2021		31.03.2020	
	Number of Units	(Rs. in Crores)	Number of Units	(Rs. in Crores)
I Investment in equity instruments (fully paid up)				
Unquoted equity instruments at cost				
In subsidiary companies				
NSE IFSC Clearing Corporation Limited **	9,00,00,000	90.00	8,00,00,000	80.00
In Others				
NSE Foundation (Section 8 Company) [* Re.1/- (Previous Year Re.1/-]	6,000	-*	6,000	*
Total equity instruments		90.00		80.00
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		**90.00**		**80.00**

* Re 1/-

NSE Foundation was incorporated under section 8 of the Companies Act, 2013 and intends to apply its profits, if any, or other income in promoting its objects and any payment of dividend to its members is prohibited. Accordingly, the investment in the company had been written down to Re. 1/-. Accordingly, the Company had written off investment in NSE Foundation amounting to Rs. 59,999/- by debiting the Statement of Profit and Loss.

**Investment in Right issue of Rs.10.00 crores during the year (Previous year Rs. 5.00 Crores)

5 **Other bank balances**

	Non-current		Current	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	(Rs. in Crores)		(Rs. in Crores)	
Deposits with original maturity for more than 12 months #	91.16	87.68	435.37	381.15
Earmarked Deposits with original maturity for more than 12 months	785.96	627.85	1,897.33	1,976.49
Deposits with original maturity for more than 3 months but less than 12 months #			68.60	94.22
Earmarked Deposits with original maturity for more than 3 months but less than 12 months #			380.57	381.16
Earmarked Deposits with original maturity for less than 3 months			298.90	
Earmarked Deposits with original maturity less than 12 months*			19.76	19.24
Total	877.12	715.53	3,100.53	2,852.26
Less :				
Amount disclosed under Core SGF Investments (note 11)	761.27	611.14	2,402.44	2,174.52
Amount disclosed under Investments -SGF for Commodity segment (refer Note 28)	24.69	16.71	174.36	183.12
Total	91.16	87.68	523.73	494 62

* Earmarked towards withheld payouts.

Other bank balances & Cash and cash equivalents includes Rs.8290.63 crores (March 20: Rs.8699.24 crores) pertaining to Settlement obligations and margin money from members

6 **Others Financial Assets**

	Non-current		Current	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	(Rs. in Crores)		(Rs. In Crores)	
Advances recoverable in cash				
Unsecured, considered good			0.20	0.24
Other loans and advances				
Security Deposits	0.22	0.22		
Others				
Interest accured on Bank deposits	1.08	2.23	73.50	66.39
Other receivable			0.48	0 82
Total	1.30	2.45	74.18	67.45

7 **Others Assets**

	Non-current		Current	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	(Rs. in Crores)		(Rs. in Crores)	
Balances with GST authorities			0.84	5.22
Deposits with GST authorities			2.78	2 78
Other receivable*			6.18	6.18
Prepaid expenses	0.00	0.00	4.98	2.37
Total	0.00	0.00	14.78	16.55

* Other receivable is Deposits with Supreme Court pursuant to its directives in a case filed by the Company with regard to sale of collateral securities with the company of a defaulter member.

Note No. 8 CURRENT INVESTMENTS

	31.03.2021		31.03.2020	
	Number of Units	Rs. In crores	Number of Units	Rs. In crores
I Investment in mutual funds				
Un-quoted investments in mutual funds at FVPL				
UTI Liquid Fund - Cash Plan -Direct- Growth	35,777	12.06	76,270	24.80
Axis Liquid Fund -Direct - Growth	1,69,498	38.73	-	-
Edelweiss Liquid Fund - Direct - Growth	-	-	1,60,152	40.96
Mirae Asset Cash Management Fund - Direct Plan - Growth	86,796	18.85	1,85,766	38.91
LIC MF Liquid Fund - Direct - Growth	1,12,860	42.17	91,183	32.86
Templeton India Tma - Direct - Growth	-	-	76.651	22.87
Aditya Birla Sun Life Liquid Fund - Direct - Growth	11,97,511	39.70	2,85,867	9.14
HDFC Liquid Fund - Direct - Growth	1,31,057	53.02	1.48,170	57.88
ICICI Prudential Liquid - Direct Plan - Growth	5,51,531	16.81	11,66,657	34.27
HSBC Cash Fund Direct Growth	1,77,523	36.37	81,760	16.17
SBI Premier Liquid Fund - Direct - Growth	76,128	24.53	98,387	30.59
Nippon India LIQUID FUND - DIRECT - GROWTH	57,421	28.90	57,421	27.85
Idfc Cash Fund - Direct - Growth	1,31,446	32.68	-	-
Aditya Birla Sun Life Overnight Fund - Direct - Growth		-	41,695	4.50
Total mutual fund		**343.81**		**340.81**
Less :				
Amount disclosed under Investments -SGF for Commodity segment (refer Note 28)		50.95		50.17
Total current investments		**292.86**		**290.64**
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		343.81		340.81

9 **Trade receivables**

	Current	
	31.03.2021	31.03.2020
	(Rs. in Crores)	
Receivable from related parties (Refer to Note No. 30)	**20.91**	
Others	**37.43**	14 29
Total	**58.34**	14.29
Break up of security details		
Trade Receivables considered good - Secured		
Trade Receivables considered good - Unsecured	**58.34**	14.29
Trade Receivables which have significant increase in credit risk		
Trade Receivables - credit impaired		
Total	**58.34**	14.29

10 **Cash and cash equivalents**

	Current	
	31.03.2021	31.03.2020
	(Rs. in Crores)	
In current accounts #	**483.63**	173.68
Deposits held for the purpose of meeting short term cash commitments #	**8,710.70**	9.038.81
Deposits with original maturity of less than three months	**19.59**	
Cash on hand		
	9,213.92	9,212.49
Less :		
Amount disclosed under Core SGF Investments (note 11)	**191.92**	147.77
Total	**9,022.00**	9,064.72

Other bank balances & Cash and cash equivalents includes Rs.8290.63 crores (March 20: Rs.8699.24 crores) pertaining to Settlement obligations and margin money from members

11 **Core SGF investments**

	31.03.2021	31 03.2020
	(Rs. in Crores)	
Fixed Deposits	**3,163.71**	2,785.66
Cash and cash equivalents	**191.92**	147.77
Accrued interest	**118.96**	172.06
Income Tax Assets	**53.72**	43.64
	3,528.30	3,149.13

12 (a) **Share Capital**

	31.03.2021	31.03.2020
	(Rs. in Crores)	
Authorised		
4,50,00,000 (Previous Year :4,50,00,000) Equity Shares of Rs 10 each.	**45.00**	45.00
Issued, Subscribed and Paid-up		
4,50,00,000 (Previous Year :4,50,00,000) Equity Shares of Rs.10 each fully paid up. (all the above shares are held by the holding company- National Stock Exchange of India Limited and its nominees)	**45.00**	45.00
Total	**45.00**	45.00

Aggregrate number of bonus shares issued during the period of five years immediately preceeding the reporting date

Particulars	Aggregrate No. of Shares				
Equity Shares	2020-21	2019-20	2018-19	2017-18	2016-17
Fully paid up by way of Bonus Shares					

There is no movement either in the number of shares or in amount between previous year and current year.
The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

	31.03.2021		31.03.2020	
	No.	% holding	No.	% holding
National Stock Exchange of India Limited (Holding Company) and its nominees	**4,50,00,000**	**100%**	4,50,00,000	**100%**

Capital management

The Company considers the following components of its Balance Sheet to be managed capital:
Total equity (as shown in the balance sheet). – retained profit, other reserves, share capital

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company aims to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company is not subject to financial covenants in any of its sign ficant financing agreements.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods. Refer note 12B for the final dividends declared and paid.

Compliance with externally imposed capital requirements:

Compliance with externally imposed capital requirements:
Capital requirement of Company is regulated by Securities and Exchange Board of India (SEBI). As per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, Clearing corporation shal have a minimum net worth of Rs.300 crores at all times.
Further, SEBI vide Regulation 14(3) of SECC Regulations 2018 adopted risk-based approach towards computation of capital and net worth requirement for Clearing Corporations(CC) to adequately cover counterparty credit risk, business risk, orderly Wind-down and operational & legal risk. As per Regulation 14(3) (c) of SECC Regulations 2018 every CC shall have a minimum net worth of Rs.100 crores or networth Computed as per the risk-based approach as may specified by SEBI from time to time, whichever is higher.
Accordingly, SEBI vide circular Ref No: SEBI/HO/MRD/DRMP/CIR/P/2019/55 dated April 10, 2019 issued granular norms related to compulation of risked based capital and net worth requirement for CCs effective from FY2019-20. The networth requ rement for the Company calculated as per the above SEBI circular is Rs.1083.76 crores based on audited financial statments for year ended March 31, 2020. Minimum requirement of Net worth is maintained throughout the year ended March 31, 2021.

Note 12 (b): Other equity

Other Equity				(Rs.in Crores)
		Reserves and Surplus		
	Capital Reserve	General reserve	Retained Earnings	Total
Balance at the 01.04.2019	10.00	244.71	189.16	443.87
Profit for the year			213.28	213.28
Other Comprehensive Income			(0.79)	(0.79)
Transaction with owners in their capacity as owners				
Dividends paid*			(81.00)	(81.00)
Dividend Distribution Tax*			(16.65)	(16.65)
Balance at the 01.04.2020	**10.00**	**244.71**	**303.99**	**558.71**
Profit for the Year			210.55	210.55
Other Comprehensive Income			(0.11)	(0.11)
Contribution to core SGF (Refer Note 27)			(28.20)	(28.20)
Tax on contribution to Core SGF			8.21	8.21
Transaction with owners in their capacity as owners				
Dividends paid #			(90.00)	(90.00)
Balance as at 31.03.2021	**10.00**	**244.71**	**404.45**	**659.16**

The Board of directors, in their meeting on May 05, 2021 proposed a dividend of Rs.10 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend proposed for the year ended March 31, 2021 amounted to Rs.45 00 crores.

During the year ended March 31, 2021, the amount of per share dividend recognized as distribution to equity shareholders was Rs.20/- per equity share. The dividend paid during the year ended March 31, 2021 amounted to Rs.90.00 crore.

During the year ended March 31, 2020, the amount of per share dividend recognized as distribution to equity shareholders was Rs.18/- per equity share. The dividend paid during the year ended March 31, 2020 amounted to Rs.81.00 crore excluding Dividend Distribution Tax of Rs.16.65 crores

13 **Income Tax**

	31.03.2021	31.03.2020
	(Rs. in Crores)	
a) **The major components of income tax expense statement of profit and loss**		
Statement of profit and loss		
Current Tax		
Current tax on profit for the year	115.84	90.43
Adjustment for current tax of prior periods	-	0.38
Total current tax expense	**115.84**	90.81
Deferred tax expense (income)		
Decrease (increase) in deferred tax assets	(0.23)	0.01
(Decrease) increase in deferred tax liabilities	(0.79)	(6.20)
Total deferred tax expense (benefit)	**(1.02)**	(6.19)
Total for statement of profit and loss	**114.82**	84.62

	31.03.2021	31.03.2020
OCI section	(Rs. in Crores)	
Related to items recognised in OCI during in the year:		
Re-measurement of the defined benefit(liability) / asset	0.04	0.10
Income tax charged to Other Comprehensive Income	0.04	0.10

b) **Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate**

	31.03.2021	31.03.2020
	(Rs. in Crores)	
Profit before income tax expense	325.37	297.90
Tax rate (%)	29.12%	29.12%
Tax at the Indian Tax Rate	94.75	86.75
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
(Profit)/ Loss on sale of investments taxed at other than Statutory rate	0.16	(0.02)
Contribution to NSE Foundation towards CSR	0.74	0.66
Impact of tax rate reduction	-	(3.23)
Provision for Impairment of Intangible assets under development	19.87	-
Short Provision for previous years	-	0.38
Others	(0.69)	0.07
Tax on Perquisites [u/s 40(a)(v)]	*0.00*	0.01
Income Tax Expense	**114.82**	**84.62**

c) Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

Particulars	31.03.2021	31.03.2020
	(Rs. in Crores)	
Deferred income tax assets		
Financial Assets at Fair Value through OCI	-	-
Others	3.52	3.25
Total deferred tax assets (a)	3.52	3.25
Deferred income tax liabilities		
Property, plant and equipment and investment property	0.46	1.20
Financial Assets at Fair Value through profit and Loss	4.89	4.94
Contribution to Core Settlement Guarantee Fund		
Others		
Total deferred tax liabilities (b)	5.35	6.14
Net deferred Assets/(Liabilities) (a-b)	(1.83)	(2.89)

d) **Movement in Deferred Tax Assets**

(Rs. in Crores)

Particulars	Property, plant and equipment	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	Others (Gratuity, PBVP, LE)	Total
At 01 April 2019				**2.93**	**2.93**
(Charged) / Credited					
- to profit or loss				(0.00)	(0.00)
- to other comprehensive income				0.33	0.33
At 31st March 2020				**3.25**	**3.25**
(Charged)/ Credited					
- to profit or loss				0.23	0.23
- to other comprehensive income				0.04	0.04
At 31st March 2021				**3.52**	**3.52**

e) **Movement in Deferred Tax liabilities**

(Rs. in Crores)

Particulars	Property, plant and equipment	Financial Assets at Fair Value through profit and	Financial Assets at Fair Value through OCI	**Others**	Total
At 01 April 2019	**0.46**	**11.88**			**12.34**
Charged / (Credited)					
- to prof t or loss	0.74	(6.94)			(6.20)
- to other comprehensive income					
At 31st March 2020	**1.20**	**4.94**			**6.14**
Charged / (Credited)					
- to profit or loss	(0.74)	(0.05)			(0.79)
- to other comprehensive income					
At 31st March 2021	**0.46**	**4.89**			**5.35**

f) The company recognizes MAT credit available as an asset only to the extent there is reasonable certainty that the company will pay normal income tax during the specified period. Accordingly, MAT credit entitlement not recognized in books of accounts till March 31, 2021 is Rs.119.29 crore out of which MAT credit entitlement to be carried forward is Rs.37.00 crore. Further, if even the MAT credit will be recognised the same will be directly credited to reserves and not the statement to profit & loss account as the same is arising out of contribution to Core SGF.

14 **Income tax liabilities (net)**

	31.03.2021	31.03.2020
	(Rs. in Crores)	
Income Tax (Net of Advances)	95.82	45.66
Fringe Benefit Tax (Net of Advances)	0.01	0.01
	95.83	45.67

15 **Income tax assets (net)**

	31.03.2021	31.03.2020
	(Rs. in Crores)	
Income Tax paid including TDS (Net of Prov sions)	61.90	63.42
Fringe Benefit Tax (Net of Provisions)	0.02	0.02
	61.92	63.44

16 **Deposits (Unsecured)**

	Current	
	31.03.2021	31.03.2020
	(Rs. in Crores)	
Security Deposit from Clearing Members	308.87	331 02
Security Deposit in lieu of Bank Guarantee/securities	89.72	79.01
Deposits from applicants for membership	2.14	2.23
Deposits from Clearing Banks	517.55	426.00
Total	918.28	838.26

17 **Other financial liabilities**

	Current	
	31.03.2021	31.03.2020
	(Rs. in Crores)	
Trade payables		
Trade Payable to Micro and Small Enterprises		
Trade Payable to other than Micro and Small Enterprises	13.67	7.99
Trade payables to related parties (ref to Note No.30)	2.90	3.65
	16.57	11.64
Others		
Margins From Members	4,148.93	6,352.44
Settlement Obligations payable	4,141.70	2,346.80
Creditor for Capital Expenditure	0.76	0.11
Other liabilities	41.17	28.03
	8,332.55	8,727.39
	8,349.12	8,739.03

Trade payables include outstanding amounts of Rs. NIL (Previous Year: Rs. NIL) (inc uding interest of Rs. Nil, (Previous Year Rs. Nil) payable to Micro Enterprises & Small Enterprises. Total outstanding dues to Micro Enterprises & Small Enterprises have been determined to the extent such parties have been identified on the basis of information availab e with the Company.

18 **Other current liabilities**

	Current	
	31.03.2021	31.03.2020
	(Rs. in Crores)	
Statutory payments	10.19	10.55
Satmp Duty Payable	174.18	
Amount payable into Core SGF	4.24	18.09
Advances from debtors	1.99	1.65
	190.60	30.29

19 **Provision employee benefits**

	Non-current		Current	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	(Rs. in Crores)		(Rs. in Crores)	
Provisions for Leave encashments			1.88	2.08
Provision for Gratuity	6.07	5.64	0.63	0.73
Provision for variable pay and other allowances	3.54	2.72	4.48	4.50
	9.61	8.36	6.99	7.31

20 **Revenue from operations**

(Rs. in Crores)

	For the year ended 31.03.2021	For the year ended 31.03.2020
Sale of Services		
Clearing & Settlement Charges	**291.95**	180.53
Other operating revenues		
Connect to NSE Services	**1.50**	0.68
Interest received	**202.25**	180.88
Processing Charges	**2.00**	3.69
Income from Usage Charges	**1.41**	1.04
Stamp Duty Facilitation charges	**2.63**	
Total	**501.74**	366.83

Major Customer

Revenue from one major customer (related party) is Rs.263.34 crores (previous year Rs Rs.170.23 crores) which is more than 10% of the total revenue of the Company.

21 **Other income and other gains/(losses)**

Other income		
Interest Income :		
On Bank Deposits	**39.93**	46.28
On Income Tax Refund	**1.73**	
On Others	**0.01**	0.01
	41.67	46.29
Miscellaneous Income	**0.14**	0.22
	41.81	46.51
Other gains/(losses)		
Net gain on financial assets mandatorily measured at Fair Value through Profit or Loss	**9.98**	10 06
Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	**1.38**	7.34
	11.36	17.40
Total	**53.17**	63.91

22 **Employee benefits expenses**

Salaries, wages and bonus	**21.90**	21.03
Salaries, wages and bonus of Deputed Staff (Refer note No. 25)	**10.30**	9.82
Contribution to provident and other fund	**1.11**	0.96
Employees welfare expenses	**1.69**	1.99
Total	**35.00**	33.80

23 **Other expenses**

Space & Infrastructure Usage Charges	**4.65**	4.49
Common Usage Expenses	**22.65**	18.20
Insurance Premium	**0.22**	0.14
Printing, Stationery & Consumables	**0.48**	0.47
Auditors' Remuneration (refer note below)	**0.41**	0.45
Legal and Professional fees	**7.32**	7.90

	For the year ended 31.03.2021	For the year ended 31.03.2020
Repairs & Maintenance :		
- On Building	**0.30**	0.51
- On Computer systems	**30.92**	20.97
- Others		
IT Management & Consultancy Charges	**0.55**	0.45
Software Expenses	**17.46**	10.67
Directors' Sitting fees	**0.40**	0.33
Electricity expenses	**2.20**	3.12
Contribution to NSE foundation towards CSR (refer Note 40)	**5.06**	4.53
Other expenses	**20.29**	17.03
Total	**112.91**	89.27

Note :

Payment to auditor		
As auditor :		
Audit fees	**0.16**	0.14
Tax audit fee	**0.04**	0.04
Limited review	**0.08**	0.08
In other capacity		
Taxation matters	**0.09**	0.15
Certification matters	**0.03**	0.03
Out of Pocket	**0.01**	0.01
Total	**0.41**	0.45

24 **Expenditure in foreign currency :**

Travelling Expenses: NIL (Previous Year ended March 31,2020 :NIL)

Others: Rs. 1.34 Crores (Previous Year ended March 31,2020 : Rs.0.62 Crores)

Capital payments : Rs.10.00 Crores (Previous Year ended March 31,2020 : Rs.5.19 Crores) including Equity Contribution of Rs.10.00 crores in wholly own Subsidiary Set up in special economic Zone(SEZ) (Previous Year ended March 31,2020 : Rs.5.00 crores) .

25 Payments to and provision for employees includes the amount reimbursed by the company to The National Stock Exchange of India Limited (NSEIL) in respect of employees made available to the company. Accordingly, necessary provisions as required for all retirement benefits and other long term employee benefits as per Ind AS 19 - Employee Benefits as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended , was carried out by NSEIL in respect of employees made available to the company.

26 Disclosure under Indian Accounting Standard 19 (Ind As 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

i) Defined Benefit Plan :

Provident & Pension Fund: Company has contributed Rs. 0.64 Crores (previous year : Rs.0.71 crores) towards Provident & Pension Fund during the year ended March 31, 2021 to Employee Provident Fund Organisation

Gratuity: The company provides for gratuity for employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity, The amount of Gratuity is payable on retirement/termination of the emplyee's last drawn basic salary per month multiplied for the number of years of service.

A Balance Sheet

(i) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the period are as follows:

(Rs. in Crores)

	31.03.2021	31.03.2020
Liability at the beginning of the year	**6.37**	4.44
Interest cost	**0.42**	0.33
Current service Cost	**0.47**	0.32
Transfers	**0.05**	0.16
Benefits paid	**(0.76)**	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	
Actuarial (gains)/losses on obligations - due to change in financial assumptions	**0.04**	0.98
Actuarial (gains)/losses on obligations - due to experience	**0.11**	0.14
Liability at the end of the year	**6.70**	6.37

(ii) The net liability disclosed above relates to funded plans are as follows:

(Rs. in Crores)

	31.03.2021	31.03.2020
Fair value of plan assets as at the end of the year	-	
Liability as at the end of the year	**(6.70)**	(6.37)
Net (liability) / asset	**(6.70)**	(6.37)

(iii) Balance sheet reconciliation

(Rs. in Crores

	31.03.2021	31.03.2020
Opening net liability	**6.37**	4.44
Expenses recognized in Statement of Profit or Loss	**0.89**	0.65
Expenses recognized in OCI	**0.15**	1.12
Net liability/(asset) transfer in	**0.05**	0.16
Benefits Paid	**(0.76)**	-
Amount recognised in the Balance Sheet	**6.70**	6.37

B Statement of Profit & Loss

(Rs. in Crores

(i) Net interest cost for current period

	31.03.2021	31.03.2020
Interest cost	**0.42**	0.33
Interest income	-	-
Net interest cost for current period	**0.42**	0.33

Rs. in Crores)

(ii) Expenses recognised in the Statement of Profit & Loss

	31.03.2021	31.03.2020
Current service cost	**0.47**	0.32
Net interest cost	**0.42**	0.33
Ex enses rec nised in the Statement of Profit & Loss	**0.89**	0.65

(Rs. in Crores

(iii) Expenses recognised in the Other Comprehensive Income

	31.03.2021	31.03.2020
Re-measurement		
Expected return on plan assets	-	
Actuarial (gain) or loss	0.15	1.12
Net (income)/expense for the period recognized in OCI	**0.15**	1.12

C Sensitivity Analysis

(Rs. in Crores

	31.03.2021	31.03.2020
Projected Benefit Obligation on Current Assumptions	**6.70**	6.37
Delta Effect of +1% Change in Rate of Discounting	**(0.41)**	(0.38
Delta Effect of -1% Change in Rate of Discounting	**0.46**	0.42
Delta Effect of +1% Change in Rate of Salary Increase	**0.44**	0.41
Delta Effect of -1% Change in Rate of Salary Increase	**(0.40)**	(0.37
Delta Effect of +1% Change in Rate of Employee Turnover	**(0.09)**	(0.08)
Delta Effect of +1% Change in Rate of Employee Turnover	**0.10**	0.09

D Significant actuarial assumptions are as follows:

	31.03.2021	31.03.2020
Discount rate	**6.49%**	6.59%
Rate of return on plan assets	**N.A.**	N.A.
Salary escalation	**10.00%**	10.00%
Attrition rate	**12.00%**	12.00%

E Maturity Analysis of Projected Benefit Obligation: From the Employer

Projected Benefits Payable in Future Years From the Date of Reporting	**31.03.2021**	31.03.2020
1st Following Year	**0.63**	0.73
2nd Following Year	**0.63**	0.59
3rd Following Year	**0.62**	0.58
4th Following Year	**0.61**	0.57
5th Following Year	**0.65**	0.50
Sum of Years 6 To 10	**3.08**	2.74

27 Securities and Exchange Board of India, vide circu ar CIR/MRD/DRMNP/25/2014 dated August 27, 2014, interlia, has issued norms re aled to the computation and contribution to the Core Settlement Guarantee Fund by the Cleanng Corporation (minimum 50%), Stock Exchange (minimum 25%) and members (maximum 25%) and also norms issued under Interoperability Framework. Further, SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05,2016 advised Stock Exchange to transfer 25% of its annual profits to Core SGF.

Details of Core SGF a on March 31, 2021 are as follows . **(Rs. in Crores)**

Details of MRC of Core SGF	CM	FO	CD	Debt	TRI Party	Commodity	Total
NCL own contribution	77 96	593 00	7520	3 00	8 50	5.00	**762.66**
Interest Adjusted towards NCL's Contribution	29.04	79.00	20.80				**128.84**
Contribution by NSE on behalf of Member	42 93	296 00	23 00			2 50	**364.43**
Interest Adjusted towards member's Contribution	10.07	40.00	25 00				**75.07**
Contribution by National Stock exchange of India (NSE)	40 65	297.00	24 00	1 00	8 50	2.50	**373.65**
Interest Adjusted towards NSE's Contribution	13.35	39.00	24 00			-	**76.35**
Contribution by BSE Limited (BSE)	4.36	0.05	10 55			-	**14.96**
Contribution by Metropolitan Stock Exchange of India (MSE)			1.01			-	**1.01**
Total	**218.36**	**1,344.05**	**203.56**	**4.00**	**17.00**	**10.00**	**1,796.97**
Previous Year	214.00	1 248 00	112.00	**4.00**	17 00	10 00	1,605 00

Details of Core SGF as on March 31, 2020 are as follows .

	Contribution tc Corpus of Core SGF	CM	FO	CD	Debt	TRI Party	Commodity	Other	Total
a	NCL own contribution	107.00	624 00	56 00	3 00	8 50	5.00		803.50
b	Contribution by NSE on behalf of Member	53 00	312 00	28 00			2 50		395 50
	Contribution by NSE	54 00	312 00	28 00	1 00	8 50	2 50	327.51	733 51
1	**Total (a+b+c+d)**	**214.00**	**1,248.00**	**112 00**	**4.00**	17 00	**10.00**	**327.51**	**1,932.51**
2	Penalty*	64.94	550.95	3089			0.03	-	646 81
3	Income on Investments*	26.79	420 24	27 26	0.87	2 27	0.85	91.52	569 81
	Grand Total (1+2+3)	**305.73**	**2,219.19**	**170 15**	**4.87**	19 27	**10.88**	**419.03**	**3,149.13**

III **Contribution made during the year 2020-21**

Contribution during the year	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
NCL own contribution								
Direct Contribution		-	28 20		0		-	28 20
Adjusted from Interest Income **		48.00	11 80					59.80
Tota		**48.00**	**40.00**					**88.00**
Contribution by NSE on behalf of Member								
Direct Contribution	-					-		
Contribution adjusted from NSE Other Contribution #						-		
Adjusted from Interest Income **		24 00	20 00			-		44. 00
Total		**24.00**	**20.00**					**44.00**
Contribution from Exchanges								
Contribution by NSE								
Direct Contribution								
Adjusted agaisnt NSE's Own and member's contributior	-			-			-	
Contribution adjusted from NSE Other Contribution #							-	-
Adjusted from Interest Income **		24.00	20 00				70 51	114.51
Excess Contribution transfer to Other Clearing Corporation' **							(70.51)	(70.51)
Total		**24.00**	**20.00**					**44.00**
Contribution by BSE								
Direct Contribution	4 36	0 05	10 55	-				14 96
Total	**4.36**	**0.05**	**10.55**			-		**14.96**
Contribution by MSEI								
Direct Contribution			1.01					1 01
Total			**1.01**					**1.01**

Income during the period (Net Off adjustment towards MRC) **								Current year	Previous year
Penalty	46 00	170.16	6.75			0.04		222.95	161.10
Income on Investments	17 67	131.47	11.74	0.08	1.13	0.62	19 86	182.57	201.11
Less : Income adjusted against MRC**		96 00	19 94				31 86	147.80	18.00
Less : Income adjusted towards transfer of contribution to Other Clearing Corporation***							70 51	70.51	-
Income on Investments (Net Off adjustment towards MRC)	17 67	35 47	(8 20)	**0.08**	1.13	0 62	(82.51)	(35.75)	183.11

IV **Details of Core SGF a on March 31, 2021 are as follows :**

Out of the above the details of the Cash contributions and investment of the same are as follows **(Rs. in Crores)**

	Contribution to Corpus of Core SGF	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
a	NCL own contribution	107 00	672 00	96 00	3 00	8.50	5.00		**891.50**
b	Contribution by NSE on behalf of Member	53 00	336.00	48.00			2 50		**439.50**
c	Contribution by NSE	54 00	336 00	48 00	1 00	8.50	2.50	327.51	**777.51**
d	Contribution by BSE	4 36	0 05	10.55	-		-		**14.96**
e	Contribution by MSE			1 01					**1.01**
1	Total (a+b+c+d)	**218.36**	**1,344.05**	**203.56**	**4.00**	**17.00**	**10.00**	**327.51**	**2,124.48**
2	Penalty*	110 94	721.11	37.64			0 07		**869.76**
3	Income on Investments (After allocation towards MRC)*	44.46	455.71	19.06	0 95	3.40	1.47	9 01	**534.06**
	Grand Total (1+2+3)	**373.76**	**2,520.87**	**260.26**	**4.95**	**20.40**	**11.54**	**336.52**	**3,528.30**

	Details of Investment	CM	FO	CD	Debt	TRI Party	Commodity	Other	Total
1	Fixed Deposit with Banks	327.23	2,263.15	227 26	0.90	19 21	7.87	318 09	**3,163.71**
2	Flexi Fixed Deposits	25.87	131.19	17.75	0.95	0 01	3.39		**179.16**
3	Balance in Bank Accounts	3.95	1.04	4.98	2 73		0.05		**12.75**
4	Accrued interest	11.78	86 99	7.54	0.11	0.93	0.15	11.45	**118.96**
5	Prepaid taxes	4.93	38.50	2.73	0 25	0 25	0.08	6 98	**53.72**
	Grand Total (1+2+3+4+5+6)	**373.76**	**2,520.87**	**260.26**	**4.95**	**20.40**	**11.54**	**336.52**	**3,528.30**
	Previous year	305.73	2,219.19	170.15	4.87	19 27	10 88	419 03	3,149.13

* Net of applicable corporate tax Rs. 9 38 Crores , if any on cash basis.

Other contribution is balance amount of transfer from NSE pertain to 25% of NSE's Annua profits as contribution to Core SGF . SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05, 2016 advised Stock Exchange to transfer 25% of its annual profits upto August 2015 to Core SGF and utilise the same for contribution required by Members and NSE.

** SEBI vide its letter reference no. SEBI/HO/MRD/DRMNP/OW/P/2018/4559/1 dated February 12, 2018 has clarified that "Clearing Corporations may adjust incremental requirement of Minimum Required Corpus (MRC) against the interest accrual on the cash contribution of respective contributors before taking additional contribution from them

*** Further, as per circular dated SEBI/HO/MRD2/DCAP/CIR/P/2021/03 January 08, 2021, SEBI has allowed transfer of excess contribution made by Stock Exchanges from Core SGF of one Clearing Corporation to the Core SGF of another Clearing Corporation in inter-operable scenario. Accordingly, Rs 15 97 crores contribution of other stock exchanges received from respective clearing corporation and also a sum of Rs.70 51 crores of NSE contribution transfered to other clearing corporation

28 TThe Company had rece ved approval from SEBI to start c earing & settlement activities in Commodity Derivatives and commenced operations w.e.f. October 12, 2018. As required by SEBI an amount of Rs.250 crores has been earmarked towards a separate fund to augment Settlement Guarantee Fund for Commodity Derivatives by way of appropriation from General Reserves. Further, the Company has also earmarked investments amounting to Rs. 250 crores towards the same.

29 Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business Segment i.e. facilitating Clearing & Settlement in securities and the activities incidental thereto, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments"

30 In compliance with Indian Accounting Standard (Ind AS)-24 - "Related Party Disclosures" notified under section 133 of the Act read with Companies (Accounting Standards) Rules 2015 , the required disclosures are given in the table below:

(a) **Names of the related parties and related party relationship**

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	Holding Company
2	NSE IFSC Clearing Corporation Ltd	Subsidiary
3	NSE Investments Limited (formerly NSE Strategic Investment Corporation Limited)	Fellow Subsidiary
	NSE Foundation	Fellow Subsidiary
	NSEIT Limited	Fellow Subsidiary's Subsidiary
	NSE Data & Analytics Ltd (formerly DotEx International Limited)	Fellow Subsidiary's Subsidiary
7	NSE Indices Limites (formerly India Index Services & Products Limited)	Fellow Subsidiary's Subsidiary
	NSE Infotech Services Limited	Fellow Subsidiary's Subsidiary
9	NSE Academy Limited	Fellow Subsidiary
10	NSE IFSC Limited	Fellow Subsidiary
11	NSE.IT (US) Inc.	Fellow Subsidiary's Subsidiary's Subsidiary
12	Aujas Cybersecurity Limited (Formerly known as Aujas Networks Limited /Aujas Networks Private Limited.)	Fellow Subsidiary's Subsidiary's Subsidiary
13	Talentsprint Private Limited (w.e.f. 10.11.2020)	Fellow Subsidiary's Subsidiary's Subsidiary
14	Cogencis Information Services Limited (w.e.f. 21.01.2021)	Fellow Subsidiary's Subsidiary's Subsidiary
15	National Securities Depository Limited	Holding Company's Associate
16	BFSI Sector Skill Council of India	Holding Company's Associate
17	Power Exchange India Limited	Associate of Fellow Subsidiary
18	NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited)	Associate of Fellow Subsidiary
19	Market Simplified India Limited (formerly known as INXS Technologies Limited)	Associate of Fellow Subsidiary
20	Computer Age Management Services Private Limited (upto 04.02.2020)	Associate of Fellow Subsidiary
21	Receivables Exchange Of India Limited	Associate of Fellow Subsidiary
22	Indian Gas Exchange Limited (w.e.f. 16.03.2021)	Associate of Fellow Subsidiary
23	Capital Quant Solutions Private Limited (w.e.f. 03.03.2021)	Associate of Fellow Subsidiary's Subsidiary's Subsidiary
24	Mr. T. Venkata Rao - Managing Director (upto 06.11.2017)	Key Managerial Personnel
25	Mr. Vikram Kothari (Managing Director)	Key Managerial Personnel
26	Ms. Bhagyam Ramani (Director)	Key Managerial Personnel
27	Mr. C VR Rajendran (Director)	Key Managerial Personnel
28	Mr. Harun R Khan (Director)	Key Managerial Personnel
29	Mr. Salim Gangadharan (Director)	Key Managerial Personnel
30	Mr. N K Maini (Director)	Key Managerial Personnel
31	Mr.J Ravichandran (Director) (upto 16.07.2020)	Key Managerial Personnel
32	Mr. K. S. Somasundaram (w.e.f. 17.08.2020)	Key Managerial Personnel

(b) **Details of transaction (including GST wherever levied) with parties are as follows :**

(Rs. in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
National Stock Exchange of India Ltd.	• Clearing and Settlement charges received	310.74	200.87
	• Usage charges Received	1.66	1.66
	• EBP Platform Usage charges Received	0.62	
	• Usage charges paid	26.73	21.70
	• Reimbursement paid for expenses on staff on deputation	12.32	11.66
	• Reimbursement paid for other expenses incurred	46.29	39.56

	• Reimbursement received for services Rendered	0.32	0.38
	• Space & Infrastructure usage Charges paid	5.48	5.29
	• Dividend paid	90.00	81.00
	• Outstanding balance – (Credit) / Debit	20.91	(0.04)
NSE IFSC Clearing Corporation Ltd	• Reimbursement paid for other expenses incurred	1.15	0.89
	• Investment in Equity Share	10.00	5.00
	• Outstanding balance – (Credit)	0.30	0.55
	• Investment in Equity Share	90.00	80.00
NSEIT Ltd.	• Repairs & Maintenance – Clearing & Computer systems	10.45	13.74
	• Outstanding balance – (Credit) / Debit	(2.84)	(3.56)
NSE Foundation	• Contribution towards CSR	5.06	4.53
	• Outstanding balance – (Credit) / Debit		-
National Securities Depository Limited	• Depository operation fees	0.18	0.28
	• Outstanding balance – (Credit) / Debit	(0.01)	-
Key Management Personnel (Mr. T Venkata Rao - Managing Director (upto 06.11.2017)	Short term employee Benefits* $	0.25	0.24
	Post - employment Benefits		
	Long term employee Benefits		-
Key Management Personnel (Mr. Vikram Kothari- Managing Director (w.e.f.07.11.2017)	Short term employee Benefits *	1.63	1.42
	Post - employment Benefits **	0.05	0.05
	Long term employee Benefits*	0.23	0.21
Directors	Sitting fees/Committee sitting		
	Mr. Harun R Khan	0.39	0.30
	Mr. Salim Gangadharan	0.30	0.30
	Mr.N K Maini	0.31	0.26
	Mr. C VR Rajendran	0.29	0.31
	Ms.Bhagyam Ramani	0.40	0.29

* Includes amount paid towards Leave encashment, Medical allowance & Leave Travel allowance and 50% of the variable pay payable after 3 years subject to certain conditions.

$ pertaining to earleir years

** As the liabilities for define benefits plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial person are not included.

No commitments made during the years to associate concerns and vice versa

31 In accordance with Indian Accounting Standard (Ind AS) 33 - "Earning per Share" issued by the Institute of Chartered Accountants of India, the required disclosure is given below.

Basic and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year. by weighted average number of equity shares outstanding during the year.

	Year ended 31.03.2021	Year ended 31.03.2020
Net Profit attributable to Shareholders (Rs. In Crores)*	210.55	213.27
Weighted Average number of equity shares issued No. (in Crores)	4.50	4.50
Earnings per share of Rs. 10/- each (in Rs.) (Basic and diluted)	46.79	47.39

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

There are no instruments (including contingently issuable shares) issued that could potentially dilute basic earnings per share in the future.

32 **Capital and other commitments :**

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs.11.35 crores (Previous Year :Rs. 5.36 crores) and other Commitments Rs 11.83 crores (Previous Year :Rs.3.69 Crores)

33 **Contingent liabilities and Commitments :**

(i) Claims against company not acknowledged as debts: Rs. 6.34 Crores (Previous Year : Rs. 6.34 Crores)

(ii) A suit field against the Company for damages / compensation amounting to Rs.NIL (Previous Year : Rs. Nil).

(iii) On account of disputed demand of Income tax of Rs.66.62 Crores (Previous Year : Rs.67.10 Crores) and on account of disputed demand of Income tax pertaining to Core SGF amounting to Rs.338.37 Crores (Previous Year : Nil).

(iv) On account of disputed demand of Service tax Rs.74.20 Crores plus interest as applicable the Company has filed appeal before CESTAT. (Previous Year :Rs.74.20 crores plus interest and penalty, as applicable) (v) Bank Guarantee Rs.1000 Crores (Previous year Rs.500 Crores). (Also refer to Nole 41)

Based on the legal opinion received by the company, Company is of the view that the above matters are not likely to have any material impact on financial position of the Company.

34 The Company's pending litigations comprise of claims against the Company and proceedings pending with Statutory and Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, whenever requ red and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. (Refer note 33)

35 In accordance with the relevant provisions of the Companies Act, 2013, the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as of March 31, 2021 and March 31, 2020.

36 NCL encountered an incident on February 24, 2021 due to certain issues in the links with telecom service providers which in turn impacted the Storage Area Network (SAN) system of the Company resulting in the primary SAN becoming inaccessible to the host servers. This also resulted in the risk management system and clearing & settlement system of the Company and other systems such as index and surveillance systems of NSE becoming unavailable leading to a decision to halt the Trading at NSE. The Company has submitted root cause analysis of the incident to SEBI

37 Exceptional item represents provision for impairment of intangible assets under development amounting to Rs.68.23 crores pertaining to Clearing & Settlement System due to discontinuation of the project.

38 A **Fair value measurement**

(i) Fair Value Hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value and are disclosed in the financial statements. To provide an ind cation about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three level prescribed under the accounting standard. An explanation of each level follows underneath the lable.

Rs In crores

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At March 31, 2021	Notes	Level 1	Level 2	Level 3	Total March 31, 2021
Financial Assets					
Financial Investments at FVPL					
Mutual Fund - Growth Plan	8	292.86			292 86
Total Financial Assets		292.86			292 86

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At March 31, 2020	Notes	Level 1	Level 2	Level 3	Total March 31, 2020
Financial Assets					
Financial Investments at FVPL					
Mutual Fund - Growth Plan	8	290.64			290 64
Total Financial Assets		290.64			290.64

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarachy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

- Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

- Level 2: The fa r value of financial instruments that are not traded in an active market (for example, traded bonds, debentures, government securities and commercial papers) is determined using FIMMDA valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

There are no transfers between levels 1 and 2 during the period, The Company's policy is to recognise transfers into and transfers out of fair value hirerchy level as at the end of reporting period.

II) Valuation technique used to determine fair value :

Specific valuation techniques used to value financial instruments include

1) The use of quoted markat prices or dealer quotes for similar instruments in case of quoted equity shares, exchange traded funds and mutual funds.

2) The fair value of the unlisted equity instruments is delermined using the price / book multiple (P/B) multiple approach.

3) All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, where the fair values have been determined as per 2 above.

(iii) Fair value measurements using significant unobservable inputs (level 3)

No tem falling in level 3 during the restated period .

(iv) Valuation processes :

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities requ red for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO).

p Financial Instruments by category

Rs. in crores

	31-Mar-21		31-Mar-20	
	FVPL	Amortised Cost	FVPL	Amortised Cost
Financial Assets				
Investments				
Fixed Deposits		614.89		582.30
Mutual Funds	292.86		290.64	
Trade receivables		58.34		14.29
Cash and Cash equivalents		9,022.00		9,064.72
Other financial assets		75.48		69.89
Total financial assets	**292.86**	**9,770.71**	290 64	9,731.19
Financial Liabilities				
Deposits		918.28		838.26
Trade payable		16.57		11.64
Other financial liabi ities		8,332.55		8,727 39
Total financial Liabilities		**9,267.40**		9,577 29

39 FINANCIAL RISK MANAGEMENT

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Assessment & Review Committee (RARC), which is responsible for developing and monitoring the Company's risk management polic es. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management polic es and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The RARC is supported by Treasury department among others, that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk object ves. The Treasury department activities are designed to:

- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financ al investments, while maximising returns.

The Treasury department is responsible to maximise the return on companies internally generated funds.

A MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilit es when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintains a conservative funding and investment strategy, w th a positive cash balance throughout the year ended 31st March, 2021 and 31st March, 2020. This was the result of cash generated from operating activities and investing activities to provide the funds to service the financial liabilities on a day-to-day basis.

The Company's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, is retained as cash equivalents (to the extent required), other highly liquid investments and excess is invested in interest bearing term deposits and other highly marketable debt investments including the government securities with appropriate maturities to optimise the returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

	Carrying amount	Payable on demand	Less than 3 months	3-6 months	6-12 months	More than 12 months	Total
As at March 31, 2021							
Trade payables	16.57		16.57				16.57
Deposits	918.28	918.28					918.28
Creditor for Capital Expenditure	0.76		0.76				0.76
Margins From Members	4,148.93	4,148.93					4,148.93
Settlement Obligations payable	4,141.70	4,141.70		-			4,141.70
Other liabilities	41.17		41.17				41.17
As at March 31, 2020							
Trade payables	11.64		11.64				11.64
Deposits	838.26	838.26					838.26
Creditor for Capital Expenditure	0.11		0.11				0.11
Margins From Members	6,352.44	6352.44		-			6,352.44
Settlement Obligations payable	2,346.80	2346.80					2,346.80
Other liabilities	28.03		28.03		-		28.03

B MANAGEMENT OF MARKET RISK

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
1. PRICE RISK		
The Company is mainly exposed to the price risk due to its investment in mutual funds and exchange traded funds. The price risk arises due to uncertainties about the future market values of these investments.	In order to manage its pr ce risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.	As an estimation of the approximate impact of price risk, with respect to mutual funds and exchange traded funds, the Company has calculated the impact as follows.
At 31st March, 2021, the exposure to price risk due to investment in mutual funds amounted to Rs. 343.81 crores (March 31, 2020: Rs. 340.81 crores).	The Treasury department maintains a list of approved financial instruments. The use of any new investment must be approved by the Chief Financial Officer.	For mutual funds, a 0.25% increase in prices would have led to approximately an additional Rs. 0.86 crores gain in the Statement of Profit and Loss (FY 2019-20: Rs. 0.85 crores gain). A 0.25% decrease in prices would have led to an equal but opposite effect.

C MANAGEMENT OF CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Trade and other receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse and also on account of member's deposits kept by the company as collateral which can be utilised in case of member default. Further, amount lying in Core settlement Guarantee fund (CSGF) is available for utilisation in case of settlement default by member. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

Revenue from top customer is account for 90% (Previous Year 98%)

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in commercial papers, government securities, investments in mutual funds and exchange traded funds. The Company has diversified portfolio of investment with various number of counter-parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Treasury department.

40 a) As per Section 135 of the Act, every Company having net worth of Rs. 500 crores or more or a Turnover of Rs. 1000 crores or more or a Net Profit of Rs. 5 crores or more during any financial year is required to spend at least 2% of its Average Net Profit made during the immediately 3 preceding financial years on the Corporate Social Responsibility (CSR) activities. Gross amount required to be spent by the Company is Rs. 5.06 Crores (Previous Year Rs.4.53 Crores) .the details of spending is as given below:

b Amount spent / contribution to NSE Foundation towards CSR during the year on:

Rs In crores

	Particulars		In Cash	Yet to be paid in Cash	Total
i	Construction / acquisition of any asset	Current Year			
		Previous Year			-
ii	On purposes other than (i) above (through Contribution to NSE Foundation)	Current Year	5.06		**5.06**
	On purposes other than (i) above (through Contribution to NSE Foundation)	Previous Year	4.53		**4.53**

NSE Group incorporated NSE Foundation to undertake CSR activities for the Group. Accordingly, the Company has contributed an amount of Rs.5.06 crores (previous year Rs.4.53 Crores) to NSE Foundation to be spent on CSR activities as stated in the Group CSR policy which has been adopted by the Company as Company's CSR policy.

41 During the year, the company has given additional bank guarantee of Rs.500 crores (previous year Rs.500 crores) in favour of ICCL towards Inter CCP collateral under interoperatiability framework as prescribed by SEBI. Total bank guarantee amount as on March 31, 2021 is Rs.1000 crores (previous year Rs.500 crores).

42 For the year ended March 31, 2021 and March 31, 2020, the Company is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of the Companies Act, 2013.

43 The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

44 The Coronavirus (COVID-19) outbreak is an unprecedented global situation, declared as a 'pandemic' by World Health Organisation. Based on the Company's current assessment, the impact of COVID-19 on its operations and the resultant financial performance is not likely to be significant. The Company has also made an assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets and ability to pay its liabilities as they become due and effectiveness of internal financial controls as at the balance sheet date and is of the view that there is no material impact or adjustments required to be made in these financial statements. The impact assessment of COVID-19 may be different from that presently estimated and the Company will continue to evaluate any significant changes to its operations and its resultant impact on the financial performance.

45 Previous year figures have been regrouped / reclassified wherever necessary.

For Khandeiwai jain & Co. For and on behaif of the Board of Directors
Chartered Accountants
Firm Registration No : 105049W

HARUN R KHAN
Chairman
[DIN :07456806]

VIKRAM KOTHARI
Managing Director
[DIN : 07898773]

NARENDRA JAIN
Partner
Membership No.: 048725

Piace : Mumbai
Date : May 05, 2021 "

AMIT AMLANI

Chief Financiai Officer"

CHIRAG NAGDA

Company Secretary