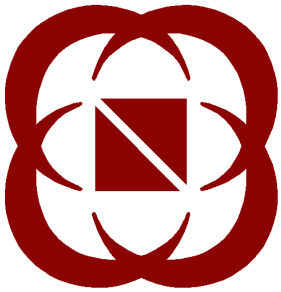
NATIONAL STOCK EXCHANGE OF INDIA LIMITED



TWENTY-FIRST ANNUAL REPORT
2012-13

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BOARD OF DIRECTORS *

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

MANAGEMENT TEAM

Mr. J. Ravichandran	:	Chief (L&S, GI&SR) & Company Secretary
Mr. R. Sundararaman	:	Chief – New Products, IISL, Dotex & Business Excellence
Mr. Yatrik R. Vin	:	Senior Vice President
Mr. R. Nanda Kumar	:	Chief – Operations
Mr. Ravi Varanasi	:	Chief – Business Development
Mr. N. Muralidaran	:	Chief – Special Projects
Dr. V. R. Narasimhan	:	Chief – Regulations
Ms. K. Kamala	:	Head – Compliance
Mr. Nirmal Mohanty	:	Head – Research
Mr. Hari K	:	Vice President
Mr. T. Venkat Rao #	:	Head – NSCCL
Mr. Chandrashekhar Mukherjee	:	Head – People Management
Mr. Suprabhat Lala	:	Vice President

* As on August 14, 2013
# on deputation to NSCCL

Mr. M. Vasudev Rao	:	Vice President
Mr. Mahesh Haldipur	:	Head – Admin. & Premises
Mr. C.N. Upadhyay	:	Asst. Vice President
Mr. Arup Mukherjee	:	Asst. Vice President
Mr. R. Jayakumar #	:	Asst. Vice President
Mr. Ravindra Mohan Bathula	:	Asst. Vice President
Ms. Nisha Subhash	:	Asst. Vice President
Mr. Nilesh Tinaikar	:	Asst. Vice President
Ms. Rana Usman	:	Asst. Vice President
Mr. Mayur Sindhwad	:	Asst. Vice President
Mr. Nagendra Kumar SRVS	:	Asst. Vice President
Mr. Vitthal More	:	Asst. Vice President
Mr. Sandip Mehta	:	Asst. Vice President
Mr. Amol Mahajan	:	Asst. Vice President
Ms. Divya Malik Lahiri	:	Asst. Vice President
Ms. Rehana D'Souza	:	Asst. Vice President
Mr. Sanjay Sinha	:	Asst. Vice President

on deputation to NSCCL

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

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

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

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the Twenty-first Annual Report and Audited Accounts of the Company for the year ended March 31, 2013.

1. OPERATIONS AND MAJOR DEVELOPMENTS DURING THE YEAR

1.1 Global rankings - Equity Derivatives Market

1.1.1 Stock Futures

During the year 2012, NSE was ranked as the 4th largest exchange in respect of contracts traded in stock futures. The details of top 5 exchanges trading stock futures are given in Table 1 below:

Table 1

(in millions)

Sr. No.	Exchange	Contracts traded during 2012
1	NYSE Liffe (Europe)	247
2	MICEX / RTS Exchange	241
3	Eurex	196
4	**National Stock Exchange India**	**153**
5	Korea Exchange	100

Source: WFE

1.1.2 Index Options

NSE continues to be ranked as the 2nd largest exchange in the world in index options. The details of top 5 exchanges in index options are given in Table 2 below:

Table 2

(in millions)

Sr. No.	Exchange	Contracts traded during 2012
1	Korea Exchange	1575
2	**National Stock Exchange India**	**820**
3	Eurex	383
4	Chicago Board Options Exchange	304
5	Bombay Stock Exchange	235

Source: WFE

1.1.3 Index Futures

During the year 2012, NSE was ranked as the 5th largest exchange in the world in index futures. The details of top 5 exchanges in index futures are given in Table 3 as under:

Table 3

(in millions)

Sr. No.	Exchange	Contracts traded during 2012
1	CME Group	588
2	Eurex	384
3	MICEX/RTS Exchange	323
4	Osaka SE	150
5	**National Stock Exchange India**	**112**

Source: WFE

1.1.4 Nifty Index Global rankings

Nifty Index options ranked 2nd across the top 20 Index options traded globally during the year 2012. Nifty Index futures ranked 17th across the top 20 Index futures traded globally during the year 2012.

(Source: www.futuresindustry.org rankings based on number of contracts traded or cleared between Jan 12 - Dec 12)

1.1.5 All products

NSE continued to be ranked 3rd across all the Derivatives exchanges in the world based on the volume of contracts traded during the year 2012.

(Source: www.futuresindustry.org rankings based on number of contracts traded or cleared between Jan 12 - Dec 12)

1.2 Global rankings-Capital Market

In the Capital Market segment, NSE improved its ranking to first largest from being third largest in the world in the last year based on the number of transactions during the calendar year 2012. The details of top 10 Exchanges are given in the Table 4 below.

Table 4

(in Thousands)

Sr. No.	Exchange	No. of transactions
1	**National Stock Exchange India**	**1406498.0**
2	NYSE Euronext (US)	1374538.6
3	NASDAQ OMX	1268037.1
4	Korea Exchange	1218992.0
5	Shenzhen SE	935564.8
6	Shanghai SE	925550.0
7	Bombay SE	355585.8
8	Japan Exchange Group-Tokyo	349546.0
9	London SE Group	222029.0
10	TMX Group	215796.0

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

1.3 Membership at NSE

40 new members (18 in CM, F&O and CD segments; 14 in CM and F&O segments, 1 in CM and CD segments and 7 in CD segment) were registered during the Financial Year 2012-13.

The Exchange also granted additional segment membership to 18 members during the Financial Year 2012-13.

Table 5 showing membership details for the Financial Year 2012-13

Particulars	CM segment	WDM segment	F&O segment	CD segment
SEBI registered trading members	1,357	75	1,234	810
Members registered in additional segments	0	0	2	17
Registered Sub-brokers	38,344	Nil	Nil	Nil
Authorised persons	31,588	Nil	59,946	9,264
Surrender of membership	30	2	30	25

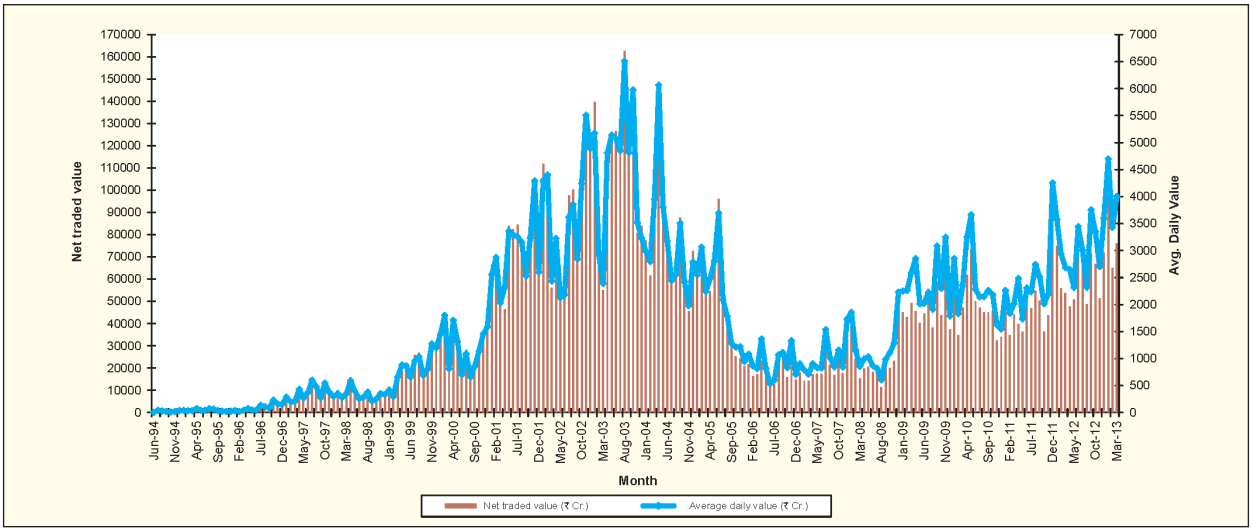
Till May 27, 2013, a total of 152 members were enabled in the first dedicated debt trading segment launched in May 2013.

1.4 Wholesale Debt Market (WDM) segment

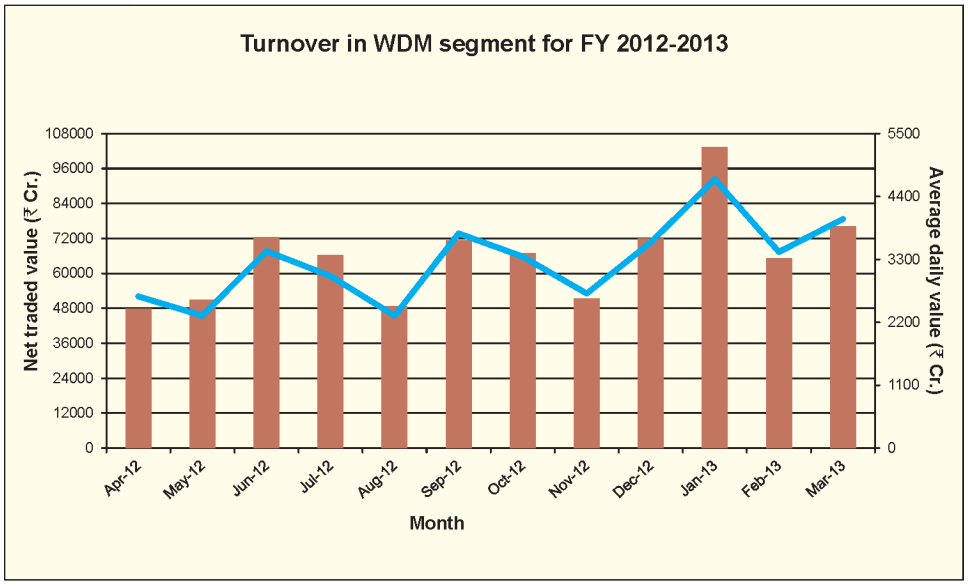
The WDM segment provides a trading platform for trading of a wide range of fixed income securities. Initially, government securities, treasury bills and bonds issued by public sector undertakings (PSUs) were made available for trading. This range has been widened to include non-traditional instruments like floating rate bonds, zero coupon bonds, index bonds, structured products, corporate debentures, state government loans, SLR and non-SLR bonds issued by financial institutions, units of mutual funds and Supra Institutions (Foreign institutions). There were 5782 securities available for trading as on March 31, 2013 all belonging to listed category.

The turnover on WDM segment increased in the financial year 2012-13. The turnover increased to ₹ 792,213.76 crores in 2012-13 from ₹ 6,33,178.59 crores in 2011-12 registering a increase of 25.12%. The average daily turnover increased to ₹ 3,273.61 crores in 2012-13 from ₹ 2,649.28 crores in 2011-12.

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



Turnover in WDM segment for FY 2012-13 is presented in Figure 2 as under:-



The transactions in dated government securities account for a substantial share in the WDM segment with 52.75% in 2012-13. Market capitalisation of the WDM segment has witnessed a constant increase in the number of securities available for trading on this segment. Total market capitalisation of the securities available for trading on WDM segment stood at ₹ 49,28,331.79 crores as on March 31,2013

Table 6: Trades in WDM segment

Particulars	2012-13	2011-12
Number of Trades	26,974	23,447
Average monthly number of trades	2,248	1,954
Average daily number of trades	111	98
Average Trade Value (₹ in crores)	29.37	27.00
Average Daily Turnover (₹ in crores)	3,273.61	2,649.28
Turnover (₹ in crores)	7,92,213.76	633,178.59
Number of Active Scrips	1,421	1,140
Number of Active members	34	33

1.4.1 Securities Profile

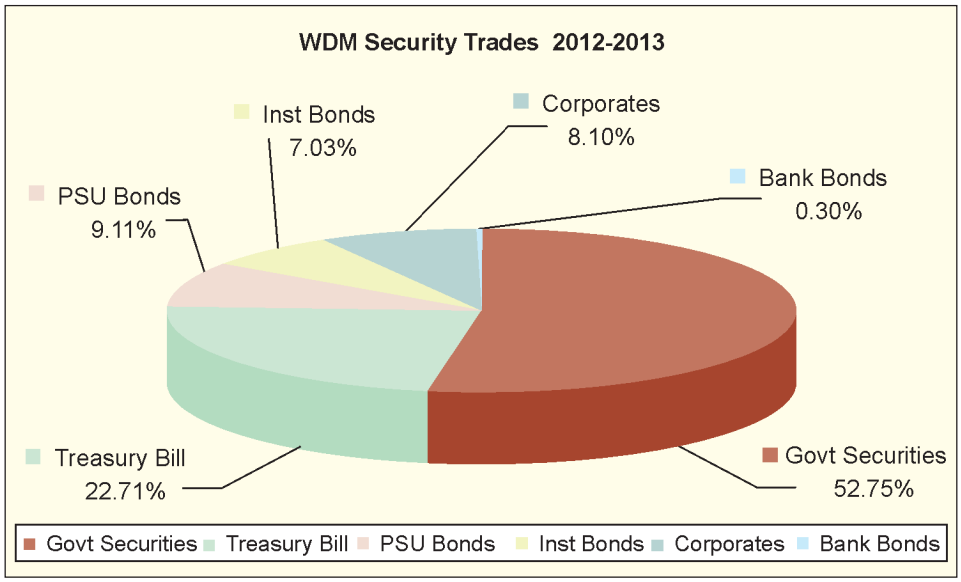
The turnover of Government securities in the WDM segment increased by 28.65 % during 2012-13. Its share in total turnover increased from 51.31% in 2011-12 to 52.75% in 2012-13. The share of Treasury Bills increased from 22.03% in 2011-12 to 22.71% in 2012-13. The turnover of Non Government securities in WDM segment increased by 15.16% during 2012-13. During 2012-13, the share of Non Government Securities in total turnover decreased to 24.54% as compared to 26.66% in 2011-12.

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

Table 7: Security-wise Distribution of Turnover

Securities	2012-13		2011-12	
	Turnover (₹ in crores)	% of Turnover	Turnover (₹ in crores)	% of Turnover
Government Securities	4,17,927.13	52.75	3,24,867.28	51.31
T-Bills	1,79,901.81	22.71	1,39,518.71	22.03
PSU Bonds	72,142.57	9.11	62,067.32	9.80
Institutional Bonds	55,727.42	7.03	57,835.72	9.13
Bank Bonds	2,360.90	0.30	633.00	0.11
Corporate Bonds	64,153.93	8.10	48,256.56	7.62
Total	7,92,213.76	100.00	6,33,178.59	100.00

Figure 3: Security-wise Distribution of Turnover



1.4.2 Issuances in WDM

A total of 1707 securities were listed during the financial year 2012-13. As at end of March 2013, 5782 securities were available for trading on the WDM segment. Details of Issuance in WDM are provided in Table 8.

Table 8: Issuance in WDM

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

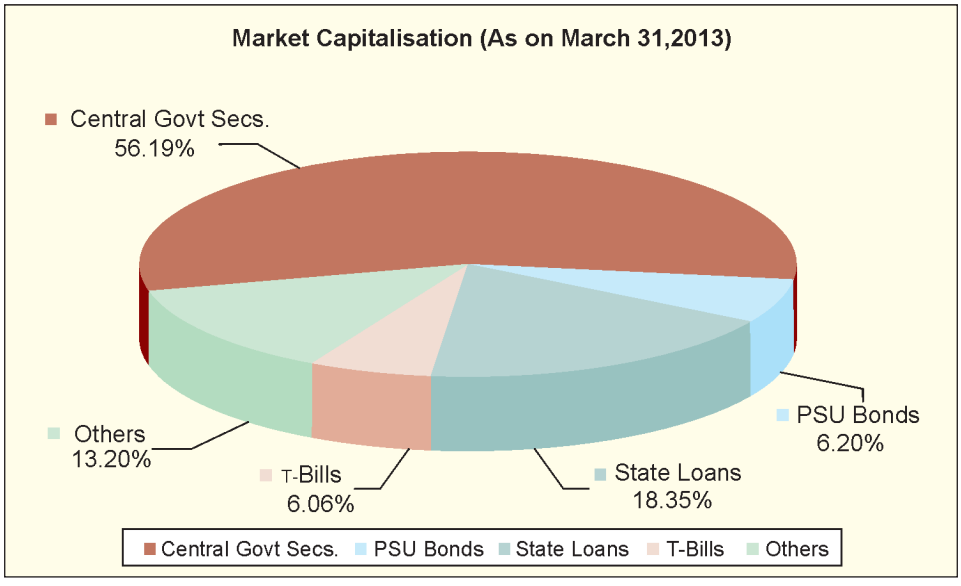
1.4.3 Market Capitalisation

Total Market capitalisation of the securities available for trading in WDM segment increased to ₹ 49,28,331.79 crores in 2012-13 from ₹ 42,72,736.48 crore in the previous year registering a growth of 15.34%. The Central Government securities accounted for the largest share of the market capitalisation with 56.19% while Non-Government Securities accounted for 19.41%. The composition of market capitalisation of various securities on WDM is presented in Table 9.

Table 9: Market Capitalisation of WDM segment

Securities	As on March 2013		As on March 2012	
	Market Capitalisation (₹ in crores)	% of total	Market Capitalisation (₹ in crores)	% of total
Central Government Securities	27,69,001.54	56.19	24,72,178.60	57.86
PSU Bonds	3,05,606.25	6.20	2,44,165.01	5.71
State Loans	9,04,142.96	18.35	7,57,281.28	17.72
T-Bills	2,98,487.58	6.06	2,59,270.89	6.07
Others	6,51,093.45	13.20	5,39,840.70	12.64
Total	49,28,331.78	100.00	42,72,736.48	100.00

Figure 4: Market Capitalisation of WDM segment



1.4.4 Corporate Bond Market

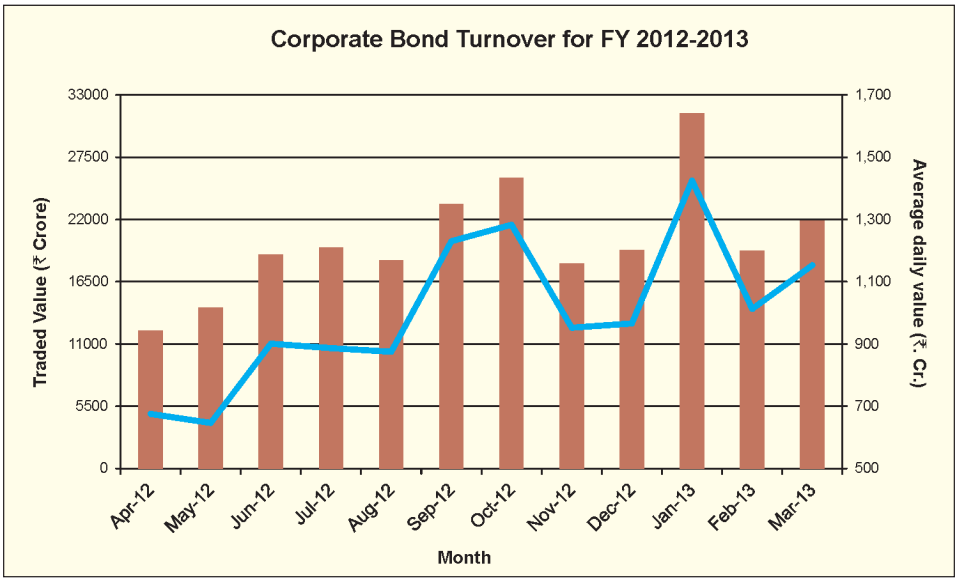
Currently for reporting trades in corporate bonds, Exchanges provide two platforms namely NEAT WDM and Report CBT. The average daily traded value reported through corporate bond for 2012-13 was ₹1000.46 crores (NEAT WDM & Report CBT) as compared to ₹ 809.83 crores for 2011-12 with an average of around 87 trades being reported on a daily basis as compared to 50 trades for 2011-12.

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

Table 10: Corporate Bond Turnover

Corporate Bond Turnover	2012-13	2011-12	% Change
Total Turnover (₹ Crs.)	2,42,112.03	1,93,550.40	25.09
Average Daily Turnover (₹ Crs.)	1,000.46	809.83	23.54
Total Number of Trades	21,144	11,977	76.54
Average Daily Trades	87	50	74.00

Figure 5: Corporate Bond Turnover for FY 2012-13

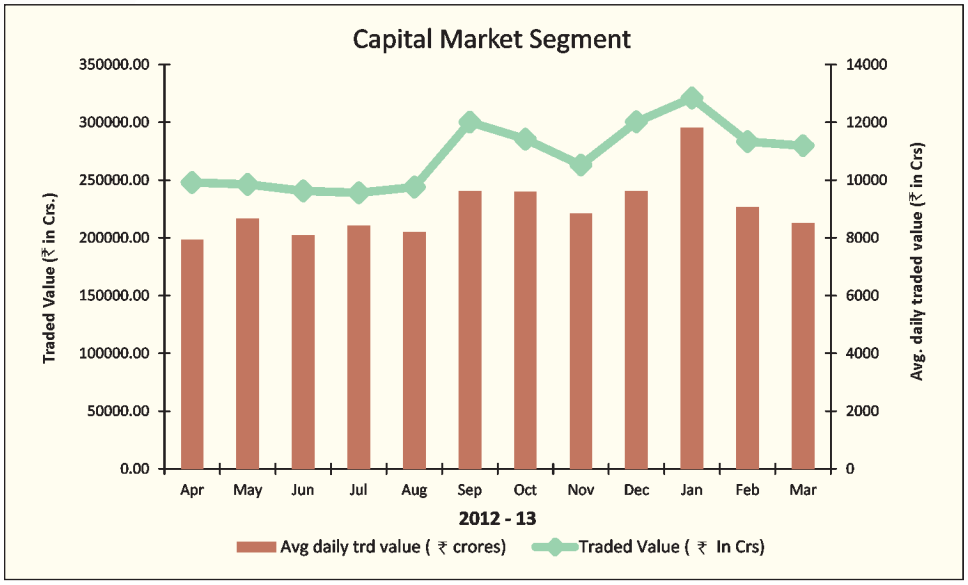


1.5 Capital Market (CM) segment

The total turnover of CM segment in the year 2012-13 is ₹ 27,08,279 crores as compared to ₹ 28,10,893 crores in the year 2011-12, showing a decrease of 3.65 %. The average daily traded value in 2012-13 is ₹ 10,833 crores as compared to ₹ 11,289 crores in 2011-12.

As on March 31, 2013, the total number of listed companies available for trading was 1,582 compared to 1,563 at the end of March 31, 2012. In current year, Exchange allowed trading facility in 76 securities in permitted to trade category.

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



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

Table No. 11: Turnover Statistics on CM segment

Sr. No.	Details	2012-13	2011-12	% Rise / (Fall) in 2012-13
1	Total Number of trades (In lakhs)	13,602	14,377	(5.39)
2	Total no. of shares traded (in lakhs)	16,59,158	16,16,978	2.61
3	Total Turnover (₹ Crores.)	27,08,279	28,10,893	(3.65)
4	Market Capitalisation at the end of year (₹ Crores.)	62,39,034	60,96,518	2.34
5	Turnover of CNX Nifty Securities (₹ Crores.)	14,01,763	15,11,340	(7.25)
6	Total number of listed companies.	1,666	1,646	1.22

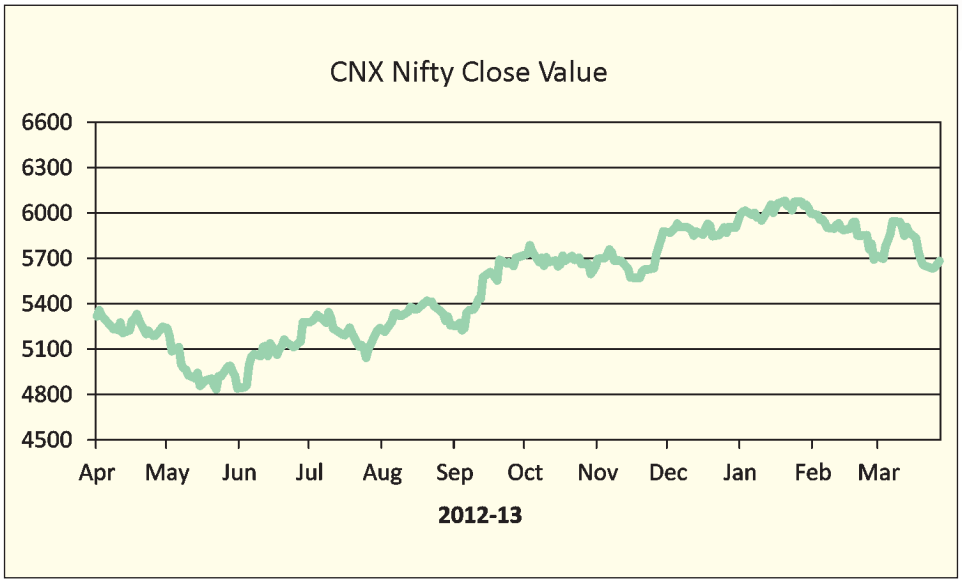
1.5.1 Index movement:-

CNX Nifty saw upward movement of 7.30% moving from 5,295.55 to 5,682.55 over the financial year 2012-13.

During the year 2011-12, the CNX Nifty touched a high of 6,111.80 on January 29, 2013 and low of 4,770.35 on June 04, 2012. Movement of CNX Nifty is shown in Figure 7:

The turnover of CNX Nifty securities was ₹ 14,01,763.45 crores in the year 2012-13 as compared to ₹ 15,11,340.26 crores. The contribution of CNX Nifty securities turnover to total turnover during the year 2012-13 was 51.76% compared to 53.77% in the year 2011-12.

Figure 7: CNX Nifty movement



1.5.2 Market Capitalisation

The market capitalisation of securities available for trading on CM segment has increased by 2.34% during 2012-13 from ₹ 60,96,517.55 crores as on March 31, 2012 to ₹ 62,39,034.53 crores as on March 31, 2013. Out of total market capitalisation of ₹ 62,39,034.53 crores as on March 31, 2013, ₹ 69,892 crores was contributed by newly listed securities. The market capitalisation growth is shown in Figure 8.

During the year, the market capitalisation of CNX Nifty increased by 11% and CNX Nifty Junior increased by 3%.

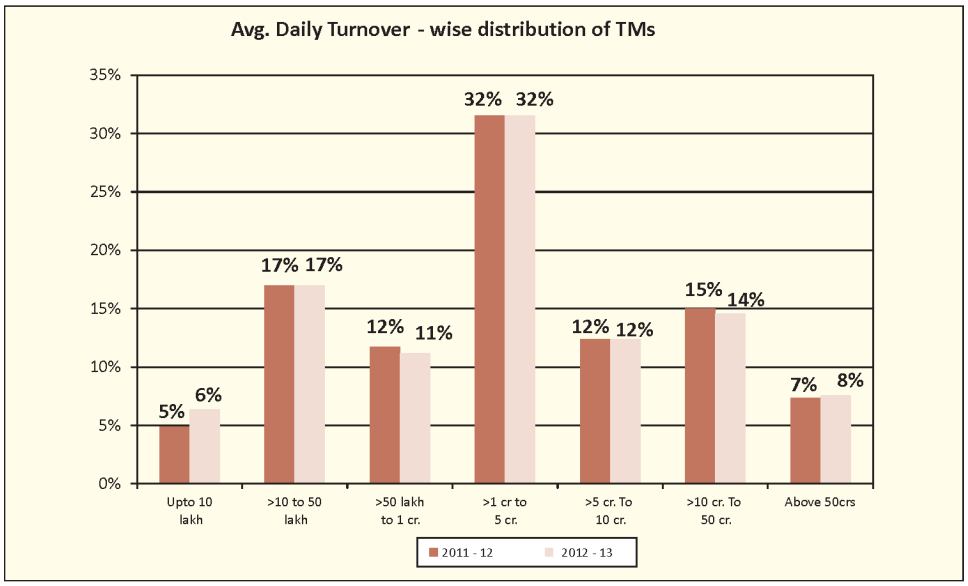
Figure 8 - Market Capitalisation during year 2012-13

1.5.3 Distribution of Turnover

Turnover-wise distribution of trading members

About 66% of the trading members had an average daily turnover of ₹ 1 crore or more in 2012-13. In 2012-13 and 2011-12 around 22% of the trading members have daily turnover more than ₹ 10 Crores.

Figure No. 9



1.5.4 New Developments during the year

In year 2012-13, various new developments have been taken by the Exchange. The details of the same are given below:-

August 2012 Historical NAV for Liquid subscriptions and acceptance of amount greater than ₹ 1 Cr. MFSS Segment

The Exchange has introduced Historical NAV for liquid subscriptions and acceptance of subscription amount greater than or equal to ₹ 1 crore for debt oriented schemes through the MFSS Exchange platform.

In respect of purchase of units in Income/Debt oriented schemes (other than liquid fund schemes and plans) with amount equal to or more than ₹ 1 crore, irrespective of the time of receipt of application, the closing NAV of the day on which the funds are available for utilisation shall be applicable.

August 2012 Public Issue of Debt Securities

SEBI on July 27, 2012 issued guidelines for providing a "System for Making Application to Public Issue of Debt Securities" wherein Exchanges have been advised to facilitate an online system for making applications for Public Issue of Debt Securities.

Accordingly, the Exchange has developed a web based bidding platform wherein Self Certified Syndicate Banks (SCSBs) / Members can place bids for public issues of debt securities through ASBA bids in demat form or Non-ASBA in physical/demat form. The bidding platform went live from September 5, 2012 with the issue of India Infoline Finance NCD issue.

Salient features of the bidding platform for public issue of debt securities are given below:

- Online order entry & bulk order entry for all modes of transactions.
- Modification & cancellation of bids through online order entry and bulk upload.
- Bulk entry, modification and cancellation of bids through a single file.
- Generation of bid confirmation slips at any point of time.
- Modification of Depository details on T+1 day.
- Real-time inquiry of bids entered / modified / cancelled.
- Downloadable reports such as issue-wise summary, security report, etc.

September 2012 Launch of SME platform on Capital Market segment of the Exchange.

The Exchange introduced SME platform in the Capital Market segment in September 2012. The SME platform is a hybrid system which comprises of Continuous order mechanism (Normal Market) as well as Call auction mechanism. SME securities shall be available either in call auction or continuous session at any point of time.

Trading in SME platform is anonymous except for market maker quotes or transactions which are identified distinctly with #. Market type for SME call auction session is "C" and for continuous session is "N".

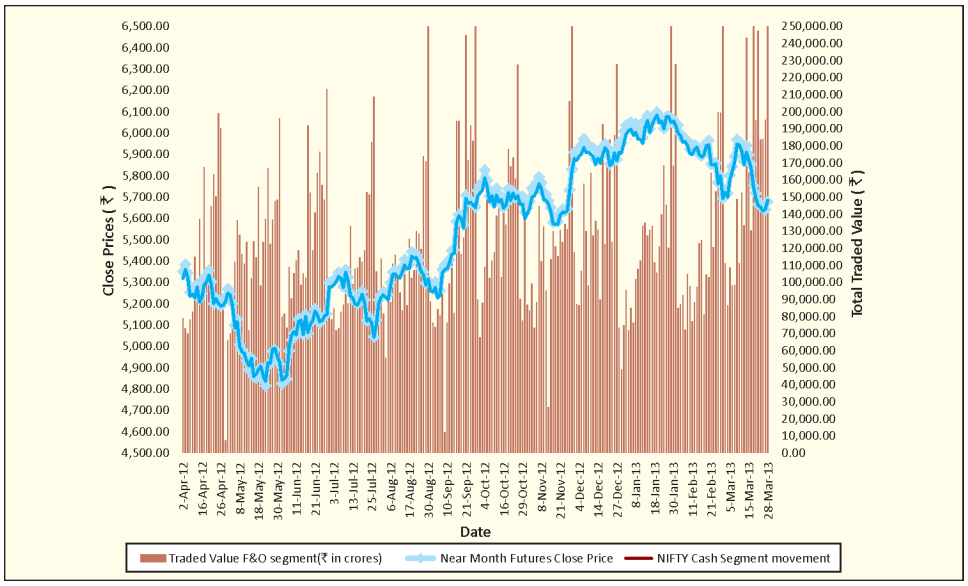
January 2013 Extension of MFSS facility to NRI Clients through the Exchange platform

The Exchange has extended the MFSS facility to NRI Clients with effect from January 01, 2013. NRI transactions are being accepted on the MFSS platform after receipt of intimation from AMCs for scheme eligibility. The Exchange has also issued the detailed operating guidelines with regard to the NRI transactions on MFSS platform.

1.6 Futures & Options segment

The financial year 2012-13 witnessed no change in the volumes in value terms. However decrease of 6% was observed in contracts terms vis-à-vis 2011-12. The daily average open interest is increased by 32.47% over previous year in the F&O segment. The average contribution of proprietary category increased to 45.98 % in 2012-13 from 43.31% in 2011-12.

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



Note: Special trading sessions on April 28, 2012, September 8, 2012 & November 13, 2012 (Muhurat Trading)

1.6.2 Records achieved in the F&O segment during 2012-13 (Table12):

Category	Traded Value (₹ Crs)	Date of Record
Stock Options	23,263	11-Jan-13
Index Options	3,08,254	28-Feb-13
Total F&O Traded Value	4,02,091	28-Feb-13
No. of trades	38,47,902	28-Feb-13
No. of contracts traded	1,36,91,547	28-Feb-13

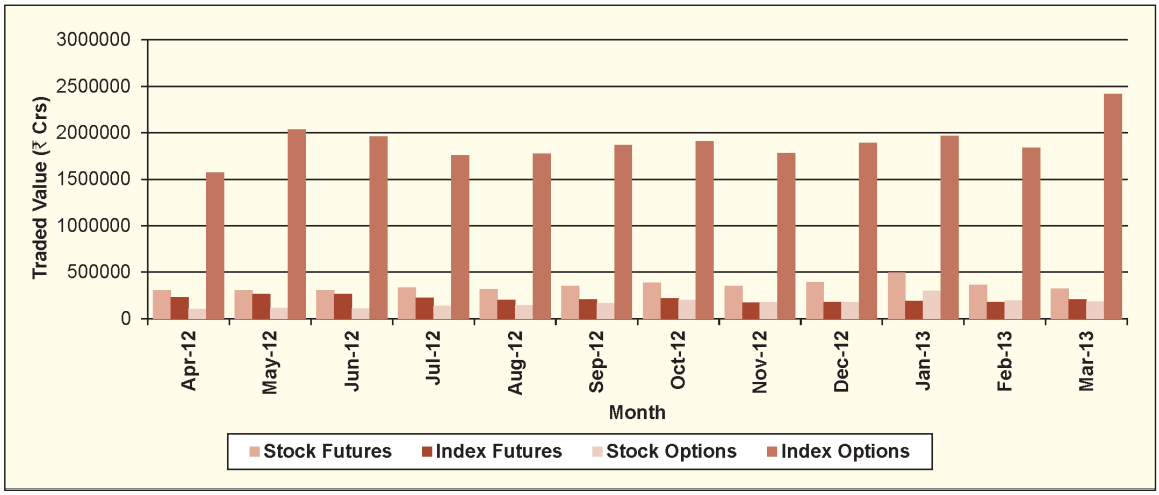
It may be observed that during 2012-13, new records were set in Stock options and Index options traded value, total F&O traded value, number of trades and number of contracts traded.

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

Particulars	Apr 12 to Jun 12	July 12 to Sep 12	Oct 12 to Dec 12	Jan 13 to Mar 13	2012-13	2011-12	% Change
Traded Value (₹ in crores)							
Daily Average	1,20,125	1,18,686	1,28,433	1,39,573	1,26,639	1,25,903	0.58
Number of Contracts							
Daily Average	47,29,799	44,05,357	44,05,740	46,32,298	45,44,046	48,39,540	-6.11
Open Interest (₹ in crores)							

End of day averages	1,15,148	1,35,403	2,92,007	1,43,185	1,70,581	1,28,758	32.48
% of Open interest to Daily Average Traded value	96	114	227	103	135	102	

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



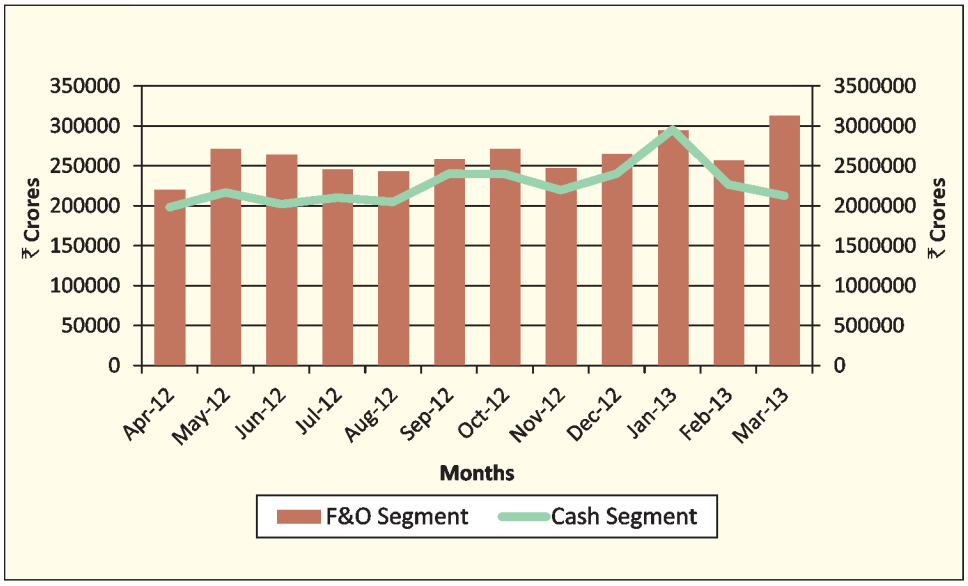
Among all products, Index Options continue to dominate the total turnover with their contribution observed at 72.25% in 2012-13.

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

Sr. No.	Month	Institutional		Retail		Proprietary	
		Average Gross Traded Value (₹ Crs.)	Percentage Contribution	Average Gross Traded Value (₹ Crs.)	Percentage Contribution	Average Gross Traded Value (₹ Crs.)	Percentage Contribution
1	2011-12	8,47,559	16.22	21,14,543	40.47	22,62,854	43.31
2	2012-13	9,09,623	17.31	19,29,249	36.71	24,16,630	45.98

It may be observed that average contribution of institutional as well as proprietary categories have increased in 2012-13 as compared to 2011-12.

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



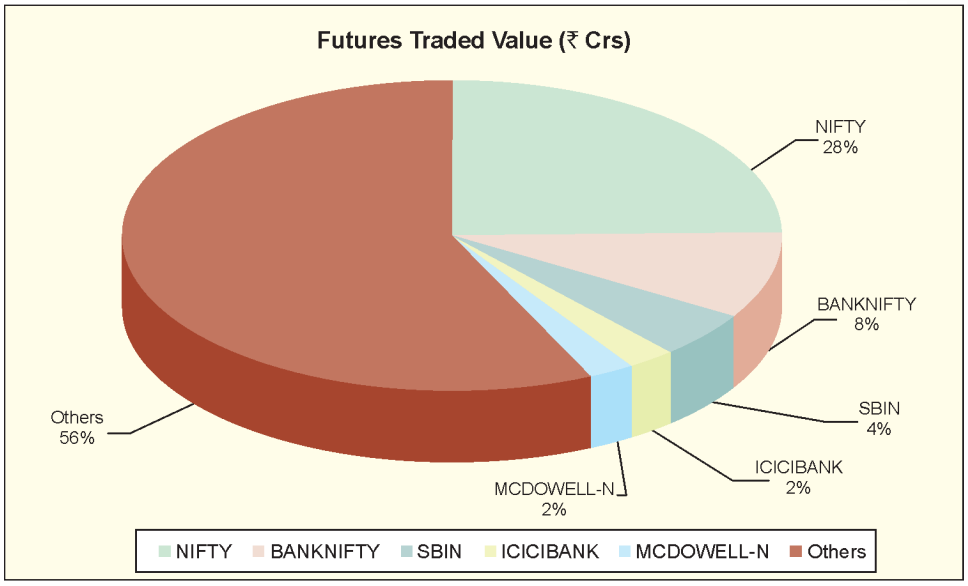
The ratio of F&O segment turnover to cash segment turnover was 12 for the year 2012-13 as compared to 11.15 for 2011-12.

1.6.6 Product-wise basic statistics (Table 15):

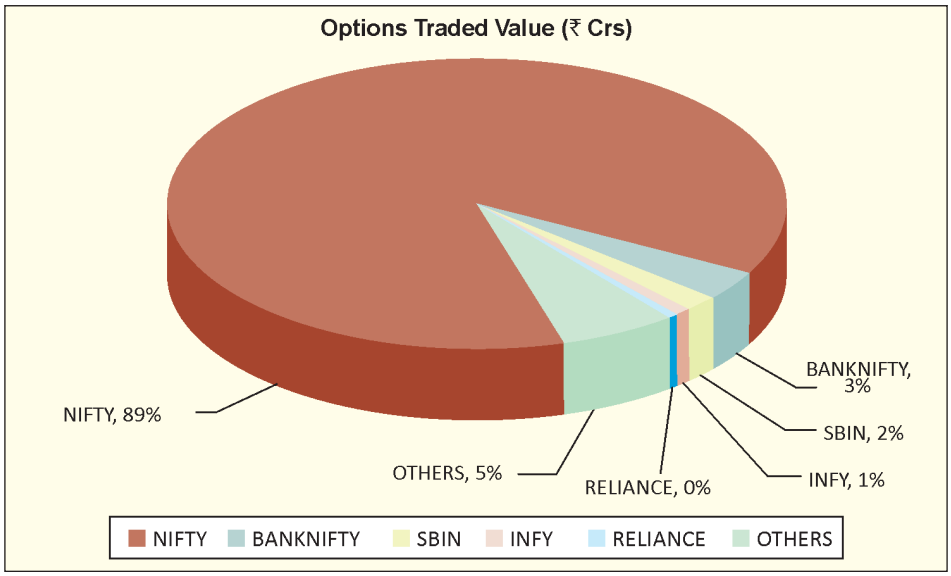
Category	Product	Apr 12 to Jun 12	Jul 12 to Sep 12	Oct 12 to Dec 12	Jan 13 to Mar 13	2012-13	2011-12	% Change
Daily Average Traded Value (₹ Crs)	Stock Futures	14,471	15,895	18,522	19,048	16,963	16,364	3.66
	Index Futures	12,052	10,017	9,217	9,267	10,149	14,369	-29.37
	Stock Options	5,105	7,048	9,175	10,889	8,034	3,924	104.74
	Index Options	88,496	85,727	91,518	100,369	91,492	91,245	0.27
Daily Average No. of Contracts	Stock Futures	5,70,976	5,80,208	6,24,111	5,98,650	5,93,220	6,35,922	-6.71
	Index Futures	5,03,647	3,92,816	3,30,773	3,13,646	3,85,945	5,87,103	-34.26
	Stock Options	1,93,110	2,45,020	2,96,680	3,39,976	2,68,186	1,46,564	82.98
	Index Options	34,62,065	31,87,313	31,54,175	33,80,026	32,96,695	34,69,951	-4.99
Average OI Value on expiry day (₹ Crs)	Stock Futures	29,786	35,281	40,432	35,391	35,223	34,031	3.50
	Index Futures	17,484	21,844	19,388	16,264	18,745	20,449	-8.33
	Stock Options	9,191	12,059	14,465	16,427	13,035	8,278	57.47
	Index Options	86,573	98,129	101,774	103,455	97,483	90,054	8.25
Average Number of OI contracts on expiry day	Stock Futures	11,79,886	13,08,396	13,64,246	11,79,838	12,58,091	13,48,891	-6.73
	Index Futures	7,31,669	8,53,943	7,14,814	5,59,579	7,15,001	8,25,258	-13.36
	Stock Options	3,61,730	4,38,974	4,81,352	5,55,669	4,59,431	3,28,679	39.78
	Index Options	34,09,888	36,73,989	35,03,748	35,64,116	35,37,936	34,64,868	2.11
Number of trading Days		63	63	61	62	249	249	

1.6.7. TOP 5 TRADED SYMBOLS (Figure 13):

Futures:



Options:



1.6.8. New Developments during the year 2012-13

Revision in the eligibility criteria for stocks in F&O:

SEBI has revised the eligibility criteria for introduction of stocks in derivatives segment in July 2012. Based on the revised criteria, 51 stocks were excluded from the derivatives list.

Revision in operating range of stock futures contracts:

SEBI has prescribed Pre-Trade Risk Controls in December 2012, following which the Exchange has revised the operating range of stock futures contracts from 20% to 10% w.e.f. December 24, 2012.

Exclusion of MINIFTY (mini derivative futures and options) contracts:

Based on the guidelines issued by SEBI, the Exchange has discontinued mini derivative futures & options on CNX Nifty index with effect from February 01, 2013.

Revision in Scheme of Strikes in Stock Options:

The Exchange has implemented a new scheme of strikes for stock options contracts, wherein the step value applicable for each stock shall be determined based on the volatility of the underlying stock. The step value shall be reviewed and if necessary revised on a quarterly basis. The revision has been implemented w.e.f. April 1, 2013.

1.7 Currency Derivatives segment

The financial year 2012-13 witnessed a consistent growth in currency derivatives (Currency Futures and Options) volumes. The average daily turnover in currency derivatives has grown by 11.43% and stood at ₹21,706 crores in 2012-13 compared to ₹ 19,479 crores in 2011-12.

The daily average number of contracts slightly dipped by 2.67% in 2012-13 and stood at 39,47,504 contracts as compared to 40,55,601 contracts traded in 2011-12.

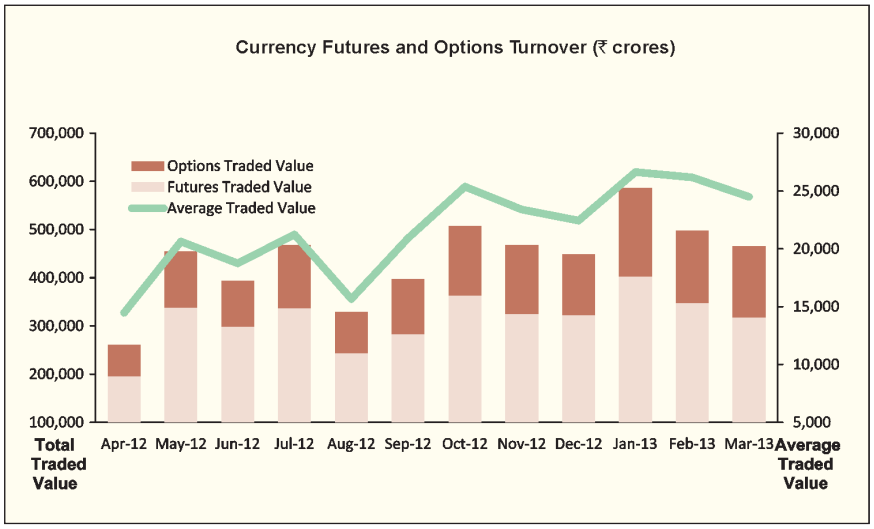
The daily average open interest also decreased by 8.18% in 2012-13 as compared to what was observed last year during the same period.

The number of members registered in currency derivative segment has risen to 810 (797 in 2011-12), of which 33 are banks and 1 is Primary dealer.

Currency Futures: Average daily turnover in Currency futures for the financial year 2012-13 increased by 10% and stood at ₹ 15,494 crores as compared to ₹ 14,077 crores seen in 2011-12. Futures trading constituted 71% of the total turnover in the segment. USD-INR currency pair was the most traded futures contracts. The average market share of NSE in currency futures stood at 54.05% in 2012-13.

Currency Options: Average daily turnover in currency options also increased by 15% in 2012-13 at ₹ 6,211 crores compared to ₹ 5,402 crores observed during 2011-12. The average market share of NSE in currency options stood at 88.82% in 2012-13.

Figure 14:



1.7.1 New Developments during the year 2012-13

FII Participation Allowed

Finance Minister in his Union Budget speech in February 2013 announced that FIIs will be allowed to participate in exchange traded currency derivatives contracts. SEBI and RBI are expected to issue guidelines by July 2013 end.

1.7.2 New Products

Introduction of derivatives contracts on Global Indices - FTSE 100 index

The Exchange introduced futures contracts on S&P 500 index and Dow Jones Industrial Average index and options contracts on S&P 500 index in the F&O segment on August 29, 2011. During the year, the Exchange expanded the list of global indices by introducing futures & options on FTSE 100 index on May 3, 2012. The turnover on the first trading day was ₹ 492.31 Crores.

Liquidity Enhancement Scheme on Global Indices - FTSE 100 index

Based on the guidelines issued by SEBI, the Exchange introduced a Liquidity Enhancement Scheme (LES) on the derivatives contracts on FTSE 100. The LES was operational for 6 months period starting from May 3, 2012 and concluded on October 31, 2012. The scheme provided for incentives on order, trade and open interest level to encourage market participation. The average daily turnover observed between May 3, 2012 to March 31, 2013 in the FTSE 100 derivatives contracts was ₹ 53.73 crores.

1.7.3 Initiatives for enhancing the liquidity in the existing products

The Exchange initiatives for enhancing the liquidity in some of the existing products have worked well. In a close engagement with the participants, feedback and suggestions for these existing products were collected. The Exchange initiated member awareness drive highlighting the product characteristics as well as benefits for the participants. Training programs for the participants and dealers were conducted. A dedicated web page for 'Bank Nifty Derivatives' was also launched on the Exchange website.

Bank Nifty Derivatives

The average daily turnover of Bank Nifty Derivatives grew by 262% in financial year 2012-13, recording ₹ 10,221 crores in March 2013 (Futures - ₹ 2,540 crores and Options - ₹ 7,681 crs.). The average daily open interest also increased by 238% for period from April 2012 to March 2013.

Single Stock Options

The average daily turnover in single stock options increased by 104% in financial year 2012-13, recording ₹ 8,002 crores in March 2013. The average market share of single stock options to total equity derivatives increased to 6.29% in current financial year from 3.14% in previous financial year.

1.8. Debt Segment

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

There are two platforms in the Debt segment, the retail platform and the Institutional platform, where the lot sizes are low as one bond for retail investors (up to a ceiling of 1 crore value), while institutions can trade in lots sizes of 1 crore (Institutional odd lot) and its multiples and 5 crore (Institutional normal lot) and its multiples. While publicly placed Corporate bonds are being listed for trading in the retail platform, the privately placed Corporate bonds are being listed on the Institutional platform. Institutions can also buy and sell publicly placed Corporate bonds.

In his recent budget speech, the Finance Minister had said that stock exchanges will be allowed to launch a debt segment where banks, primary dealers will be trading members, along with insurance companies, provident funds and pension funds. Once the relevant guidelines are issued, all these categories will be able to trade directly as members. Banks have already been allowed to come in as Members.

2. SERVICES TO INVESTORS

During the year 2012-13, the Exchange dealt with 6,419 investor complaints against trading members and companies.

With a view to enhance access and reach to investors, the Exchange commenced the Investor Services Cells at the existing regional offices in Ahmedabad and Hyderabad and also at two additional cities at Kanpur and Indore.

The Exchange set up the Investor Grievance Redressal Panel (IGRP) at all the eight centres namely Delhi, Chennai, Kolkata, Hyderabad, Ahmedabad, Mumbai, Kanpur and Indore and appointed 44 members on IGRP.

During the year, the Exchange expanded arbitration facilities to investors at the four new centres namely Ahmedabad, Hyderabad, Kanpur and Indore. During the year, the Exchange facilitated 715 arbitration and appellate arbitration matters.

The Exchange has developed and implemented new Centralised Arbitrator Appointment Process (CAAP) for appointment of Arbitrators in consultation with SEBI. In an arbitration matter, if the client and trading member fail to choose a common arbitrator, the "Automatic Process" will entail a randomised, computer generated selection of Arbitrator, from the list of Arbitrators maintained in the "Common Pool", created across all Exchanges for the purpose of selection of arbitrators.

Investor education and awareness programmes

During the year, the Exchange conducted 879 investor awareness programs through the regional centres. The Exchange also conducted Investothon at Rajkot, Delhi, Bhubaneswar, Kochi, Indore and Mumbai.

Inspection

With a view to monitor and improve compliance level of members, the Exchange conducted 2821 inspections covering 912 members for the year 2012-13. The appropriate authorities of the Exchange decided 2165 cases during the year 2012-13.

Member Education

With a view to educate and sensitise new members of the Exchange regarding compliance requirements, the Exchange conducts compliance visits to verify level of compliance of such new members. During the year, the Exchange conducted 27 compliance visits. To update the Compliance knowledge of the members, the Exchange conducted 40 education programmes and 950 participants attended the same.

NSE has always been actively engaging with its trading members who form the core of the capital markets ecosystem. Various initiatives were taken to enhance their experience while engaging with NSE. These initiatives helped enrich their knowledge and helped NSE to further strengthen their relationship with them. It also created better visibility, higher satisfaction and a healthy work life balance among the employees of NSE Members. Some of the initiatives taken for the Members are as follows :

- Customised knowledge sharing programs to help trading members take informed decisions and pro-active measures to adapt new products, get insight for business development and achieve business targets. These programmes are called Knowledge Builder and Knowledge Hour series.
- Create a stress free and better work - life balance environment through a fun filled engagement program called "NSE Done Deal". An innovative quiz based all India contest enabling participation to engage around infotainment, sports and interesting facts on finance, sports, culture and current affairs.
- Customised Business Development support initiatives in form of 'ready to use promotional kits and joint programs with Members to help trading members to roll out their marketing campaigns.
- Investothon, a unique platform which brings all the stake holders of capital market i.e. market participants, regulators, local administration, corporates, investors and students to come together on a single platform to run for the cause of the Indian investors. This initiative, which started in 2010 at Mumbai has grown both in numbers of participants and their enthusiasm, was organised at 6 different locations across all regions in 2013.

NSE has won the prestigious CII National Excellence Practice Competition for Customer Engagement - 2013 for its innovative approach and its positive impact to the society.

3. NSE'S RESEARCH INITIATIVES IN 2012-13

3.1 NSE Centre for Excellence in Corporate Governance (NSE CECG)

To project NSE as thought leader in corporate governance and engage with its listed companies on governance issues, the NSE Centre for Excellence in Corporate Governance (NSE CECG) was established. Subsequently, the first Quarterly Briefing was released and circulated among Directors of all NSE listed companies.

3.2 Tie up with NSE-NYU Stern School of Business for Study of Indian Capital Markets

New York University Stern School of Business (NYU Stern) and the National Stock Exchange of India (NSE) entered into a research partnership called the "Initiative on the Study of Indian Capital Markets".

3.3 Tie up with IIM-Bangalore

NSE collaborated with IIM Bangalore for research initiative in the area of Corporate Governance with an objective of improving the understanding of various facets of corporate governance in India.

3.4 Dr. R. H. Patil Memorial Lecture

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

3.5 Seminars and Panel Discussion

In 2012-13, the Economic Policy and Research department continued to organise seminars and panel discussions by eminent people on securities market, corporate governance and macroeconomic issues. There were also presentations on the state of the Indian economy.

3.6 Publications of NSE

Indian Securities Market Review (ISMR) and the NSE Factbook are two NSE publications which are prepared on an annual basis. In addition to these two publications, NSE had come out with the edited transcripts of three seminars / panel discussions which were organised by NSE in 2012-13. These publications were circulated among the stakeholders.

4. FINANCIAL RESULTS AND APPROPRIATION OF PROFITS

The working of the Company during the year has resulted in a net profit after tax of ₹ 877.61 crores as per particulars given in Table 16 below:-

Table 16

Particulars	2012-13 (₹ in crores)	2011-12 (₹ in crores)
Income	1,648.11	1,516.75
Expenditure (excluding Depreciation)	450.15	460.84
Profit before depreciation, prior-period adjustment and tax	1,197.96	1,055.91
Depreciation	77.03	89.02
Profit before prior period adjustments	1,120.93	966.89
Add/(Less): Prior period adjustment	(0.17)	(0.41)
Profit before exceptional item	1,120.76	966.48
Add: Profit on sale of shares of subsidiaries	36.38	-
Profit before tax	1,157.14	966.48
Provision for tax	279.53	261.59
Profit after tax	877.61	704.89
Surplus brought forward from previous year	227.36	117.40
Excess Corporate Dividend Tax for last year transferred back	29.20	15.33
Amount available for appropriation	1,134.17	837.62
Appropriations		
General Reserve	430.00	400.00
Investor Compensation Reserve	-	0.06
Proposed Dividend	225.00	180.00
Corporate Dividend Tax	12.62	29.20
Staff Welfare Reserve	-	1.00
Balance carried to Balance Sheet	466.55	227.36

5. DIVIDEND

In view of the above results, the Directors recommend payment of dividend of ₹ 50/- per share for the year 2012-13

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

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

As per the above regulations, every recognized stock exchange is required to credit 25% of its profits every year to the settlement guarantee fund of the Clearing Corporation which clears and settles trades executed on that exchange. Subsequently SEBI through a Press Release issued on June 21, 2012 has stated that an expert committee is being formed which will inter alia "look into the norms for adequacy of its core corpus of the Settlement Guarantee Fund (SGF)/ Trade Guarantee Fund (TGF) and its sourcing, including transfer of profits by stock exchanges to SGF/TGF in long run. Pending the report of the Expert Committee, no transfer of profits to the Settlement Guarantee Fund in terms of the Regulations has been made.

Transfer of strategic investments

In January 2013, NSEIL promoted a public limited company, NSE Strategic Investment Corporation Limited, in which NSEIL and NSCCL hold 99.90% and 0.10% of the paid up share capital respectively, inter alia, to make or hold all strategic investments in the equity shares and/or other securities of NSE Group companies. During the year under review, NSEIL transferred its investment in the equity shares in India Index Services & Products Limited (6,63,000 equity shares of ₹ 10/- each constituting 51%) and in NSE Infotech Services Limited (50,000 equity shares of ₹ 10/- each constituting 100%) to NSE Strategic Investment Corporation Limited.

7. SUBSIDIARY COMPANIES

7.1 National Securities Clearing Corporation Limited (NSCCL)

CM Segment: NSCCL successfully continued its track record of completing all settlements in a timely manner. During the period under review, 250 rolling settlements were handled in de-materialised mode. Per settlement figures in value terms in the current year are as follows:

The average value of securities handled per settlement was ₹ 3,190.02 crores in 2012-13 compared to ₹ 3,153.69 crores in 2011-12. The average funds pay-in per settlement was ₹ 1,004.14 crores in 2012-13 compared to ₹ 1,011.05 crores in 2011-12. The average number of shares processed per settlement was about 1,840.04 lakhs in 2012-13 compared to 1,782.87 lakhs in 2011-12. Short deliveries per settlement averaged around 0.14% in 2012-13 as compared to 0.16% in 2011-12.

The highest deliverable value of ₹ 8,909.60 crores was observed on September 27, 2012. Percentage of number of shares deliverable to number of shares traded increased to 27.98% in 2012-13 from 27.66% in 2011-12. Percentage of value of shares deliverable to value of shares traded increased to 29.53% in 2012-13 from 28.01% in 2011-12. The Settlement Guarantee Fund stood at ₹ 4,731.76 crores as on 31st March 2013.

F&O Segment: The period April 2012 - March 2013 witnessed a decrease in the total value of settlement from ₹ 72,296.22 crores in 2011-12 to ₹ 56,758.80 crores in 2012-13. The highest monthly settlement was ₹ 5,681.64 crores in the month of January 2013. March 2013 witnessed the highest monthly trading volumes of ₹ 31,27,445.81 crores while the highest daily trading volumes on NSE during this period was ₹ 4,02,090.64 crores, witnessed on February 28, 2013 with total of 1,36,91,547 contracts being traded. As on March 31, 2013, the Settlement Guarantee Fund in F&O segment stood at ₹ 26,140.72 crores.

Currency Derivatives segment: The year 2012-13 witnessed an increase in the total settlement values from ₹ 8,290.44 crores in 2011-12 to ₹ 8,647.91 crores. The highest monthly settlement value was ₹ 1,217.76 crores in the month of May 2012. The highest trading volume in Currency Futures on NSE during the period was ₹ 29,407.52 crores witnessed on Feb 28, 2013 with total of 53,67,443 contracts being traded and in Currency Options it was ₹ 16,364.62 crores, witnessed on Jan 18, 2013 with total of 29,93,155 contracts being traded. There were no trades in futures contracts on 10 Year G-Sec and 91 Day GOI T-Bills in 2012-13. As on March 31, 2013, the Settlement Guarantee Fund in Currency Derivatives segment stood at ₹ 1,807.17 Crores.

Securities Lending and Borrowing segment: NSCCL is an Approved Intermediary (AI) for SLBS with SEBI. In 2012-13, the volumes in SLBS increased by 77.18% from ₹ 2,729.67 crores in 2011-12 to ₹ 4,836.50 crores. As compared to previous year, during 2012-13, securities traded in SLBS increased from 87 to 105 and number of participants traded too increased from 25 to 52. As on March 31, 2013, there are 102 participants, 4 custodian-cum-participants and 4 custodians registered in SLBS.

Mutual Fund Service System (MFSS): As on March 31, 2013, 33 mutual fund housed with 2879 schemes were enabled under the revised MFSS scheme. The average daily value of funds settled for subscription of mutual fund units for the period April 1, 2012 to March 31, 2013 was ₹ 2.67 crores. The average daily quantity of units allotted under subscription for the period April 1, 2012 to March 31, 2013 was 11.81 lakhs. The average daily value of funds settled for redemption of mutual fund units for the period April 1, 2012 to March 31, 2013 was ₹ 2.62 crores. The average daily quantity of units redeemed for the period April 1, 2012 to March 31, 2013 was 6.62 Lakhs.

Corporate Debt Instruments: NSCCL provides DVP-1 based settlement for OTC trades in Corporate Bonds, Repo in Corporate Bonds, Commercial Papers (CPs) and Certificate of Deposits (CDs). The financial year 2012-13 witnessed an increase in number of trades settled in Corporate Bonds. The total trades settled in Corporate Bonds increased by 6.10% to 36,815 while the average daily settlement value in Corporate Bonds increased by 8.83% to ₹ 1,792.26 crores. The average daily settlement value at NSCCL for OTC trades in Commercial Papers (CP) and Certificate of Deposits (CD) during the financial year 2012-13 stands at ₹ 2,150.55 crores and ₹ 7,201.82 crores respectively. During the financial year 2012-13, NSCCL settled 33 repo trades valuing ₹ 723.20 crores as compared to 23 trades valuing ₹ 618.05 crores in the previous financial year.

During the FY 2012-13, NSCCL earned net profit after tax of ₹ 179.21 crores as compared to net profit after tax of ₹ 240.89 crores during FY 2011-12. The Board of NSCCL has recommended a dividend of ₹ 32.50 per equity shares to its shareholders in respect of FY 2012-13.

7.2 NSE.IT Limited (NSE.IT)

The Financial year 2012-13 has not been very encouraging for NSE.IT due to various political, socio-economic and other related factors, particularly for mid-sized IT companies. Moreover, the political and economic conditions

of the US and European markets have also contributed to the slowdown of NSE.IT, the Indian IT industry and the overall economy in general. During the year, NSE I.T has closed down its wholly owned subsidiary at UK, namely, NSE.IT (UK) Limited. Despite the above, the Company has managed to achieve a reasonable consolidated turnover of ₹ 117 crores.

In the online examination space, NSE.IT continued to undertake online examinations in its 222 centers all across the country including in the far flung areas such as Imphal and Aizawal in the North-East regions, covering 26 states and 3 Union Territories. NSE.IT intends to leverage the same along with state-of-the-art facility by engaging with similar other organisations/ institutions in the current year.

NSE.IT obtained ISO 9001:2008 certification by Bureau Veritas Certification Institute (BVCI) for its online centers and is in process of obtaining CMMi certification in this year. During the year, NSE.IT conducted 85 quality audits and 4 IT audits to embark upon its journey for quality in infrastrucuture and processes at all its centers.

Despite slowdown, NSE.IT has ventured into a new initiative around Mobility and developed a pilot project using native iOS (Objective C) for Apple's iPAD and iPhone for Healthcare staffs for online training (initially targeted to use for American Council on Exercise). Further, NSE.IT also undertook other initiatives to include development for Android and Windows Mobile using JQuery and HTML5 technology frameworks.

During the financial year 2012-13, NSE.IT earned net profit after tax of ₹ 8.59 crores as compared to the net profit after tax of ₹ 14.31 crores in the previous year. The Board of NSE.IT has recommended a dividend of ₹ 2.10 per equity share to its shareholders in respect of the financial year 2012-13.

7.3 DotEx International Limited

7.3.1 Infofeed Business

During the year, DotEx has launched several new products and also enhanced features of the existing products and services considering the interest of the market participants. Facility of downloading historical trade data through internet has been introduced as against the practice of providing data on the DVDs.

7.3.2 NOW (NEAT on Web) Platform

During the year, DotEx started providing the following additional facilities through NOW platform viz., access to USE markets, additional banks integrated for payment gateway, advanced Web trading platform "NOW Touch" for Windows 8 and Touch screen monitors in addition to the value added services like advanced charting, technical analysis, third party news, etc. provided by Nest Plus platform of Omnesys. The above initiatives have resulted in NOW maintaining the user base and trading turnover through NOW platform during the financial year 2012-13.

DotEx decided to levy usage charges in respect of NOW terminals for accessing exchanges other than NSE with effect from 1st November 2012 on monthly basis.

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

As on April 23, 2013, 742 SEBI registered intermediaries are recognised by DotEx and approximate 4.45 Lakh KYC records have been processed in the DotEx KRA system consisting of both existing as well as new KYC records.

DotEx, being a SEBI registered KRA, was also awarded the project for Central KYC Registry initiated by Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI). The project aims to consolidate and validate personal identity data, and generate Unique KYC ID for clients and make it available to the complete Financial Services industry.

During the year 2012-13, DotEx earned a profit of ₹ 990.50 lakhs as compared to a profit of ₹ 1,456.71 lakhs during 2011-12. The Board of DotEx has recommended a dividend of ₹2/- per equity share to its shareholders in respect of the financial year 2012-13.

7.4 NSE Strategic Investment Corporation Limited (NSICL)

NSICL was incorporated on January 31, 2013, inter alia, to make or hold all strategic investments in the equity shares and/or other securities of various NSE group companies. It obtained its certificate for commencement of business on February 12, 2013. The paid up share capital of NSICL is ₹ 45.05 crores which is being held by National Stock Exchange of India Limited (NSEIL) and National Securities Clearing Corporation Limited (NSCCL) in the ratio of 99.90 and 0.10 respectively.

During the period ended on March 31, 2013, NSICL incurred loss of ₹ 209.49 lakhs. In view of the losses, NSICL expressed its inability to recommend any dividend for the period ended on March 31, 2013.

7.5 India Index Services and Products Limited (IISL)

During the financial year 2012-13, IISL granted licenses to eight domestic clients for launching exchange traded funds, active fund, index fund and debentures and three international clients for structured products based on IISL's indices. Currently, there are around 32 funds linked to IISL's indices.

During the year under review, the marketing and branding agreement entered between Standard & Poor (S&P) and IISL expired. Moreover, opportunity loss in licensing indices in non Financial Action Task Force (FATF) region, revenue loss on account of change in Shariah Screening partner after the expiration of agreement with S&P, decline in global derivatives turnover on exchanges, increased competition will also impact IISL's revenue from licensing indices. Considering the various regulatory and business uncertainties globally and in domestic markets, future prospects in terms of growth in volumes in the near and medium term look challenging. Also with the slow recovery of the economy and poor projected growth rate, the prospects further look equally difficult.

During the year 2012–13, IISL earned profit of ₹ 1,687.53 lakhs, as compared to a profit of ₹ 1,504.22 lakhs during 2011–12. The Board of IISL has recommended a dividend of ₹12/- per equity share to its shareholders in respect of the financial year 2012-13.

7.6 NSE Infotech Services Limited (NSETECH)

Technology has been a key differentiator and a strategic driver for NSE. Towards this, NSE Infotech Services Limited continues to deliver and maintain technology products and services for NSE.

7.6.1 New Generation Initiatives

All market machines in Trading F&O segment have been migrated to New Market, hence current capacity augmented to 900 million order messages per day and 450 million trade messages per day. Old markets have

been completely decommissioned. Similarly market machines in Trading CM segment have been migrated to 6308 servers, hence current capacity augmented to 405 million order messages per day and 216 million trade messages per day. In line with trading capacity roadmap, New PT has been implemented in two phases during March 2013 & early April 2013. Phase A Consists of Market Data, Tick-by-Tick Data generation and dissemination. Phase B consists of Inquiries, Transactions, Bhavcopy and Interface Data. State-of-the-art Tier III data center on 5th floor with its IT Infrastructure has also been completed as per schedule. Datacenter migration involved movement of storage devices, secondary segment servers and external connectivity. It also involved movement of Trading, Core Production and Internal Applications. Datacenter was made fully operational from February 2013.

7.6.2 Operational Excellence

NIFTY Futures and Options contracts have been deployed on different market instances thereby ensuring that in case of any downtime with one of the machines only Futures or Options contracts of NIFTY get affected. New failover approach has been implemented for matching engine where in a pool of machines are available as stand by servers and in case of contingency any of this server can be used as a backup for the affected machine. The transition can happen in 150 seconds. Surveillance (CM and FO) applications were ported to Linux infrastructure from existing Itaniuim server configuration. This has led to considerable infrastructure optimisation with substantial increase in throughput of the online surveillance engine to the order of 1.75-2X. In the reports and EOD/BOD processes, the performance improvement has been in the order of 10X. CM Risk application migrated from existing Itanium/HP-UX servers to Xeon/LINUX servers. Unix to Linux platform migration to achieve enhanced throughput, reduce latency and optimised cost. NIFTY Index computation migrated to FT (fault tolerant) server for enhanced reliability and more resilience. External, Internal and Table Top BCP mocks were conducted in this financial year which covered Trading, Clearing and Internal System applications. BCM activities were also conducted regularly.

During the financial year 2012–13, NSETECH earned net profit after tax of ₹ 41.38 lakhs, as compared to net profit after tax of ₹ 51.56 lakhs during 2011–12. The Board of NSETECH has recommended a dividend of ₹150/- per equity share to its shareholders in respect of the financial year 2012-13.

7.7 National Commodity Clearing Limited

NCCL has completed the sixth full year of operations, since its commencement from September 1, 2006, in providing IT and process support to NCDEX in respect of its clearing and settlement of trades done in derivatives segment. The clearing and settlement covers contracts in 33 products ranging from agricultural commodities to base metals, ferrous metals, energy, polymers and precious metals. NCCL carries out funds settlement through 14 clearing banks.

During the year under review, NSEIL inter alia entered into an agreement with NCDEX for sale of NSE's equity shareholding in NCCL to NCDEX. The transaction is expected to complete in the first quarter of FY 2013-14.

During the financial year 2012–13, NCCL earned net profit after tax of ₹ 160.20 lakhs, as compared to net profit after tax of ₹ 106.06 lakhs during 2011–12. As the profit is required to augment operational needs of the Company, the Board of NCCL did not recommend any dividend to its shareholders.

8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Following developments have taken place in Human Resources / Industrial Relations front in the Financial Year 2012-13:-

1) **Job Description and Job Evaluation:** NSEIL has undertaken a study on Job Description and Job Evaluation in the FY 2011-12 in association with PricewaterhouseCoopers. NSEIL has drafted Job descriptions for 106 unique positions across the company and accordingly evaluated the positions in terms of its relative worth. The recommendation of the study has been implemented in the Company in terms of organisational restructuring.

2) **Employee Engagement Study:** The Company has undertaken a study on the Employee Engagement levels in association with Great Place to work. The HR Policies of the Company was also audited as part of the culture audit process by Great Place to work team. Based on the report, the Company has devised the action plan to work on the recommendations of Great Place to Work team. The Company has started various Employee Engagement Initiatives to raise the engagement levels of the employees across the organisation. Some of them are NSE's participation in Standard Chartered Bank's Mumbai Marathon 2013, employees' participation in the investothon, zumba training, kick boxing training, employee appreciation corner, coffee day express outlet, dental awareness and check up camp, cancer awareness program, employee assistance program, Talk to me initiative with the HR Head and various Staff Welfare initiatives so as to build synergy among the various teams. The Company has been been continuing these initiatives for the FY 2012-13 also.

3) **Talent Management and Development**: During the Financial Year 2011-12 and 2012-13, NSEIL has focused on the implementation of the Talent Management Study undertaken in the previous financial year. The Company has mapped the behavioral and functional competencies for each employee role to the training need identification process. In line with the Business Strategy, the Company has continued to focus on the functional and behavioral training based on the individual and the organisational need. Based on the Talent Assessment vis –a - vis the Strength finder mechanism, the Company has identified High Potential employees and plotted them on the Performance – Potential grid. The Company is working on their career pathing for their career development. The Company has been extensively working on the Executive Coaching initiative for the executives at the Strategic and Tactical Band. Quarterly coaching and feedback sessions are conducted to give them developmental feedback. The Company has also conducted 360 degree feedback process for the executives at the Strategic and Tactical Band. The above interventions help to support career and succession planning. The Company has drafted the HR Policy manual for the employees and the Standard Operating Process along with their process maps for all the processes in HR domain. The Company has also published the HR service standards for all the areas of operation in Human Resources.

4) **Employee Relations**: The employee relations scenario has been harmonious throughout the period under consideration.

   The employee strength as on March 31, 2013 was 512

9. CORPORATE GOVERNANCE

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

National Stock Exchange of India Limited (NSEIL) is a public limited company, whose securities are not listed on any the stock exchanges. As per Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for listed companies has become mutatis mutandis applicable to a recognised Stock Exchange. However, NSEIL has always been involved in good governance practices and endeavours continuously to improve upon the same. A report on corporate governance for the financial year 2012-13 is accordingly furnished as part of the Annual Report for the information of all its stakeholders. The certificate from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under clause 49 of Listing Agreement, is also attached with the above report.

10. 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.

11. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

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

12. DIRECTORS

SEBI notified Securities Contracts Regulation (Stock Exchanges and Clearing Corporations) Regulations, 2012. As per Regulation 23 of the above Regulations, the governing board of every recognised stock exchange shall include (a) shareholder directors; (b) public interest directors; and (iii) managing director. Mr. S. B. Mathur, Mrs. Shyamala Gopinath, Mr. Y. H. Malegam, Dr. KRS Murthy, Dr. S. Sadagopan and Mrs. Pratima Umarji fall under 'Public Interest Directors' category. Mr. S. B. Mainak, Mr. Prakash Parthasarathy, Mr. Abhay Havaldar and Mr. Ravi Narain fall under Shareholder Directors category. Ms. Chitra Ramkrishna is the Managing Director & CEO of the Company with effect from April 1, 2013.

The term of Mr. Ravi Narain as Managing Director & CEO of the Company expired on March 31, 2013. However he was appointed as Vice Chairman in non-executive capacity with effect from April 1, 2013.

Mr. Prakash Parthasarathy and Mr. Abhay Havaldar were appointed as Shareholder Directors with effect from May 30, 2012 and June 13, 2012 respectively. Mr. M.V. Subbiah, Mrs. Pratima M. Umarji and Dr. S. Sadagopan were appointed as Public Interest Directors with effect from May 17, 2012, June 02, 2012 and March 28, 2013 respectively.

Dr. Vijay Kelkar, Mr. A. P. Kurian, Dr. Rajiv Lall, Mr. M. V. Subbiah, Dr. V. A. Sastry, Mrs. Ranjana Kumar and Mr. Deepak Satwalekar, also ceased to be the Directors of the Company with effect from

September 1, 2012, September 3, 2012, September 3, 2012, September 14, 2012, March 30, 2013, March 30, 2013 and April 02, 2013 respectively to comply with the SEBI Regulations. The Board wishes to place on record its sincere appreciation and gratitude for their valuable contribution made during their tenure as Directors.

Mr. S. B. Mainak retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment subject to approval of SEBI.

13. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that –

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

ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year i.e., 31st March, 2013 and of the profit of the Company for that year;

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv. the Directors had prepared the annual accounts on a going concern basis.

14. AUDIT COMMITTEE

The Audit Committee comprises three Directors namely Mr. Y. H. Malegam, Mr. Ravi Narain and Dr. S. Sadagopan as its members. Mr. Y. H. Malegam is the Chairman of the Audit Committee. The Committee met four times during the year i.e., on April 30, 2012, August 23, 2012, November 2, 2012 and February 08, 2013. The details of the attendance of members of the Audit Committee at their meetings held on the above dates are given in Table 17 hereunder:-

Table 17

Name	Number of meetings held during the year	Number of meetings attended
Mr. Y. H. Malegam	4	4
Mr. A. P. Kurian**	2**	2
Mrs. Pratima Umarji*	2*	2
Dr. V. A. Sastry**	4**	3
Mr. Ravi Narain#	None	Not applicable
Dr. S. Sadagopan#	None	Not applicable

* Mrs. Pratima Umarji was inducted as a Member of the Committee with effect from August 31, 2012 and ceased to be a Member of the Committee with effect from March 30, 2013.

** Mr. A. P. Kurian and Dr. V. A Sastry ceased to be Members of the Committee with effect from September 03, 2012 and March 30, 2013 respectively.

Mr. Ravi Narain and Dr. S. Sadagopan were inducted as Members of the Committee with effect from March 30, 2013.

15. AUDITORS

M/s. Khandelwal Jain & Co., Chartered Accountants, Auditors of the Company, retire at the forthcoming Annual General Meeting of the Company and are eligible for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. Their re-appointment is required to be made by a Special Resolution pursuant to Section 224A of the Companies Act, 1956.

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

a) **Conservation of Energy and Technology Absorption**

As the Company does not fall under any of the industries listed out in the schedule appended to Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988, particulars required to be disclosed with respect to conservation of energy and technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956, read with the aforesaid Rules are not applicable to the Company.

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

1) 'Thermal Energy Storage System' for air-conditioning system during the peak hours.
2) 'Building Management System' for automation in operations of services in the building.
3) 'Lighting Transformers' for regulated voltage of Lighting system.
4) 'Electronic Ballast and Compact Fluorescent Lamps' in lighting system.
5) 'Automatic Power Factor Control Units' to step up power factor of the building.
6) 'Solar Power Plant' which harnesses the solar power to cater the part of lighting load at Exchange Plaza.
7) 'Rain Water Harvesting System' to harvest the rain water in the periphery of Exchange Plaza.
8) 'Sewerage Treatment Plant' to reuse building's domestic and flushing water (i.e. after treatment) for its Cooling Towers associated with HVAC System and for Gardening purposes every day.
9) 'Vermiculture Plant' wherein compostable material like food waste collected from canteen, garden organics and paper & cardboard gets collected and post processing into vermiculture unit manure get generated and used for Gardening purposes.

In its pursuit of building a system for effective energy conservation, NSEIL has used the following further technological initiatives during the year:-

1) The 'Tire-IV compatible Services Design' for new Data Centres to ensure that the 'Power Utilisation Effectiveness' (PUE) of new Data Centre does not exceed the benchmarked PUE of 1.7.
2) Participating in 'Demand Response Event' programme conducted by M/s. Tata Power Co. (TPC) wherein the Company reduces power consumption at Exchange Plaza for 2 hours in a given time slot of a day as directed by TPC.

3) Wind Energy System – In addition to various power saving measures being undertaken at the building, a need has been felt to ascertain the possible alternatives of energy conservation including sourcing of energy from natural resources which is environment friendly (i.e. Green Power). In view of this, Wind Power Project of the capacity of 6.25 MW is under execution to set off around 65 % of energy consumption at Exchange Plaza building.

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

The foreign exchange earnings during the year were ₹ 5.74 crores whereas the foreign exchange outgo during the year was ₹ 9.03 crores.

17. Statement of Particulars of Employees covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is annexed.

18. Your Directors are grateful for the support and co-operation extended by the Government of India, Securities and Exchange Board of India and Reserve Bank of India. Your Directors would like to place on record their sincere appreciation of support provided by the shareholders and also their deep appreciation of the contribution made by employees at all levels to the continued growth of the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 27, 2013

S.B. Mathur
Chairman

ANNEXURE TO DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975.

Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (₹)		Experience (No.of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
1	Mr. Ravi Narain M.A. (Eco.), MBA	57	Managing Director&CEO	90848919	39832812	34	April 15, 1994	Dy. General Manager, Industrial Development Bank of India
2	Ms. Chitra Ramkrishna B. Com, FCA	50	Joint Managing Director	64092817	30512369	28	October 15, 1994	Dy. Manager, Industrial Development Bank of India
3	Mr. J. Ravichandran B. Com, B.L.,FCS	52	Director (F&L) & Company Secretary	26594714	12789571	27	August 12, 1994	Dy. Secretary & Manager (Legal), Raymond Synthetics Limited
4	Mr. R. Sundararaman * B. Sc., CAIIB, AICWA	50	Senior Vice President	19730260	10031995	30	March 13, 1995	Grade 'B' Officer, Industrial Development Bank of India
5	Mr. Yatrik Vin M.Com, AICWA	46	Senior Vice President	14604223	7451056	26	February 21, 2000	Manager (Finance & Accounts), Godrej & Boyce Mfg. Co. Ltd.
6	Mr. Ravi Varanasi B. Sc., ACA	50	Senior Vice President	15166839	10026181	26	July 3, 1995	Sr. Dy. Manager, Vysya Bank
7	Mr. R Nandakumar * B. Com., Grad. CWA, MBA, CAIIB, FIII	47	Senior Vice President	13332215	8718384	26	March 15, 1995	Staff Officer (Finance), Unit Trust of India
8	Mr. Umesh Jain B.Tech	43	Senior Vice President	6088807	4071427	13	September 3, 2012	President, Yes Bank
9	Ms. K. Kamala B.Com, ACA	47	Vice President	11090445	5824196	22	March 16, 2006	Vice President (Risk Mgmt. & Ops.), IL&FS Investsmart Limited
10	Mr. Vidhu Shekhar @ PGDBM, CFA	48	Vice President	4726901	2501614	23	October 3, 2005	Sr. Vice President, IDBI Capital Market Services Ltd.
11	Mr. Hari K. AICWA, ACS	46	Vice President	12826735	7008700	22	May 29, 1995	Cost Accountant, KCP Ltd.
12	Mr. Suresh Narayan # @ B.Com, Grad. CWA	43	Vice President	2844240	2124712	23	January 24, 2005	Manager , National Securities Depository Limited
13	Mr. Suprabhat Lala B. Sc.	46	Vice President	8304203	5541496	23	October 1, 2001	Sr. Vice President, Geojit Securities Ltd.
14	Mr. Chandrashekhar Mukherjee, B. Com., PGPM & IR	49	Vice President	10445090	7028768	20	April 9, 2010	Associate Vice President Bennett Coleman & Company Ltd.
15	Mr. Nirmal Mohanty M.A., MBA	54	Vice President	8093789	5331595	26	April 1, 2009	Principal /Vice President, Infrastructure Development Finance Company Limited
16	Mr. Mahesh Haldipur B.E. (Civil), AMIE	53	Asst. Vice President	6949088	3722529	30	April 25, 1995	Project Engineer, Tata Electric Company Limited
17	Mr. Chandrakant Upadhyay ACA, LL.M	49	Asst. Vice President	7892564	4143665	21	September 16, 2004	Executive Director, Saurashtra Kutch Stock Exchange Limited
18	Ms. Rana Usman B.Com, PGDBM	43	Asst. Vice President	6610147	3615085	18	June 1, 1995	-

Notes :

1 Gross Remuneration includes Salary and other benefits, Company's contribution to Provident Fund, Superannuation Fund, taxable value of perquisites etc. Net remuneration represents gross remuneration less Company's contribution to provident and superannuation funds, taxable value of perquisites, profession tax and income tax. Where applicable, the amounts also includes certain allowances accrued during previous year(s) but claimed in the current year.

2 Besides the above, variable pay pertaining to FY 2011-12 amounting to ₹ 44446927, ₹ 29296954, ₹ 12120053, ₹ 4928000, ₹ 6148428, ₹6599978, ₹5768804, ₹ 4118926, ₹ 4071329, ₹ 3933578, ₹ 3000000, ₹ 3507798, ₹ 3168750, ₹ 3949730, ₹ 1930053, ₹ 2015390, ₹ 2364479 & ₹ 3080222 in respect of Mr. Ravi Narain, Ms. Chitra Ramkrishna, Mr. J Ravichandran, Mr. Yatrik Vin, Mr. R. Sundararaman, Mr. Ravi Varanasi, Mr. Nanda Kumar R, Mr. Hari K, Mr. T Venkat Rao, Mr. Suprabhat Lala, Mr. Vidhu Shekhar, Ms. Kamala K, Mr. Nirmal Mohanty, Mr. Chandrashekhar Mukherjee, Mr. Mahesh Haldipur, Ms. Rana Usman, Mr. Chandrakant Upadhyay & Mr. Suresh Narayan respectively was disbursed during FY 2012-13 and leave encashment amounting to ₹ 25910137, ₹ 1952443, ₹ 558485 & ₹ 809354 was paid to Mr. Ravi Narain, Mr. Hari K, Mr. Suresh Narayan and Mr. Vidhu Shekhar respectively. Mr. Ravi Narain was also paid ₹99,57,140 towards Medical Allowance & Leave Travel Allowance pertaining to previous years.

3 Mr. Ravi Narain's tenure as Managing Director of the company has ended on March 31, 2013 and he has been appointed as Vice Chairman of the Company since April 1, 2013.

4 Ms. Chitra Ramkrishna was appointed as Managing Director & CEO for a period of five years with effect from April 1, 2013.

5 Other employees are in permanent employment of the Company on contractual basis governed by the employment terms & conditions and service rules. Employees whose names have been marked with @ were employed with the Company for part of the year.

6 None of the employees mentioned above is a relative of any Director.

7 Employees, in respect of whom Section 217 (2A) applies but are on deputation to subsidiary company and in respect of whom the remuneration is recovered are shown under statement prepared under Section 217 (2A) of that subsidiary company to avoid duplication. Employee whose name has been marked with # is on deputation to two subsidiary companies and his remuneration has been shared amongst the two subsidiary companies. Employee whose name has been marked with * is also on deputation to subsidiary company and in respect of whom the proportionate remuneration recovered from the subsidiary company is shown in the statement prepared under Section 217 2(A) of that subsidiary company.

8 None of the employees is holding equity share(s) in the Company within the meaning of sub-clause (iii) of clause (a) of sub-section (2A) of Section 217 of the Companies Act, 1956.

9 The Company does not have any Employees Stock Option Plan (ESOP) Scheme for its employees.

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of law and commitment to values and ethical business conduct to achieve the Company's objective of enhancing shareholder value and effective discharge of its social responsibility. National Stock Exchange of India Limited (NSEIL) is a public limited company, whose securities are not listed on any of the stock exchanges. As per Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for listed companies has become mutatis mutandis applicable to a recognised Stock Exchange. However, NSEIL has always been involved in good governance practices and endeavours continuously to improve upon the same. In continuation of its pursuit to establish good corporate governance practice and for the information of its stakeholders, NSEIL is furnishing this Report for the financial year ended on 31st March, 2013.

NSEIL is a company incorporated under the Companies Act, 1956 and is also a recognised stock exchange under Securities Contracts (Regulation) Act, 1956. Therefore, NSEIL is additionally required to comply with Securities Contracts (Regulation) Act, 1956, the Rules laid down thereunder and the directives and circulars issued by Securities and Exchange Board of India (SEBI) from time to time for the purpose of its governance.

I. Board of Directors

A. Composition of the Board

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

With the approval of SEBI, the Company has appointed Mr. S. B. Mathur, a non whole-time director as well as a Public Interest Director as Chairman of the Board of Directors.

Number of Board Meetings

The Board of Directors met six times during the year on May, 14, 2012, August 31, 2012, November 06, 2012, November 26, 2012, February 14, 2013 and March 30, 2013. The maximum gap between any two meetings was less than 4 months.

Directors' Attendance Record and Directorships Held

As mandated by the Clause 49, none of the Directors are members of more than ten Board level Committees nor are they Chairman of more than five Committees in which they are members. Table 1 gives the details of the composition of the Board, attendance and details of Committee Membership and Committee Chairmanships.

(1) Details of Directors along with the Directorship(s) and Chairmanship(s)/Membership(s) of Committees in other companies for the year 2012-13:

Name of the Director	Category	Attendance Particulars			No. of Directorships / Chairmanships and Committee Chairmanships / Memberships		
		Number of Board Meetings		Last AGM	Other Directorship(s)/ Chairman-ship(s)*	Other Commit-tee Member-ship(s)**	Other Committee Chairmanship(s) **
		Held	Attended				
Mr. S. B. Mathur, Chairman	Public Interest Director	6	5	Y	12	6	2
Mrs. Shyamala Gopinath	Public Interest Director	6	4	N	5	3	2
Mr. Y. H. Malegam	Public Interest Director	6	6	Y	7	-	4
Mr. Abhay Havaldar	Shareholder Director	5	5	N	3	2	-
Mr. S. B. Mainak	Shareholder Director	6	2	N	1	1	-
Dr. K. R. S. Murthy	Public Interest Director	6	6	N	2	1	1
Mr. Prakash Parthasarathy	Shareholder Director	5	4	N	2	-	-
Mrs. Pratima Umarji	Public Interest Director	5	5	N	-	-	-
Dr. S. Sadagopan	Public Interest Director	0	0	N	4	3	-
Mr. Ravi Narain	Managing Director	6	6	Y	14	2	3
Ms. Chitra Ramkrishna	Jt. Managing Director	6	6	Y	8	2	1
Dr. Vijay L. Kelkar	Independent Director	2	2	N	-	-	-
Mrs. Ranjana Kumar	Independent Director	6	5	N	5	1	1
Mr. A. P. Kurian	Independent Director	2	2	N	-	-	-
Dr. Rajiv B. Lall	Shareholder Director	2	1	N	-	-	-
Dr. V. A. Sastry	Independent Director	6	6	N	-	-	-
Mr. Deepak Satwalekar	Public Interest Director	6	6	N	5	2	1
Mr. M. V. Subbiah	Public Interest Director	1	1	N	-	-	-

Y= Yes; N=No

Notes:

1. Dr. Vijay L. Kelkar, Mr. A. P. Kurian, and Dr. Rajiv B. Lall ceased to be the Directors of the Company with effect from September 01, 2012, September 03, 2012 and September 03, 2012 respectively.
2. Mr. M.V. Subbiah was appointed as Director on May 17, 2012 and he ceased to be a Director of the Company with effect from September 14, 2012.

3. Dr. V. A. Sastry, Mrs. Ranjana Kumar and Mr. Deepak Satwalekar ceased to be the Directors of the Company with effect from March 30, 2013, March 30, 2013 and April 02, 2013 respectively.
4. Mr. Prakash Parthasarathy, Mrs. Pratima M. Umarji, Mr. Abhay Havaldar and Dr. S. Sadagopan were appointed as Directors with effect from May 30, 2012, June 02, 2012, June 13, 2012 and March 28, 2013 respectively.
5. Mr. Ravi Narain ceased to be Managing Director of the Company w.e.f April 1, 2013 and Ms. Chitra Ramkrishna was appointed as Managing Director & CEO of the Company w.e.f April 1, 2013.

* The Directorships/ Committee memberships held by Directors as mentioned above, do not include Directorships/Committee memberships of Foreign Companies, Section 25 Companies and Private Companies.

** Memberships/Chairmanships of only the Audit Committee and Shareholders/Investors' Grievances Committee of all Public Companies have been considered.

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

Since inception, the Company has been following the principle of separation of the role of Chairman and the Chief Executive Officer. Mr. S. B. Mathur is the Non-Executive Chairman of the Board. Mr. Ravi Narain is the Managing Director & Chief Executive Officer of the Company (till March 31, 2013) and is entrusted with the day to day management of the affairs of the Company. Ms. Chitra Ramkrishna, Joint Managing Director (till March 31, 2013) of the Company assists the Managing Director in the discharge of his functions on day to day basis. The Managing Director and Joint Managing Director carry out their functions subject to superintendence, control and management of the Board of Directors of the Company.

(3) Number of companies in which an individual may become a Director

The non executive Directors follow the provisions prescribed under the Companies Act, 1956 with regard to maximum number of directorships allowed for a Director. In respect of Executive Director(s), the number of Directorships other than directorships in subsidiary companies is less than seven.

B. Responsibilities of the Board

The Company conducts an orientation programme for new Directors covering various operations of the Exchange so as to familiarise themselves with the various functions being carried out by the Exchange. Every director inducted on the Board is well known in the financial services industry and has the ability to understand basic financial statements and information and related documents/papers.

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

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

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

C. Code of Conduct

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

D. Independent Directors

(1) Attributes

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

(2) Tenure

The Company, being a stock exchange recognised under Securities Contracts (Regulation) Act, 1956, is required to follow directives issued by SEBI from time to time. SEBI has notified Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 on June 20, 2012. The Exchange follows the same with regard to tenure of the Directors.

(3) Freedom to Independent Directors

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

E. Remuneration of Directors

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

During the year, 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 3 years.

C. ESOPs and other equity linked instruments will not form part of the Compensation.

Accordingly, the Company has framed compensation policy in conformity with norms specified by SEBI for its employees including Managing Director.

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

A sitting fee is being paid to non-executive Directors for the meetings of the Board or the Committees constituted by it attended by them. As Non-Executive Chairman, Dr. Vijay Kelkar provided guidance in matters of strategic importance to the company management. Considering the experience and expertise as invaluable to the Board in maintaining strategic leadership and governance, a fixed amount of remuneration of ₹ 10.45 lakhs till August 31, 2012 was paid to him in accordance with the terms approved by Board, Shareholders and the Central Government.

The details of remuneration paid to Managing Director and Joint Managing Director during FY 2012-13 is given in the following table:-

(₹ in crores)

Name & Designation	Salary & Allowances	Variable Pay	Perquisites in cash or in kind	Contribution to PF and other Funds	Total
Mr. Ravi Narain, Managing Director	4.71	1.06	2.72	0.60	9.09
Ms. Chitra Ramkrishna, Joint Managing Director	3.24	0.75	1.97	0.45	6.41

Note: Besides the above, variable pay pertaining to FY 2011-12 amounting to ₹ 4.44 crores and ₹ 2.93 crores were paid to Mr. Ravi Narain and Ms. Chitra Ramkrishna respectively during FY 2012-13 and ₹ 2.59 crores was paid to Mr. Ravi Narain towards leave encashment. Mr. Ravi Narain was also paid ₹ 0.99 crore towards Medical Allowance & Leave travel Allowance pertaining to previous years.

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

Name	Board meetings		Board Committees' meetings		Total
	No. of meetings attended	Amount (₹)	No. of meetings attended	Amount (₹)	
Mr. S. B. Mathur, Chairman	5	1,00,000	14	2,80,000	3,80,000
Mrs. Shyamala Gopinath	4	80,000	6	1,20,000	2,00,000
Mr. Y. H. Malegam	6	1,20,000	12	2,40,000	3,60,000
Mr. Abhay Havaldar	5	1,00,000	0	0	1,00,000
Mr. S. B. Mainak	2	40,000	7	1,40,000	1,80,000
Dr. K. R. S. Murthy	6	1,20,000	21	4,20,000	5,40,000
Mr. Prakash Parthasarathy	4	80,000	-	-	80,000
Mrs. Pratima Umarji	5	1,00,000	11	2,20,000	3,20,000
Dr. S. Sadagopan	0	0	0	0	0
Dr. Vijay Kelkar	2	40,000	4	80,000	1,20,000
Mr. M. V. Subbiah	1	20,000	0	0	20,000
Mrs. Ranjana Kumar	5	1,00,000	9	1,80,000	2,80,000
Mr. A. P. Kurian	2	40,000	6	1,20,000	1,60,000
Dr. Rajiv B. Lall	1	20,000	2	40,000	60,000
Dr. V. A. Sastry	6	1,20,000	7	1,40,000	2,60,000
Mr. Deepak Satwalekar	6	1,20,000	14	2,80,000	4,00,000

II. Committees of the Board

(1) Audit Committee

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

The Audit Committee reviews the reports of the internal auditors and operational auditors. Besides, the role of Audit Committee of NSEIL, inter-alia, also covers the following:

(a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

(b) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on-

- Any changes in accounting policies and practices.
- Major accounting entries based on exercise of judgment by management.
- Qualifications in draft audit report.
- Significant adjustments arising out of audit.
- The going concern assumption.
- Compliance with accounting standards.
- Compliance with legal requirements concerning financial statements.
- Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.

(c) Reviewing with the management, external and internal auditors and the adequacy of internal control systems.

(d) Reviewing the adequacy of internal audit function including specification of terms of reference to firms conducting internal audit.

(e) Discussion with internal auditors any significant findings and follow up there on.

(f) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

(g) Discussion with external auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

(h) Reviewing the Company's financial management policies.

(i) To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

The Audit Committee comprises of three Directors viz., Mr. Y. H. Malegam, Mr. Ravi Narain and Dr. S. Sadagopan as its members. Mr. Y. H. Malegam is the Chairman of the Audit Committee.

The Committee met four times during the year i.e., on April 30, 2012, August 23, 2012, November 2, 2012 and February 08, 2013. The details of the attendance of members of the Audit Committee at their meetings held on the above dates are given hereunder:-

Name	Number of meetings held during the year	Number of meetings attended
Mr. Y. H. Malegam	4	4
Mr. A. P. Kurian**	2**	2
Mrs. Pratima Umarji*	2*	2
Dr. V. A Sastry**	4**	3
Mr. Ravi Narain#	None	Not Applicable
Dr. S. Sadagopan#	None	Not Applicable

* Mrs. Pratima Umarji was inducted as a Member of the Committee with effect from August 31, 2012 and ceased to be a Member of the Committee with effect from March 30, 2013

** Mr. A. P. Kurian and Dr. V. A Sastry ceased to be Members of the Committee with effect from September 03, 2012 and March 30, 2013 respectively.

Mr. Ravi Narain and Dr. S. Sadagopan were inducted as Members of the Committee with effect from March 30, 2013 .

The Officer responsible for the finance function, the representative of the statutory auditors and internal auditors are regularly invited to the Audit Committee meetings. The Company Secretary appointed pursuant to the provisions of the Companies Act, 1956 is the Secretary to the Committee.

All members of the Audit Committee have requisite accounting and financial management expertise. The Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on 27th September, 2012 to answer shareholders queries.

(2) Compensation Committee

The Compensation Committee has been vested with the powers and authority for overseeing performance evaluation and recommending compensation package for employees including Managing Directors. As per SEBI Regulations, the Compensation Committee shall consist of majority of Public Interest Directors and chaired by a Public Interest Director. The Compensation Committee comprises of Mr. S. B. Mathur, Mr. Y. H. Malegam, Dr. K R S Murthy, Mrs. Pratima Umarji and Mr. Ravi Narain. Mr. S. B. Mathur is the Chairman of the Compensation Committee. SEBI requirements with respect to composition & Chairman have been complied with. During the year, the Committee met 6 times on April 30, 2012, November 26, 2012, December 13, 2012, February 08, 2013, March 06, 2013 and March 25, 2013. The details of the attendance of members of the Compensation Committee at their meetings held on the above dates are given hereunder:-

Name	Number of meetings held during the year	Number of meetings attended during the year
Mr. S. B. Mathur	6	5
Dr. Vijay Kelkar*	1	1
Mr. A.P. Kurian*	1	1
Mr. Y. H. Malegam	6	6
Mrs.Pratima Umarji*	5	5
Dr. K R S Murthy	5	5
Mr. Deepak Satwalekar*	5	3
Mr. Ravi Narain*	None	Not Applicable

* Mrs. Pratima Umarji and Mr. Deepak Satwalekar were inducted as members of the Committee with effect from November 06, 2012. Mr. Deepak Satwalekar ceased to be a member of the Committee with effect from March 30, 2013.

* Dr. Vijay Kelkar and Mr. A.P Kurian ceased to be members of the Committee with effect from September 01, 2012 and September 03, 2012 respectively.

* Mr. Ravi Narain was inducted as a Member of the Committee with effect from March 30, 2013.

(3) Nomination Committee

The primary function of this Committee is to recommend to the Board the broad principles to be followed while co-opting directors and to decide on the issues such as the optimum size for the Board, the Board tenure for directors, qualification, experience and standing of persons to be co-opted including the designation levels for shareholder representatives, rotational or group representation for shareholders with below 10% holding, application of proposed principles to existing directors, etc.

The Nomination Committee comprises of Mr. S. B. Mathur, Mr. Y. H. Malegam, Mr. Ravi Narain and Ms. Chitra Ramkrishna. Mr. S. B. Mathur is the Chairman of the Nomination Committee. During the year, the Committee met once on May 10, 2012. The details of the attendance of members of the Nomination Committee at its meeting held on the above date are given hereunder:-

Name	Number of meetings held during the year	Number of meetings attended during the year
Mr. S. B. Mathur	1	1
Dr. Vijay Kelkar*	1	1
Mr. Y. H. Malegam	1	1
Mr. Ravi Narain	1	1
Ms. Chitra Ramkrishna*	None	Not Applicable

* Dr. Vijay Kelkar ceased to be a member of the Committee with effect from September 01, 2012.

* Ms. Chitra Ramkrishna was inducted as a member of the Committee with effect from March 30, 2013.

(4) Share Transfer and Shareholders Grievances Committee

The Committee discharges the function of approving share transfers and deciding on any matter incidental to or connected with the transfer, redressal of shareholder complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.

The Committee comprises of Mr. Y. H. Malegam, Mr. S. B. Mathur, Mr. Ravi Narain and Ms. Chitra Ramkrishna. Mr. Y. H. Malegam is the Chairman of the Committee.

(5) Risk Assessment and Review Committee

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

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

(i) SEBI mandated Committees

1. Membership Selection Committee
2. Disciplinary Action Committee
3. Defaulters Committee
4. Standing Committee on Technology
5. Sub-committee for monitoring compliance of suggestions given in SEBI Inspection Reports
6. Investor Services Committee
7. Public Interest Directors Committee
8. Arbitration Committee
9. Ethics Committee
10. Independent Oversight Committee of the Governing Board for Member regulation
11. Independent Oversight Committee of the Governing Board for Listing function
12. Independent Oversight Committee of the Governing Board for Trading and Surveillance function
13. Surveillance Committee
14. Advisory Committees
15. Committee to decide on Compulsory Delisting

(ii) Other Functional Committees

1. Committeee for Declaration of Defaults
2. Technology Budget Committee
3. Committee for Approval of Acquisition of Premises
4. Business Development Committee
5. Pricing Committee
6. Corporate Social Responsibility Committee

7. Premises Advisory Committee
8. Membership Recommendation Committee
9. Sub-broker Recognition Committee

III. Subsidiary Companies

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

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

IV. Auditors

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

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

V. Secretarial Review

The Company has engaged the services of M/s. S.N. Ananthasubramanian & Co., Practicing Company Secretaries, to conduct review of compliances under the Companies Act, 1956 and the rules laid down thereunder for the financial year ended 31st March, 2013. The report of the Practicing Company Secretary is placed before the Audit Committee.

VI. Disclosures

(1) Basis of related party transactions

Related party transactions in the ordinary course of business have been disclosed in the notes to the financial statements in the Annual Report.

(2) Disclosure of Accounting Treatment in Preparation of Financial Statements

NSEIL follows the guidelines of Accounting Standards laid down by the Central Government under the provisions of section 211(3) of the Companies Act, 1956 in the preparation of its financial statements.

VII. Management Discussion and Analysis

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

VIII. CEO/ CFO certification

The CEO and CFO certification of the financial statements for the financial year 2012-13 is enclosed at the end of the report.

IX. Shareholders

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

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

B. Communication with Shareholders

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

Annual Report**:** Annual report containing, inter alia, Audited Accounts, Directors' Report, Report on Corporate Governance, other material and related matters/information is circulated to the shareholders and others entitled thereto.

C. General Body Meetings

Location, date and time of the general meetings held in the last three years till March 31, 2013:-

Type of meeting	Date	Time	Venue	Special Resolution passed
Extra-ordinary General Meeting	January 17, 2013	10.00 a.m.	Exchange Plaza, Bandra-Kurla Complex Bandra (East), Mumbai- 400 051	-
20th Annual General Meeting	September 27, 2012	11.00 a.m	-do-	• Re-appointment of Auditors under Section 224A
19th Annual General Meeting	September 28, 2011	11.30 a.m	-do-	• Re-appointment of Auditors under Section 224A
18th Annual General Meeting	September 27, 2010	4.00 p.m.	-do-	• Re-appointment of Auditors under Section 224A
Extra-ordinary General Meeting	April 27, 2010	5.00 p.m.	-do-	• Alteration of Articles of Association of the Company

D. Shareholding pattern of the Exchange and Top 10 Shareholders as on 31st March, 2013.

Distribution of Shareholding as on 31st March, 2013:

Category	No. of shareholders in each category	% of the category	No. of shares held	% to the total paid up equity capital
Individuals	5	7.81	4,71,429	1.05
Corporates-Listed	4	6.25	6,87,200	1.53
Corporates-Unlisted	11	17.19	49,60,168	11.02
Financial Institutions/Banks	11	17.19	1,34,38,882	29.87
Insurance Companies	7	10.94	82,53,500	18.34
Mutual Funds	0	0	0	0
Venture capital fund	2	3.13	15,08,666	3.35
Foreign holding	24	37.50	1,56,80,155	34.85
Total	64	100.00	4,50,00,000	100.00

Top 10 Shareholders as on 31st March, 2013

Sr. No.	Name of the shareholder	No. of shares held	Percentage of shareholding
1	Life Insurance Corporation of India	47,28,500	10.51
2	State Bank of India	45,87,500	10.19
3	IDFC Limited	29,47,990	6.55
4	IFCI Limited	24,97,750	5.55
5	Stock Holding Corporation of India Limited	22,50,000	5.00
6	GA Global Investments Limited	22,50,000	5.00
7	GS Strategic Investments Limited	22,50,000	5.00
8	SAIF II SE Investments Mauritius Limited	22,50,000	5.00
9	Aranda Investments (Mauritius) Pte. Ltd.	22,50,000	5.00
10	IDBI Bank Limited	22,49,153	4.998

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

E. Registrar and Transfer Agent:

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

M/s. Link Intime India Pvt Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078. Tel. No. + 91 22 2596 3838 and Fax No. +91 22 2594 6969.

F. Addresses for Correspondence:

Shareholders are requested to intimate all changes pertaining to their Bank details, email addresses, Power of Attorney, change of name, change of address, contact details, etc., to their Depository Participants (DP).

G. Certificate on compliance of corporate governance norms

Clause 49 of the Listing Agreement mandates for the companies which listed their securities with the Stock Exchanges to obtain a certificate, from either the auditors or practicing company secretaries, regarding the compliance of conditions of corporate governance covered therein and annex the certificate with the Directors' Report, which is sent annually to the shareholders. In terms of Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for listed companies have become mutatis mutandis applicable to a recognised Stock Exchange. NSEIL has, accordingly, obtained a certificate to this effect from a practicing company secretary. The same is given as an Annexure to the Directors' Report.

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

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

I. Whistle Blower Policy

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

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

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

We have examined all relevant records of **National Stock Exchange of India Limited (the Company)** for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies for the financial year ended **31st March 2013.** In terms of Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for listed companies have become *mutatis mutandis* applicable to a recognised Stock Exchange. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with disclosure requirements and corporate governance norms as specified for Listed Companies.

S. N. ANANTHASUBRAMANIAN & CO.
Company Secretaries

S. N. Ananthasubramanian
Proprietor
C.P.No.: 1774

Date: 27th May, 2013
Place: Thane

MANAGEMENT DISCUSSION & ANALYSIS

Economic & Business environment

Indian economy witnessed another challenging year in Fiscal 2013 consequent to which slowdown effect was observed across the board, with no specific sector of the economy remaining unaffected. Also, during the year 2012 global economic uncertainties continued to prevail and as a fallout global growth turned weaker with slack external demand in advanced economies adversely impacting growth in emerging market and developing economies as well. Growth slowdown, persistent inflation and the twin deficit risks on account of current account deficit and fiscal deficit, came to the fore during 2012-13. As a result, headline GDP growth is likely to have fallen to 5.0% in FY13 from 6.2% a year ago and 9.3% in FY11 coupled with this overall high inflationary expectations continued to be matter of concern.

Fiscal 2013 latest estimate shows decelerated growth across all the three sectors of the economy namely agriculture sector, industrial sector and the service sector. The estimated growth in the agriculture sector decreased to around 1.8 per cent from around 3.6 per cent for previous year. The agriculture output was majorly by deficient rainfall that impacted kharif crop. Similarly, due to weaker IIP numbers; the Industrial growth continued slowdown to a estimated 2.5 per cent as compared to 2.7 per cent for the previous year. The deceleration in the services sector growth, which has been the mainstay of high growth in the recent period, had dragged down overall economic activity and employment creation. The estimated growth in the service sector decreased to around 6.6 per cent from around 7.9 per cent for previous year.

External imbalances came to the fore during 2012-13 as the CAD-GDP ratio reached an all-time high of 6.7 per cent in Q3 mainly on account of the growing trade deficit. Although non-oil non-gold imports have decelerated marginally in recent months, the high oil and gold imports resulted in the widening of trade deficit. As a positive counter balance provided by FII inflow, the overall balance of payments was marginally in surplus due to strong capital inflows, led by FII investments. During the year 2012-13, the overall net FII inflows increased by around 20 per cent as compared to previous year. The cumulative FII net investment from November 1992 to March 31, 2013 stood at US $ 146.51 billion. However the forex reserves of country marginally decreased by 0.22 per cent from US$294 billion as on March 30, 2012 to US $ 293.37 billion at end of March 28, 2013.

Further, during 2012-13 the Indian securities industry also experienced number of technological and regulatory developments. In addition, demand for new products and services, particularly new asset classes and need for faster and more cost efficient trade execution increased substantially.

Outlook

In the environment of incipient signs of stabilisation in the global economy, various reform measures are undertaken by the Government of India to convalesce the domestic economy. Some of the key policy reform changes such as postponement of GAAR (General Anti Avoidance Rules), partial deregulation of diesel prices, liberalised FDI limits for certain sectors, rise in FII limits in corporate debt and G-sec market and announcement of fiscal consolidation path, FII permitted to participate in the currency derivatives segment of the exchanges, encouragement to SME's , rationalisation of STT will surely boost the confidence at global and domestic investors level.

This coupled with the strong innate economic fundamentals, India continues to be the highly attractive destination for investment, globally. Indian economy is expected to sustain a growth rate of around 5.7 per cent in the year 2013 as compared to 3.25 per cent for the world economy. Further, the provisional estimates from RBI for the year 2013-14 indicate fiscal deficit of 4.8 per cent of the GDP; down from 5.1 per cent for the year 2012-13. Also, as a natural fall out of the fiscal consolidation the savings and capital formation within the economy would begin to rise rapidly. This would have a significantly positive impact on the capital markets. Additionally, various policy level steps enumerated above are also expected to fetch positive effect on the growth of the Indian Capital market.

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

Risks and concerns

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

Internal control systems and their adequacy

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

Financials

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

Financial performance (2012-13)

During the year 2012-13, the total revenue has increased by around 9% from ₹ 1516.75 crores for the year 2011-12 to ₹ 1,648.11 crores for the year 2012-13.

The total expenditure for the year 2012-13 was ₹ 527.35 crores as compared to ₹ 550.27 crores for the year 2011-12, a decrease of around 4% over the previous year.

The total Profit Before tax for the year 2012-13 was ₹ 1,157.14 crores as against ₹ 966.48 crores for the year 2011-12, an increase of around 20% over the previous year.

The total Provision for tax (including deferred tax) for the year 2012-13 was ₹ 279.53 crores as against ₹ 261.59 crores for the year 2011-12.

The total Profit after tax for the year 2012-13 was ₹ 877.61 crores as against ₹ 704.89 crores for the year 2011-12, an increase of around 25% over the previous year.

Operating Revenues

Transaction charges

During the year, there was a modest decrease of around 6% in the income from Transaction charges from ₹ 771.79 crores for the year 2011-12 to ₹ 726.79 crores for the year 2012-13. The average daily turnover on the Exchange during the year 2012-13 was ₹ 10,881 crores in Cash Market (CM segment) as against ₹ 11,306 crores for the year 2011-12 indicating a decline of around 4%. In F&O segment the average daily turnover (premium value) for the year 2012-13 was ₹ 27,810 crores as against ₹ 31,724 crores for the year 2011-12 indicating a decline of around 12%. In Currency Derivatives Segment the average daily turnover (premium value) for the year 2012-13 was ₹ 15,473 crores as against ₹ 12,025 crores for the year 2011-12 indicating a growth of around 29%. Further effective October 01,2012 transaction charges were introduced in Wholesale Debt Market (WDM) Segment.

Annual subscription

Effective October 01, 2012, annual subscription charges is allowed to be set-off against the transaction charges and carried forward, in the CM segment. Hence revenue under this head of income has declined by 51% from ₹ 11.69 crores for the year 2011-12 to ₹ 5.71 crores for the year 2012-13.

Listing Fees

Revenue under this head of income had remained stable at ₹ 33.38 crores for the year 2012-13 against ₹ 33.37 crores for the year 2011-12. The Exchange as of March 31, 2013 had 1629 listed companies. The total market capitalisation of these companies as of March 31, 2013 stood at around ₹ 62 lakhs crores.

Book Building Fees

The total book building fees during the year 2012-13 also remained nearly stable at ₹ 4.24 crores for the year 2012-13 from ₹ 4.28 crores for the year 2011-12.

Interest & Other Investment income

In line with the overall increase in the interest rates in the economy, during the year 2012-13, the total investment income increased from ₹392.65 crores for the year 2011-12 to ₹594.25 crores for the year 2012-13.

NSE's Certification in Financial Markets (NCFM)

The income from NCFM activity stood at ₹ 18.69 crores for the year 2012-13. Also, the total number of candidates taking examination during the year 2012-13 was around 1,50,000.

Other Operating Revenues

During the year 2012-13, the other operating revenues decreased by around 7% from ₹ 227.18 crores for the year 2011-12 to ₹ 212.03 crores for the year 2012-13.

Other Income

During the year 2012-13, the other income had remained stable at ₹ 53.02 crores for the year 2012-13 as against ₹ 54.18 crores for the year 2011-12.

Expenditure

IT & Telecom expenses

Technology is the backbone of our business and also the key differentiator. The Exchange continued to invest in the state of the art technology in different areas of its business keeping clear focus on its cost efficiency. Accordingly, during the year, the total IT & Telecom expenses for the year 2012-13 increased by around 19% from ₹ 144.95 crores for the year 2011-12 to ₹ 171.82 crores for the year 2012-13.

Other expenses

During the year 2012-13 other expenses had remained stable at ₹ 128.72 crores for the year 2012-13 as against ₹ 128.77 crores for the year 2011-12.

Clearing & Settlement charges

National Securities and Clearing Corporation Limited (NSCCL), a wholly owned subsidiary of the Exchange, carries out the clearing and settlement of the trades executed in the CM, F&O and CD segments. Consequent to the decrease in income from transaction charges, the clearing & settlement charges for the year 2012-13 paid to NSCCL, decreased by around 6%, further for the year 2012-13 rate of clearing & settlement charges has been revised leading to further decrease by around 34% from ₹ 115.77 crores for the year 2011-12 to ₹ 72.09 crores for the year 2012-13.

Employee cost

The Exchange recognises the value of its human capital deployed at all levels. To continue to provide best in class services to its members and other market participants it is essential for the Company to attract and retain the best talent available. In this direction, the Company continues to take various initiatives to follow HR best practices and also keeps benchmarking it with other forward looking organisations. During the year 2012-13, the Company has taken number of HR initiatives in the areas of employee developments and training, harnessing knowledge and skill levels as well as various staff welfare measures etc. During the year 2012-13, the total employee strength remained stable as compared to the year 2011-12 and the employee related expenses stood at ₹ 77.52 crores which was ₹ 71.35 crores for the year 2011-12. For the year 2012-13, the total employee cost as a percentage to total income was 4.7% and as a percentage of expenditure was 14.7% which is comparable to the industry standards.

Depreciation

Depreciation decreased by around 13% from ₹ 89.02 crores for the year 2011-12 to ₹ 77.03 crores for the year 2012-13.

Financial Statement as on March 31, 2013

Share Capital

The total paid up capital of the Company as on March 31, 2013 is ₹ 45 crores divided in to 4,50,00,000 equity shares of ₹ 10 each.

Reserves & Surplus

The total Reserves & Surplus as on March 31, 2013 is ₹ 4,103.05 crores comprising of Share Premium of ₹ 40 crores, Investor Compensation reserves ₹ 10 crores, staff welfare reserves of ₹ 1.50 crores, General reserve of ₹ 3,585 crores and balance in P&L A/c of ₹ 466.55 crores.

Thus the total Net worth of the Company as on March 31, 2013 is ₹ 4,148.05 crores and the book value is ₹ 921.79 per share.

Deposits from members (Unsecured)

The total deposits from members as on March 31, 2013 stood at ₹ 1,099.93 crores as against ₹ 1,120.07 crores as on March 31, 2012.

Fixed Assets

Total Gross Block as on March 31, 2013 was ₹ 967.89 crores. Total Accumulated depreciation up to March 31, 2013 was ₹ 500.40 crores. Net fixed Assets (including Capital W.I.P) were ₹ 494.26 crores. As part of the total investments in technology areas, during the year 2012-13 the total additions to fixed assets were ₹ 68.89 crores mainly pertaining to the Trading systems, Computer system, telecom equipment's and computer software. Total deletions at cost were at ₹ 99.35 crores.

Investments

The prudential policy of the Company permits to invest both long term and short term surplus funds in to deposits of highly rated banks, bonds issued by the Central / State governments, institutions and various corporates and into the debt oriented schemes of high performing mutual funds. As on March 31, 2013 the total non-current investments were ₹ 343.00 crores as against ₹ 322.08 crores as on March 31, 2012, increase of ₹ 20.92 crores. Current investments were ₹ 1,147.13 crores as on March 31, 2013 as against ₹ 687.68 crores as on March 31, 2012, increase of ₹ 459.45 crores.

Other Non-Current and Current Assets

Total other assets (non-current and current) as on March 31, 2012 stood at ₹ 3,983.69 crores comprising of interest accrued on investments and Fixed Deposits amounting to ₹ 264.55 crores, Trade Receivables amounting to ₹ 121.16 crores and cash and bank balances in current and Fixed Deposits and certificates of deposits amounting to ₹ 3,450.43 crores and Loans advances of ₹ 120.70 crores.

Other Non-Current and Current Liabilities

Total other liabilities (non-current and current) as on March 31, 2012 stood at ₹ 714.73 crores mainly comprising of dues from subsidiary companies ₹ 6.59 crores, security deposits as per listing agreement amounting to ₹ 53.12 crores, Securities Transaction Tax of ₹ 71.45 crores, provision for leave encashment of ₹ 7.65 crores, proposed dividend of ₹ 225 crores, corporate dividend tax of ₹ 12.62 crores (net of set off) and other current liabilities amounting to ₹ 338.30 crores.

Taxation

The total Provision for tax (including deferred tax) for the year 2012-13 was ₹ 279.53 crores as against ₹ 261.59 crores for the year 2011-12. Though the present Indian Corporate tax rate is 32.445% comprising of base rate and surcharge and cess, due to investments into various debt schemes of mutual funds the effective tax rate works out to 24.16%

Event occurring after the balance sheet date

There are no transactions of material nature that have occurred after March 31, 2013 which could have any impact on the financial performance of the Company for the year 2012-13.

CEO - CFO CERTIFICATION

To,

The Board of Directors

National Stock Exchange of India Limited

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

a. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2013 and that to the best of our knowledge and belief :
   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit committee
   i. significant changes, if any, in internal control over financial reporting during the year;
   ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Mumbai	Chitra Ramkrishna	Yatrik Vin
May 27, 2013	Managing Director	Sr. Vice President (F&A)

INDEPENDENT AUDITORS' REPORT

To the Members of National Stock Exchange of India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of National Stock Exchange of India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;

   (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

(Narendra Jain)
Partner
Membership Number: 048725

Place: Mumbai
Date: May 27, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of Independent Auditors' Report to the members of National Stock Exchange of India Limited ("the Company") for the year ended March 31, 2013. We report that:

i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

b) The Company has physically verified the fixed assets in accordance with a programme of verification which in our opinion provides for physical verification of all fixed assets at reasonable intervals. We have been informed that no material discrepancies were noticed on such verification.

c) No substantial part of fixed assets of the Company has been disposed off during the year.

ii) a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.

b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.

iii) In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for purchase of fixed assets and for rendering of services. During the course of our audit, we have not observed any major weakness in the internal control systems.

iv) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the Company has not entered into any contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.

v) The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules made thereunder.

vi) In our opinion, the Company has an internal audit system which is commensurate with the size of the Company and the nature of its business.

vii) We are informed that no cost records are required to be maintained by the Company under Section 209(1)(d) of the Companies Act, 1956.

viii) a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and any other statutory dues wherever applicable.

b) According to the records of the Company, the dues of sales-tax, income-tax, customs, wealth-tax, service tax, securities transaction tax, excise duty, cess which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

Sr. No.	Name of the Statute	Nature of the Dues	Period to which amount relates (Financial year)	Amount (₹ in Crores)	Forum where dispute is Pending
1.	Income Tax Act, 1961	Income Tax	1995-1996	0.08	High Court, Mumbai
			1999-2000	0.34	High Court, Mumbai
			2002-2003	0.55	High Court, Mumbai
			2007-2008	0.002	Income Tax Appellate Tribunal, Mumbai
			2008-2009	0.19	Income Tax Appellate Tribunal, Mumbai
2.	Wealth Tax Act, 1957	Wealth Tax	2000-2001	0.11	Income Tax Appellate Tribunal, Mumbai - Wealth Tax Bench
3.	Finance (No.2) Act, 2004-Chapter VII	Securities Transaction Tax	2006-2007	1.57	Income Tax Appellate Tribunal, Mumbai
			2007-2008	0.97	Income Tax Appellate Tribunal, Mumbai
			2008-2009	0.48	Income Tax Appellate Tribunal, Mumbai
4.	Chapter V of Finance Act, 1994	Service Tax	2004-2005 To 2008-2009	28.10	Commissioner of Service tax, Mumbai
			2010-11	0.001	Assistant Commissioner of Service tax, Mumbai
			2011-12	0.001	Assistant Commissioner of Service tax, Mumbai
			2008-09 to 20011-12	11.09	Commissioner of Service tax, Mumbai
5.	The Competition Act, 2002	Penalty	2007-2008 to 2009-2010	55.00	Competition Appellate Tribunal

ix) The Company did not have any accumulated losses at the end of the financial year, nor had it incurred any cash loss during the financial year or in the immediately preceding financial year.

x) The Company has not taken any loan from banks or financial institutions and the Company has not issued any debentures.

xi) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xii) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.

xiii) The Company has not taken any term loans during the year.

xiv) According to the information and explanations given to us and on an examination of the Balance Sheet of the Company, we report that, on an overall basis, funds raised on short term basis have prima facie, not been used during the year for long term investment.

xv) The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

xvi) The Company has not issued any Debentures during the year and there were no debenture outstanding at the year-end.

xvii) The Company has not raised any money by public issue during the year.

xviii) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on the Company or by the Company has been noticed or reported during the course of our audit.

xix) The other clauses 4(ii), 4(xiii) and 4(xiv) of para 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order 2004, are not applicable to company.

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

(Narendra Jain)
Partner
Membership Number: 048725

Place: Mumbai
Date: May 27, 2013

BALANCE SHEET AS AT MARCH 31, 2013

	Particulars	Notes	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
	Equity and liabilities			
1	**Shareholders' funds**			
a	Share Capital	2	45.00	45.00
b	Reserves and surplus	3	4,103.05	3,433.86
			4,148.05	3,478.86
2	**Non-current liabilities**			
a	Deposits (Unsecured)	4	1,077.44	1,116.67
b	Deferred tax liabilities (net)	5	5.37	7.35
c	Other long-term liabilities	6	33.49	33.39
d	Long-term provisions	7	0.19	0.96
			1,116.49	1,158.37
3	**Current liabilities**			
a	Deposits (Unsecured)	4	22.49	3.40
b	Trade payables	6	-	-
c	Other current liabilities	6	372.81	411.95
d	Short-term provisions	7	308.24	275.23
			703.54	690.58
	TOTAL		5,968.08	5,327.81
	Assets			
1	**Non-current assets**			
a	Fixed assets	8		
	Tangible assets		430.17	374.50
	Intangible assets		37.32	42.48
	Capital work-in-progress		15.80	7.34
	Intangible assets under development		10.97	8.15
			494.26	432.47
b	Non-current investments	9	343.00	322.08
c	Long-term loans and advances	10	73.43	73.10
d	Other non-current assets	11	705.97	651.00
			1,616.66	1,478.65

	Particulars	Notes	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
2	**Current assets**			
a	Current investments	12	1,147.13	687.68
b	Trade receivable	13	121.16	137.51
c	Cash and bank balances	14	2,763.74	2,826.42
d	Short-term loans and advances	10	47.27	38.07
e	Other Current assets	11	272.12	159.48
			4,351.42	3,849.16
	TOTAL		5,968.08	5,327.81

Summary of significant accounting policies 1

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

As per our report of even date attached

For KHANDELWAL JAIN & CO.,
Chartered Accountants

NARENDRA JAIN
Partner
Membership No.:48725

For and on behalf of the Board of Directors

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

CHITRA RAMKRISHNA
Managing Director & CEO

Y. H. MALEGAM
Director

Place : Mumbai
Date : May 27, 2013

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

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Notes	For the year ended 31.03.2013 (₹ in Crores)	For the year ended 31.03.2012 (₹ in Crores)
Income			
Revenue from operations	15	1,000.84	1,069.91
Other income	16	647.27	446.84
Total Revenue (I)		1,648.11	1,516.75
Expenses			
Employee benefits expenses	17	77.52	71.35
Clearing & Settlement charges		72.09	115.77
Other expenses	18	300.54	273.72
Depreciation and amortisation expenses	8	77.03	89.02
Total Expenses (II)		527.18	549.86
Profit before prior-period adjustments & exceptional item		1,120.93	966.89
Add/(Less) : Prior-period adjustments		(0.17)	(0.41)
Profit before exceptional item		1,120.76	966.48
Add : Profit on sale of shares of subsidiaries	33	36.38	-
Profit before tax		1,157.14	966.48
Less : Provision for tax			
Current tax		281.00	267.00
Income Tax for earlier years		0.51	-
Deferred tax		(1.98)	(5.41)
Total tax expenses		279.53	261.59
Profit after tax		877.61	704.89
Basic	19	195.02	156.64
Diluted	19	195.02	156.64

Summary of significant accounting policies 1

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

As per our report of even date attached

For KHANDELWAL JAIN & CO.,
Chartered Accountants

NARENDRA JAIN
Partner
Membership No.:48725

Place : Mumbai
Date : May 27, 2013

For and on behalf of the Board of Directors

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

CHITRA RAMKRISHNA
Managing Director & CEO

Y. H. MALEGAM
Director

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

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

		2012-2013 (₹ in Crores)	2011-2012 (₹ in Crores)
A)	CASHFLOW FROM OPERATING ACTIVITIES		
	NET PROFIT BEFORE TAX	1,157.14	966.48
	Add : Adjustments for :		
	- Depreciation	77.03	89.02
	- Adjustments to the carrying amount of current investments	0.26	0.15
	- Bad debts/Sundry balances written off	-	0.02
	- Loss on sale /discard of assets (Net)	0.80	0.42
	- Prior-period adjustments (Net)	0.17	0.41
	- Wealth Tax	0.20	0.20
	Less : Adjustments for :		
	- Staff welfare expenses debited to staff welfare Reserve	-	(0.50)
	- Compensation paid to Investors debited to Investor compensation reserve	-	(0.06)
	- Interest income on short term investments	(42.65)	(28.02)
	- Interest income on long term investment	(23.50)	(10.19)
	- Interest income on Bank deposit	(269.96)	(198.87)
	- Interest income on Certificate of deposits	(10.06)	(9.68)
	- Interest income on Inter Corporate deposits	(1.74)	(1.95)
	- (Profit)/Loss on sale of shares of Subsidiaries (exceptional item)	(36.38)	-
	- (Profit)/Loss on sale/redemption of long term investments	(1.14)	(25.34)
	- (Profit)/Loss on sale/redemption of short term investments	(11.19)	(1.21)
	- Amortisation of Premium / Discount on Govt/Debt Securities	(1.94)	(0.33)
	- Dividend received from Subsidiaries and associate companies	(217.41)	(101.40)
	- Dividend received - Others	(15.61)	(15.13)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	604.02	664.02
	Adjustments for :		
	Trade Receivable	16.35	11.21
	Loans & Advances	(10.07)	0.42
	Liabilities & Provisions	(51.79)	15.98
	Other Current Assets	(39.63)	(30.76)
	CASH GENERATED FROM OPERATIONS	518.88	660.87
	Prior-period adjustments (Net)	(0.17)	(0.41)
	Direct Taxes paid (Net of Refunds)	(280.40)	(259.36)
	NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)	238.31	401.10
B)	CASHFLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets/Capital work-in-progress	(126.73)	(66.16)
	Sale of Fixed Assets	1.34	0.54
	Advance received against sale of shares	1.57	-
	Interest received	280.40	193.25
	Dividend received from Subsidiaries and associate companies	217.41	101.40
	Dividend received - Others	15.61	15.13
	(Increase)/Decrease in Fixed deposit & Certificate of deposits	192.13	(230.77)
	(Increase)/Decrease in Investment	(429.98)	(324.00)
	NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)	151.75	(310.61)

		2012-2013 (₹ in Crores)	2011-2012 (₹ in Crores)
C)	CASHFLOW FROM FINANCING ACTIVITIES		
	Proceed of deposit from trading members/applicant	45.04	48.72
	Refund of deposit from trading members/applicant	(62.07)	(40.60)
	Refund of Equipments deposits (Net)	(3.11)	(3.25)
	Dividend paid	(180.00)	(94.50)
	NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)	(200.14)	(89.63)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	189.92	0.86
	CASH AND CASH EQUIVALENTS : OPENING BALANCE [includes Certificate of deposits with banks of ₹ 48.71 crores (Previous Year ₹ 49.74 crores)]	76.17	75.31
	CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE [includes Certificate of deposits with banks of ₹238.49 crores (Previous Year ₹ 48.71 crores)]	266.09	76.17
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	189.92	0.86

Notes to Cash Flow Statement :

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

As per our report of even date attached

For KHANDELWAL JAIN & CO.,
Chartered Accountants

NARENDRA JAIN
Partner
Membership No.:48725

Place : Mumbai
Date : May 27, 2013

For and on behalf of the Board of Directors

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

CHITRA RAMKRISHNA
Managing Director & CEO

Y. H. MALEGAM
Director

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1 Summary of significant accounting policies :

a) Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (India GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

b) Use of estimates

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

c) Revenue Recognition

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

(ii) Provision for Doubtful debts and Bad Debts.

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

(b) Other overdue amounts are provided for as doubtful debts or are written off as bad debts, if the same are considered doubtful / irrecoverable in the opinion of the management.

d) Fixed Assets

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

e) Depreciation

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

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

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

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

(ii) Leasehold land is amortised over the period of lease.

(iii) Computer Software is amortized over a period of 4 years.

f) Computer software

(i) Cost of development and production software is capitalised,

(ii) Cost towards software development incurred till the time software is put to use is capitalised, and

(iii) Standard packaged software products are written off in the year of purchase.

g) Impairment of Assets

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

h) Investments

(i) Long term investments are considered as held till maturity and are valued at cost. Provision is made for diminution in the value of investment, if any, other than temporary in nature.

(ii) Short term investments are valued at cost or fair value whichever is lower.

(iii) Premium paid/discount received at the time of acquisition of Government / Debt securities is amortised over the residual period of its maturity.

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

i) Foreign currency transactions

(i) Transactions denominated in foreign currency are recorded at the exchange rate prevailing at the time of the transaction.

(ii) Monetary items denominated in foreign currency at the year end are translated at the year end rate except for those covered by forward cover contracts which are translated at contracted rates.

(iii) Any income or expense on account of exchange difference between the date of transaction and settlement or translation is recognised in the profit and loss account as income or expense. The

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

j) Employee Benefits

(i) Provident Fund: The Company has established National Stock Exchange of India Limited Employee Provident Fund Trust to which both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively. Company's contribution to the provident fund for all employees, are charged to revenue. In case of any liability arising due to short fall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company.

(ii) Superannuation: Superannuation benefits for employees designated as chief managers and above are covered by group policies with the Life Insurance Corporation of India. Company's contribution payable for the year is charged to revenue. There are no other obligations other than the annual contribution payable.

(iii) Gratuity: The Company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The Company provides for the defined benefit with respect to gratuity liability based on the present value of defined benefit obligation as reduced by the fair value of plan assets as per the actuarial valuation calculation.

(iv) Other Long term benefits: Liability on account of other long term benefits such as Leave encashment, medical reimbursement and Leave Travel Allowance is made on the basis of actuarial valuation at the end of the year.

(v) Short term employee benefits are charged to revenue in the year in which the related service is rendered.

k) Taxation

Tax expense for the year, comprising current tax and deferred tax is included in determining the net profit for the year.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted tax rates.

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

l) Provisions, Contingent liabilities and Contingent assets

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

2 Share Capital

	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Authorised 5,00,00,000 (Previous Year 5,00,00,000) Equity Shares of ₹ 10 each.	50.00	50.00
Issued, Subscribed and Paid-up 4,50,00,000 (Previous year 4,50,00,000) Equity shares of ₹ 10 each fully paid up.	45.00	45.00
Total	45.00	45.00

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

The company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of directors, in their meeting on May 27, 2013, proposed a dividend of ₹ 50/- Per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting . The total dividend appropriation for the year ended March 31, 2013 amounted to ₹ 225/- crores excluding Dividend Distribution Tax.

During the year ended March 31, 2012, the amount of per share dividend recognized as distribution to equity shareholders was ₹ 40/-. The dividend appropriation for the year ended March 31, 2012 amounted to ₹ 180/- crores excluding Dividend Distribution Tax.

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

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

	As at 31.03.2013		As at 31.03.2012	
	No.	% holding	No.	% holding
Life Insurance Corporation of India	4,728,500	10.51%	4,728,500	10.51%
State Bank of India	4,587,500	10.19%	4,587,500	10.19%
Infrastructure Development Finance Company Limited	2,947,990	6.55%	2,947,990	6.55%
IFCI Limited	2,497,750	5.55%	2,497,750	5.55%

3 Reserve and surplus

	As at 31.03.2013 (₹ in Crores)		As at 31.03.2012 (₹ in Crores)	
Share premium				
As per last balance sheet		40.00		40.00
Investor compensation reserve				
As per last balance sheet	10.00		10.00	
Less : Expenses Transferred from Profit & Loss account	-		0.06	
Add : Transferred from surplus balance in the statement of profit & loss account	-	10.00	0.06	10.00
Staff welfare reserve				
As per last balance sheet	1.50		1.00	
Less: Expenses incurred Transferred from profit & loss account	-		0.50	
Add : Transferred from surplus balance in the statement of profit & loss account	-	1.50	1.00	1.50
General reserve				
As per last balance sheet	3,155.00		2,755.00	
Add : Transferred from surplus balance in the statement of profit & loss account	430.00	3,585.00	400.00	3,155.00
Surplus/(deficit) in the statement of profit and loss				
Balance as per last financial statements	227.36		117.40	
Profit for the year	877.61		704.89	
Excess provision of Dividend Distribution Tax reversed	29.20		15.33	
Less : Appropriations				
Transfer to general reserve	430.00		400.00	
Transfer to Investor compensation reserve	-		0.06	
Proposed dividend	225.00		180.00	
Tax on proposed dividend	12.62		29.20	
Transfer to Staff welfare reserve	-	466.55	1.00	227.36
Total reserves and surplus		4,103.05		3,433.86

4 Deposits (Unsecured)

	Non-current		Current	
	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Deposits from trading members	1,056.29	1,073.24	1.29	0.48
Deposits from applicants for membership	-	-	2.03	2.92
Deposits towards equipments	21.15	43.43	19.17	-
Total	1,077.44	1,116.67	22.49	3.40

5 Deferred Tax liabilities (net)

	As at 31.03.2013 (₹ in Crores)		As at 31.03.2012 (₹ in Crores)	
Deferred Tax Liabilities				
Related to depreciation and other expenditure	13.34		12.18	
Related to other items	0.11		0.11	
Total (A)		13.45		12.29
Less : Deferred Tax Assets				
Related to disallowance u/s 43B	6.29		3.75	
Related to other items	1.79		1.19	
Total (B)		8.08		4.94
Net Deferred Tax liabilities (A-B)		5.37		7.35

6 Other Liabilities

	Long - term		Short - term	
	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Trade payables	-	-	-	-
	-	-	-	-
Others				
Deposit - premises	28.10	28.00	1.52	0.25
Deposit - others	5.39	5.39	-	-
Liability for expenses (Ref note no. 27)	-	-	47.51	71.65
Creditors for Capital expenditure	-	-	22.53	9.45
Subsidiary Companies	-	-	6.59	27.10
Security deposit - Listing agreement	-	-	53.12	65.79
Unpaid matured deposits	-	-	0.07	0.07
Other deposits	-	-	1.21	1.11
Income received in advance	-	-	17.66	28.52
Securities Transaction Tax payable	-	-	71.45	124.12
Statutory dues payable	-	-	14.81	19.75
Defaulters Fund pending claims	-	-	53.36	50.02
Deposits of defaulters members - SEBI	-	-	0.16	0.14
Advance received against sale of shares *	-	-	1.57	-
Other liabilities	-	-	81.25	13.98
	33.49	33.39	372.81	411.95
Total	33.49	33.39	372.81	411.95

*The Company has entered into an agreement with another company, for sale of equity shares of its subsidiary company viz. National Commodity Clearing Limited. Pending transfer of shares, the part amount received towards the same has been shown as advance.

7 Provision

	Long - term		Short - term	
	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Provision for employee benefits				
Medical benefits	-	-	0.94	1.44
Provision for Leave Travel allowance	-	-	2.58	3.07
Provision for gratuity	0.19	0.96	5.12	1.51
Provision for Leave encashment	-	-	7.65	7.60
	0.19	0.96	16.29	13.62
Other Provisions				
Wealth Tax (Net of Advances)	-	-	1.38	1.31
Income Tax (Net of Advances)	-	-	52.88	51.03
Fringe Benefit Tax (Net of Advances)	-	-	0.07	0.07
Proposed dividend	-	-	225.00	180.00
Corporate dividend tax	-	-	12.62	29.20
	-	-	291.95	261.61
Total	0.19	0.96	308.24	275.23

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

(₹ in Crores)

SR NO	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As On April 1, 2012	Additions 2012-2013	Deductions 2012-2013	As On March 31, 2013	Total Upto March 31, 2012	For The Year	Deductions / Amortisations 2012-2013	Total Upto March 31, 2013	As On March 31, 2013	As On March 31, 2012
	Tangible Assets										
1	Land	3.31	31.06	-	**34.37**	-	-	-	-	**34.37**	3.31
2	Leasehold Land	107.61	-	-	**107.61**	21.23	1.30	-	**22.53**	**85.08**	86.38
3	Building	171.58	3.34	-	**174.92**	23.44	2.85	-	**26.29**	**148.63**	148.14
4	Trading Systems	153.95	8.80	-	**162.75**	125.88	17.25	-	**143.13**	**19.62**	28.07
5	Computer Systems Office Automation	11.57	1.33	0.55	**12.35**	9.14	1.82	0.55	**10.41**	**1.94**	2.43
6	Computer Systems Others	61.24	21.18	0.41	**82.01**	38.09	12.09	0.40	**49.78**	**32.23**	23.15
7	Telecommunication Systems	189.52	26.23	93.75	**122.00**	164.73	16.53	93.43	**87.83**	**34.17**	24.79
8	Office Equipments	44.29	8.30	1.78	**50.81**	24.98	4.26	1.44	**27.80**	**23.01**	19.31
9	Electrical Equipment & Installations	40.71	13.38	1.03	**53.06**	13.44	2.61	0.51	**15.54**	**37.52**	27.27
10	Furniture & Fixtures	28.97	4.71	1.83	**31.85**	17.32	1.81	0.88	**18.25**	**13.60**	11.65
	TOTAL (A)	812.75	118.33	99.35	**831.73**	438.25	60.52	97.21	**401.56**	**430.17**	374.50
	Intangible Assets										
11	Computer Software	124.81	11.35	-	**136.16**	82.33	16.51	-	**98.84**	**37.32**	42.48
	TOTAL (B)	**124.81**	**11.35**	-	**136.16**	**82.33**	**16.51**	-	**98.84**	**37.32**	**42.48**
	TOTAL (A + B)	**937.56**	**129.68**	**99.35**	**967.89**	**520.58**	**77.03**	**97.21**	**500.40**	**467.49**	**416.98**
	Previous Year	915.23	75.96	53.63	937.56	484.23	89.02	52.67	520.58	416.98	-

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

		Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.03.2013 (₹ in Crores)	Number of Units	As at 31.03.2012 (₹ in Crores)
I	INVESTMENTS IN EQUITY SHARES							
A)	QUOTED EQUITY SHARES							
	IN OTHER COMPANIES							
	MCX Limited		1,250,000	10	10,000,000	1.00	1,250,000	1.00
				Sub-Total (i)		1.00		1.00
B)	UNQUOTED EQUITY SHARES							
	IN SUBSIDIARY COMPANIES							
	NATIONAL SECURITIES CLEARING CORPORATION LTD.		45,000,000	10	450,000,000	5.64	45,000,000	5.64
	NSE.IT LTD.		10,000,010	10	100,000,100	10.00	10,000,010	10.00
	DOTEX INTERNATIONAL LTD.		12,000,000	10	120,000,000	0.69	12,000,000	0.69
	NATIONAL COMMODITY CLEARING LTD.		3,087,500	10	30,875,000	-	3,087,500	3.09
	INDIA INDEX SERVICES & PRODUCTS LTD.		663,000	10	6,630,000	-	663,000	0.67
	NSE INFOTECH SERVICES LTD		50,000	10	500,000	-	50,000	0.05
	NSE STRATEGIC INVESTMENT COPORATION LTD *		22,527,450	10	225,274,500	22.53	-	-
				Sub-Total (ii)		38.86		20.14
	IN ASSOCIATE COMPANIES							
	NATIONAL SECURITIES DEPOSITORY LTD. **		10,018,000	10	100,180,000	61.49	-	-
	NSDL E-GOVERNANCE INFRASTRUCTURE LTD. **		10,018,000	10	100,180,000	35.42	20,036,001	96.90
	POWER EXCHANGE INDIA LTD		15,000,030	10	150,000,300	15.00	13,000,030	13.00
				Sub-Total (iii)		111.91		109.90
	IN OTHER COMPANIES							
	NATIONAL COMMODITY & DERIVATIVE EXCHANGE LTD.		5,067,577	10	50,675,770	15.20	5,067,577	15.20
				Sub-Total (iv)		15.20		15.20
				Total (I)		166.97		146.24

* Shares are yet to be issued to the Company

** Till last year, Company was holding equity investment in the National Securities Depository Limited. The same has been renamed as NSDL e-governance Infrastructure Limited. During the year, the NSDL e-governance Infrastructure Limited has demerged and transferred its depository operation to a new entity namely National Securities Depository Limited (new). In view of the same, the investment in NSDL e-governance Infrastructure Limited (erstwhile National Securities Depository Limited (old) has been bifurcated in the ratio of book value of two new companies namely NSDL e-governance Infrastructure Limited and National Securities Depository Limited (new).

		Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.03.2013 (₹ in Crores)	Number of Units	As at 31.03.2012 (₹ in Crores)
II	INVESTMENTS IN PREFERENCE SHARES							
	UNQUOTED PREFERENCE SHARES							
	IN SUBSIDIARY COMPANY							
	6% NON-CUMULATIVE COMPULSORILY CONVERTIBLE PREFERENCE SHARES (NCCCPS) OF NSE STRATEGIC INVESTMENT COPORATION LTD		22,477,500	10	224,775,000	22.48	-	-
	(These shares are convertible on or before 05-Mar-2022 at par i.e. ₹ 10.00 each)							
	IN ASSOCIATE COMPANY							
	10% OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES OF POWER EXCHANGE INDIA LIMITED		5,000,000	10	50,000,000	5.00	5,000,000	5.00
	(These shares are redeemable or convertible on or before 31-Mar-2014 at par i.e. ₹ 10.00 each)							
				Total (II)		27.48		5.00
III	QUOTED BONDS							
	TAX FREE BONDS							
	6.85 % INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED	22-Jan-14	6596	100,000	659,600,000	-	6,596	66.27
	6.85 % INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED	20-Mar-14	3175	100,000	317,500,000	-	3,175	31.88
	8.20 % NATIONAL HIGHWAYS AUTHORITY OF INDIA	25-Jan-22	37,086	1,000	37,086,000	3.71	37,086	3.71
	8.00 % INDIAN RAILWAY FINANCE CORPORATION LIMITED	27-Jan-22	32,626	1,000	32,626,000	3.26	32,626	3.26
	9.00% INDIAN RAILWAY FINANCE CORPORATION LIMITED	28-Feb-15	100	1,000,000	100,000,000	10.25	100	10.38
	6.00% INDIAN RAILWAY FINANCE CORPORATION LIMITED	8-Mar-15	1000	100,000	100,000,000	10.00	1,000	10.00
	6.05% INDIAN RAILWAY FINANCE CORPORATION LIMITED	20-Dec-15	500	100,000	50,000,000	5.00	500	5.00
	8.20% POWER FINANACE CORPORATION LIMITED	1-Feb-22	92,718	1,000	92,718,000	9.34	92,718	9.34
	8.09% POWER FINANACE CORPORATION LIMITED	25-Nov-21	1,500	100,000	150,000,000	-	1,500	15.00

		Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.03.2013 (₹ in Crores)	Number of Units	As at 31.03.2012 (₹ in Crores)
	7.18% INDIAN RAILWAY FINANCE CORPORATION LIMITED	19-Feb-23	150,000	1,000	150,000,000	15.00	-	-
	5.25% NUCLEAR POWER CORPORATION OF INDIA LIMITED	23-Mar-14	100	1,000,000	100,000,000	-	100	10.00
				Sub-Total (i)		56.56		164.84
	TAXABLE BONDS							
	5.75% NUCLEAR POWER CORPORATION OF INDIA LIMITED	14-Aug-13	200	100,000	20,000,000	-	200	2.00
	11.25% POWER FINANCE CORPORATION LIMITED	28-Nov-18	100	1,000,000	100,000,000	10.97	-	-
	9.66% POWER FINANCE CORPORATION LIMITED	15-Apr-17	100	1,000,000	100,000,000	10.13	-	-
	9.70% POWER FINANCE CORPORATION LTD	15-Dec-18	50	1,000,000	50,000,000	5.16	-	-
				Sub-Total (ii)		26.26		2.00
				Total (III)		82.82		166.84
IV	QUOTED							
	DEBENTURES							
	9.55% HOUSING DEVELOPMENT FINANCE CORPORATION LTD	7-Sep-15	50	1,000,000	50,000,000	5.02	-	-
	9.60% HOUSING DEVELOPMENT FINANCE CORPORATION LTD	18-Jul-15	200	1,000,000	200,000,000	20.12	-	-
	9.70% HOUSING DEVELOPMENT FINANCE CORPORATION LTD	16-Apr-15	250	1,000,000	250,000,000	25.18	-	-
				Total (IV)		50.32		-
V	QUOTED							
	GOVERNMENT SECURITIES							
	8.33% GOVERNMENT SECURITY 2026	9-Jul-26	10,000	10,000	100,000,000	10.32	-	-
	8.20% GOVERNMENT SECURITY 2025	24-Sep-25	5,000	10,000	50,000,000	5.09	-	-
				Total (V)		15.41		-

		Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.03.2013 (₹ in Crores)	Number of Units	As at 31.03.2012 (₹ in Crores)
VI	MUTUAL FUNDS							
	QUOTED FIXED MATURITY PLAN							
	SUNDARAM FIXED TERM PLAN CQ 370 DAYS GROWTH	4-Apr-13	4,000,000	10	40,000,000	-	4,000,000	4.00
				Total (VI)		-		4.00
				GRAND TOTAL (I+II+III+IV+V+VI)		343.00		322.08

Notes :

	As at 31.3.2013 ₹ in Crores	As at 31.3.2012 ₹ in Crores
(a) Aggregate Book Value - Quoted Investments	149.55	171.84
(b) Aggregate Market Value of Quoted Investments	253.75	330.85
(c) Aggregate Book Value - Unquoted Investments	193.44	150.24

10 Loans and advances

	Long - term		Short - term	
	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Capital advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	2.90	4.05	-	-
(A)	2.90	4.05	-	-
Security deposit				
Secured, considered good	-	-	-	-
Unsecured, considered good	2.16	2.08	-	-
(B)	2.16	2.08	-	-
Loan and advances to related parties				
Unsecured, considered good	-	-	20.21	14.54
(C)	-	-	20.21	14.54
Advances recoverable in cash or kind				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	17.51	12.80
(D)	-	-	17.51	12.80
Other loans and advances (unsecured, considered good)				
Income Tax paid including TDS (Net of Provisions)	54.36	53.75	-	-
Wealth Tax (Net of Provisions)	0.02	0.02	-	-
Prepaid expenses	1.19	0.39	9.55	10.72
Loans to employees	-	0.01	-	0.01
Fringe Benefit Tax (Net of Provisions)	2.21	2.21	-	-
Securities Transaction Tax paid	10.59	10.59	-	-
(E)	68.37	66.97	9.55	10.73
Total (A+B+C+D+E)	73.43	73.10	47.27	38.07

	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Loans and advances to related parties pertains to :				
National Securities Clearing Corporation Limited	-	-	18.52	7.14
National Commodity Clearing Limited	-	-	0.51	0.88
NSE Infotech Services Limited	-	-	-	6.02
India Index Services & Products Limited	-	-	1.18	0.50
Total	-	-	20.21	14.54
Loans to employees includes				
Due from executive directors	-	-	-	0.01

11 Other assets

	Non-current		Current	
	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Unsecured, considered good unless stated otherwise				
Non-current bank balances (note no.14)	686.69	626.22	-	-
	686.69	626.22	-	-
Others				
Interest accrued on Investments	-	-	45.03	25.53
Interest accrued on certificate of deposits	-	-	1.37	2.24
Interest accrued on Bank deposits	19.28	24.78	198.87	123.18
Receivable from related party	-	-	0.41	-
Other receivables	-	-	26.44	8.53
	19.28	24.78	272.12	159.48
Total	705.97	651.00	272.12	159.48
Other assets to related parties pertains to :				
NSE Strategic Investment Corporation Limited	-	-	0.41	-

12 - CURRENT INVESTMENTS

	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.03.2013 (₹ in Crores)	Number of Units	As at 31.03.2012 (₹ in Crores)
I CURRENT PORTION OF LONG TERM INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE)							
A) INVESTMENTS IN EQUITY SHARES							
IN SUBSIDIARY COMPANIES							
NATIONAL COMMODITY CLEARING LTD.		3,087,500	10	30,875,000	3.09		-
			Sub-Total (i)		3.09		-
B) BONDS							
QUOTED TAXABLE BONDS							
7.10 % POWER FINANCE CORPORATION	15-Jul-12	20	1,000,000	20,000,000	-	20.00	2.00
6.35% EXPORT-IMPORT BANK OF INDIA	16-Jul-13	1	10,000,000	10,000,000	0.99	-	-
9.45% RURAL ELECTRIFICATION CORPORATION LTD	4-Apr-13	184	1,000,000	184,000,000	18.40	-	-
9.48% INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED	14-Oct-13	250	1,000,000	250,000,000	25.00	-	-
5.75 % NUCLEAR POWER CORPORATION OF INDIA LIMITED	14-Aug-13	200	100,000	20,000,000	1.98	-	-
			Sub-Total (ii)		46.37		2.00
QUOTED TAXFREE BONDS							
6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED	22-Jan-14	6,596	100,000	659,600,000	66.09	-	-
6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED	20-Mar-14	3,175	100,000	317,500,000	31.81	-	-
5.25% NUCLEAR POWER CORPORATION OF INDIA LIMITED	23-Mar-14	100	1,000,000	100,000,000	9.90	-	-
			Sub-Total (iii)		107.80		-

	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.03.2013 (₹ in Crores)	Number of Units	As at 31.03.2012 (₹ in Crores)
C) MUTUAL FUNDS							
QUOTED FIXED MATURITY PLANS							
DSP BLACKROCK FMP - 12 MONTHS - SERIES 20 - GROWTH	31-May-12	6,001,105	10	60,011,053	-	6,001,105	6.00
DWS FTF - SERIES 80 - GROWTH	2-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00
DWS FTF - SERIES 83 - GROWTH	11-Jun-12	5,000,000	10	50,000,000	-	5,000,000	5.00
HDFC FMP - 370D - JUN 2011 (18) - 3 - GROWTH	26-Jun-12	5,000,000	10	50,000,000	-	5,000,000	5.00
HDFC FMP - 370D - MAY 2011 (18) - 1 - GROWTH	29-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00
KOTAK FMP - SERIES 45 (370 DAYS) - GROWTH	9-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00
KOTAK FMP - SERIES 46 (370 DAYS) - GROWTH	28-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00
KOTAK FMP - SERIES 52 (370 DAYS) - GROWTH	9-Jul-12	5,000,000	10	50,000,000	-	5,000,000	5.00
ICICI PRUDENTIAL FMP - S 55 - 1 YEARS - PLAN G - GROWTH	21-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00
ICICI PRUDENTIAL FMP - S 56 - 1 YEARS - PLAN E - GROWTH	30-Apr-12	5,000,000	10	50,000,000	-	5,000,000	5.00
ICICI PRUDENTIAL FMP - S 54 - 1 YEARS - PLAN D - GROWTH	25-Apr-12	5,000,000	10	50,000,000	-	5,000,000	5.00
UTI FTIF - SERIES IX - PLAN 2 - GROWTH	16-Apr-12	5,000,000	10	50,000,000	-	5,000,000	5.00
UTI FTIF - SERIES IX - PLAN 4 - GROWTH	21-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00
SBI MAGNUM DFS - 370 DAYS - 15 - GROWTH	29-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00
BIRLA SUN LIFE FTP - SERIES CY - GROWTH	28-Apr-12	5,000,000	10	50,000,000	-	5,000,000	5.00
BIRLA SUN LIFE FTP - SERIES DD - GROWTH	7-Jun-12	5,000,000	10	50,000,000	-	5,000,000	5.00
TATA FMP - SERIES 34 - PLAN B - GROWTH	21-May-12	5,009,198	10	50,091,980	-	5,009,198	5.01
RELIANCE FHF 19 - SERIES 4 - GROWTH	9-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00
RELIGARE FMP - SERIES VII - PLAN A - GROWTH	16-Apr-12	5,000,000	10	50,000,000	-	5,000,000	5.00
RELIGARE FMP - SERIES VII - PLAN C - GROWTH	15-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00
				Sub-Total (iv)	-		101.01
				TOTAL (I)	157.26		103.01

		Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.03.2013 (₹ in Crores)	Number of Units	As at 31.03.2012 (₹ in Crores)
II	CURRENT INVESTMENTS (valued at lower of cost or fair value)							
	DEBENTURES							
A)	QUOTED							
	9.15% TATA POWER COMPANY LIMITED	23-Jul-12	60	2,500,000	150,000,000	-	60	14.91
	8.40% CAIRN INDIA LIMITED	12-Oct-12	100	1,000,000	100,000,000	-	100	9.89
	8.40% SUNDARAM FINANCE LIMITED	19-Nov-12	150	1,000,000	150,000,000	-	150	14.81
	8.35% CAIRN INDIA LIMITED	12-Jul-12	150	1,000,000	150,000,000	-	150	14.90
	7.00% INDIAN OIL CORPORATION LIMITED	24-Jul-12	150	1,000,000	150,000,000	-	150	14.83
	0% MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED TAXABLE ZCB MAT 16 MAY 2013	16-May-13	100	1,000,000	100,000,000	9.88	-	-
	0.00% TATA CAPITAL FINANCIAL SERVICES LIMITED - 13S CC - NCD - 30 AUG 2013	30-Aug-13	150	1,000,000	150,000,000	14.44	-	-
	10.15% L&T FINANCE LIMITED NCD MATURITY 23 MAY 2013	23-May-13	150	1,000,000	150,000,000	15.00	-	-
	10.47% - MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED - NCD - 17 JUN 2013	17-Jun-13	200	1,000,000	200,000,000	20.02	-	-
	7.55% NATIONAL HOUSING BANK NCD MATURITY 12 JUL 2013	12-Jul-13	50	1,000,000	50,000,000	4.97	-	-
	7.70% HINDUSTAN PETROLEUM CORP. LIMITED NCD MATURITY 12 APRIL 2013	12-Apr-13	150	1,000,000	150,000,000	14.97	-	-
	8.10% - SUNDARAM FINANCE LIMITED - NCD - 25 JUN 2013	25-Jun-13	50	1,000,000	50,000,000	4.98	-	-
	9.55% INFRASTRUCTURE DEVELOPMENT FINANCE CO LTD - NCD - 12 APR 2013	12-Apr-13	50	1,000,000	50,000,000	5.00	-	-
	9.75% - SUNDARAM FINANCE LIMITED - NCD - 06 SEP 2013	6-Sep-13	250	1,000,000	250,000,000	24.96	-	-
	9.9075% INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED - NCD - 14 JUN 2013	14-Jun-13	250	1,000,000	250,000,000	25.00	-	-
				Sub-Total (i)		139.22		69.34
	UNQUOTED							
	7.45% TATA SONS LIMITED	15-Apr-12	300	1,000,000	300,000,000	-	300	29.96
	8.67% AXIS BANK LIMITED	25-Jul-12	150	1,000,000	150,000,000	-	150	14.90
				Sub-Total (ii)		-		44.86

	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.03.2013 (₹ in Crores)	Number of Units	As at 31.03.2012 (₹ in Crores)
B) MUTUAL FUNDS							
QUOTED							
FIXED MATURITY PLANS							
BIRLA SUN LIFE FTP - SERIES DB - GROWTH	22-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00
SUNDARAM FIXED TERM PLAN CQ 370 DAYS GROWTH	4-Apr-13	4,000,000	10	40,000,000	4.00	4,000,000	-
			Sub-Total (iii)		4.00		5.00
UNQUOTED							
LIQUID DIVIDEND PLANS							
SUNDARAM MONEY FUND - DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		19,812,702.74	10	200,157,829	20.01	-	-
AXIS LIQUID FUND - DAILY DIVIDEND - DIRECT PLAN		100,070.23	1,000	100,081,312	10.01	-	-
			Sub-Total (iv)		30.02		-
C) DEPOSITS							
HDFC LTD	11-May-12	1	150,000,000	150,000,000	-	1	15.00
HDFC LTD	9-Nov-12	1	150,000,000	150,000,000	-	1	15.00
HDFC LTD	8-Nov-13	1	163,942,346	163,942,346	16.39	-	-
			Sub-Total (v)		16.39		30.00
D) COMMERCIAL PAPER							
APOLLO TYRES LIMITED	23-May-12	300	500,000	150,000,000	-	300	14.60
BAJAJ ELECTRICALS LIMITED	20-Apr-12	300	500,000	150,000,000	-	300	14.29
BALLARPUR INDUSTRIES LIMITED	16-Apr-12	400	500,000	200,000,000	-	400	19.05
BLUE STAR LIMITED	13-Jul-12	120	500,000	60,000,000	-	120	5.71
BLUE STAR LIMITED	27-Sep-12	100	500,000	50,000,000	-	100	4.55
INDIAN OIL CORPORATION LIMITED	24-Sep-12	300	500,000	150,000,000	-	300	14.11
ADITYA BIRLA FINANCE LIMITED	14-May-12	200	500,000	100,000,000	-	200	9.75
ADITYA BIRLA FINANCE LIMITED	11-Sep-12	500	500,000	250,000,000	-	500	22.73

	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.03.2013 (₹ in Crores)	Number of Units	As at 31.03.2012 (₹ in Crores)
ADITYA BIRLA FINANCE LIMITED	14-Sep-12	500	500,000	250,000,000	-	500	22.71
ADITYA BIRLA FINANCE LIMITED	7-Nov-12	300	500,000	150,000,000	-	300	13.62
BAJAJ FINANCE LIMITED	6-Jul-12	500	500,000	250,000,000	-	500	23.16
BAJAJ FINANCE LIMITED	2-Aug-12	300	500,000	150,000,000	-	300	13.88
BAJAJ FINANCE LIMITED	1-Nov-12	500	500,000	250,000,000	-	500	22.72
GODREJ INDUSTRIES LIMITED	25-Apr-12	200	500,000	100,000,000	-	200	9.76
HCL INFOSYSTEMS LIMITED	4-May-12	300	500,000	150,000,000	-	300	14.63
HCL INFOSYSTEMS LIMITED	14-May-12	400	500,000	200,000,000	-	400	19.49
HCL INFOSYSTEMS LIMITED	31-May-12	100	500,000	50,000,000	-	100	4.87
HDFC LIMITED	7-Jun-12	300	500,000	150,000,000	-	300	14.61
IL&FS FINANCIAL SERVICES LIMITED	22-May-12	300	500,000	150,000,000	-	300	14.28
IL&FS FINANCIAL SERVICES LIMITED	15-Oct-12	200	500,000	100,000,000	-	200	9.09
IL&FS FINANCIAL SERVICES LIMITED	16-Nov-12	300	500,000	150,000,000	-	300	13.62
IL&FS FINANCIAL SERVICES LIMITED	21-Dec-12	300	500,000	150,000,000	-	300	13.62
INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED	24-Aug-12	300	500,000	150,000,000	-	300	14.17
NORTH DELHI POWER LIMITED	12-Jun-12	300	500,000	150,000,000	-	300	13.83
RANBAXY LABORATORIES LIMITED	22-Oct-12	300	500,000	150,000,000	-	300	13.65
SUNDARAM FINANCE LIMITED	12-Oct-12	500	500,000	250,000,000	-	500	22.73
TATA CAPITAL LIMITED	17-May-12	300	500,000	150,000,000	-	300	14.62
TATA CAPITAL LIMITED	16-Jul-12	300	500,000	150,000,000	-	300	14.43
TATA MOTORS FINANCE LIMITED	25-May-12	300	500,000	150,000,000	-	300	13.58
TATA MOTORS LIMITED	3-Dec-12	300	500,000	150,000,000	-	300	13.61
IL&FS FINANCIAL SERVICES LIMITED	16-May-13	300	500,000	150,000,000	13.58	-	-
INFRASTRUCTURE LEASING AND FINANCIAL SERVIES LTD	27-May-13	300	500,000	150,000,000	13.58	-	-
ADITYA BIRLA FINANCE LIMITED	7-Jun-13	200	500,000	100,000,000	9.08	-	-
INDUSTRIAL FINANCE CORPORATION OF INDIA LTD.	28-Jun-13	300	500,000	150,000,000	13.62	-	-
SUNDARAM FINANCE LIMITED	19-Jul-13	200	500,000	100,000,000	9.11	-	-

	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.03.2013 (₹ in Crores)	Number of Units	As at 31.03.2012 (₹ in Crores)
INFRASTRUCTURE LEASING & FINANCIAL SERVICES LTD	22-Jul-13	300	500,000	150,000,000	13.67	-	-
TATA CAPITAL FINANCIAL SERVICES LIMITED	23-Jul-13	300	500,000	150,000,000	13.67	-	-
TATA MOTORS FINANCE LIMITED	31-Jul-13	300	500,000	150,000,000	13.67	-	-
TATA MOTORS FINANCE LIMITED	6-Aug-13	300	500,000	150,000,000	13.67	-	-
TATA MOTORS FINANCE LIMITED	30-Aug-13	300	500,000	150,000,000	13.67	-	-
SUNDARAM FINANCE LIMITED	4-Sep-13	300	500,000	150,000,000	13.67	-	-
SUNDARAM FINANCE LIMITED	10-Jul-13	300	500,000	150,000,000	13.87	-	-
SUNDARAM FINANCE LIMITED	20-Sep-13	300	500,000	150,000,000	13.68	-	-
ADITYA BIRLA FINANCE LIMITED	19-Sep-13	500	500,000	250,000,000	22.84	-	-
POWER FINANCE CORPORATION LIMITED	28-Jun-13	300	500,000	150,000,000	14.06	-	-
HCL INFOSYSTEMS LIMITED	27-Jun-13	600	500,000	300,000,000	27.87	-	-
HCL INFOSYSTEMS LIMITED	28-Jun-13	200	500,000	100,000,000	9.30	-	-
TATA MOTORS FINANCE LIMITED	6-Aug-13	100	500,000	50,000,000	4.65	-	-
TATA MOTORS FINANCE LIMITED	22-Oct-13	500	500,000	250,000,000	22.87	-	-
HOUSING DEVELOPMENT FINANCE CORPORATION LTD	28-Aug-13	500	500,000	250,000,000	23.25	-	-
SUNDARAM FINANCE LIMITED	10-Sep-13	400	500,000	200,000,000	18.52	-	-
INFRASTRUCTURE LEASING & FINANCIAL SERVICES LTD	14-Jun-13	600	500,000	300,000,000	28.47	-	-
IL&FS FINANCIAL SERVICES LIMITED	31-May-13	500	500,000	250,000,000	23.90	-	-
IL&FS FINANCIAL SERVICES LIMITED	2-Sep-13	500	500,000	250,000,000	23.37	-	-
TATA CAPITAL FINANCIAL SERVICES LIMITED	7-Jun-13	500	500,000	250,000,000	23.89	-	-
L&T FINANCE LIMITED	5-Jun-13	500	500,000	250,000,000	23.92	-	-
ADITYA BIRLA FINANCE LIMITED	10-Jun-13	500	500,000	250,000,000	23.90	-	-
ADITYA BIRLA FINANCE LIMITED	30-Jul-13	300	500,000	150,000,000	14.18	-	-
BAJAJ FINANCE LIMITED	20-Jun-13	300	500,000	150,000,000	14.32	-	-
BAJAJ FINANCE LIMITED	30-Aug-13	200	500,000	100,000,000	9.38	-	-
BAJAJ FINANCE LIMITED	30-Aug-13	300	500,000	150,000,000	14.08	-	-
BAJAJ FINANCE LIMITED	19-Jul-13	200	500,000	100,000,000	9.48	-	-

	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.03.2013 (₹ in Crores)	Number of Units	As at 31.03.2012 (₹ in Crores)
BAJAJ FINANCE LIMITED	30-Aug-13	500	500,000	250,000,000	23.47	-	-
POWER FINANCE CORPORATION LTD	6-Sep-13	500	500,000	250,000,000	23.71	-	-
GODREJ INDUSTRIES LIMITED	8-May-13	500	500,000	250,000,000	24.44	-	-
TATA CAPITAL LIMITED	30-Jul-13	500	500,000	250,000,000	23.95	-	-
HOUSING DEVELOPMENT FINANCE CORPORATION LTD	14-Jun-13	500	500,000	250,000,000	24.22	-	-
HOUSING DEVELOPMENT FINANCE CORPORATION LTD	6-Sep-13	500	500,000	250,000,000	23.72	-	-
TATA CAPITAL LIMITED	17-May-13	500	500,000	250,000,000	24.44	-	-
EXPORT IMPORT BANK OF INDIA	5-Jul-13	800	500,000	400,000,000	38.64	-	-
SESA GOA LIMITED	21-Oct-13	300	500,000	150,000,000	14.11	-	-
POWER FINANCE CORPORATION LTD	15-Jul-13	500	500,000	250,000,000	24.20	-	-
POWER FINANCE CORPORATION LIMITED	15-Apr-13	200	500,000	100,000,000	9.93	-	-
L&T FINANCE LIMITED	31-May-13	500	500,000	250,000,000	24.59	-	-
				Sub-Total (vi)	800.24		435.47
				Total (II)	989.87		584.67
				GRAND TOTAL (I +II)	1,147.13		687.68

Notes :

	As at 31.03.2013 ₹ in Crores	As at 31.03.2012 ₹ in Crores
(a) Aggregate Book Value - Quoted Investments	297.40	177.35
(b) Aggregate Market Value of Quoted Investments	298.53	186.13
(c) Aggregate Book Value - Unquoted Investments	849.73	510.33
(d) Provision for diminution in value of Current Investments	(0.26)	(0.15)

13 Trade receivables

	Non-current		Current	
	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Unsecured, considered good unless stated otherwise				
Outstanding for a period of over six months from the date they are due from payment				
Secured, considered good	-	-	1.61	0.99
Unsecured, considered good	-	-	1.98	0.82
	-	-	3.59	1.81
Other debts				
Secured, considered good	-	-	115.69	134.81
Unsecured, considered good	-	-	1.88	0.89
	-	-	117.57	135.70
Total	-	-	121.16	137.51

14 Cash and bank balances

	Non-current		Current	
	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Cash and cash equivalents				
Balances with banks :				
On current accounts	-	-	27.27	27.45
Certificate of Deposits with original maturity of less than three months	-	-	238.49	48.71
Cash on hand	-	-	0.01	0.01
Cheques on hand	-	-	0.32	-
	-	-	266.09	76.17
Other bank balances				
Bank Deposits with original maturity for more than 12 months	650.36	618.89	1,447.69	2,091.00
Earmarked Deposits with original maturity for more than 12 months	36.33	7.33	46.09	106.35
Bank Deposits with original maturity for more than 3 months but less than 12 months	-	-	871.19	463.80
Certificate of Deposits with original maturity for more than 3 months but less than 12 months	-	-	80.39	79.34
Earmarked Deposits with original maturity for more than 3 months but less than 12 months	-	-	52.29	9.76
	686.69	626.22	2,497.65	2,750.25
Amount disclosed under non-current assets (note 11)	686.69	626.22		
Total	-	-	2,763.74	2,826.42

15 Revenue from operations

	For the year ended 31.03.2013 (₹ in Crores)		For the year ended 31.03.2012 (₹ in Crores)	
Operating revenues				
Transaction charges	726.79		771.79	
Annual subscription	5.71		11.69	
Book building Fees	4.24		4.28	
Listing fees	33.38	770.12	33.37	821.13
Other operating revenues				
NCFM Registration & Test enrolment fees	18.69		21.60	
Processing Fees - Listing	5.78		12.29	
Strategic Co-operation fees	5.33		14.24	
Data Centre charges	42.62		37.95	
Operational expenses recovery	19.16		24.33	
Interest on Bank Deposits	109.81		108.39	
Others	29.33	230.72	29.98	248.78
Total		1,000.84		1,069.91

16 Other income

	For the year ended 31.03.2013 (₹ in Crores)		For the year ended 31.03.2012 (₹ in Crores)	
Interest Income				
On Investment				
Current	42.65		25.21	
Long Term	23.50		13.00	
On Bank Deposits	269.96		198.88	
On Certificate of Deposits	10.06		9.68	
On Inter Corporate Deposits	1.74		1.95	
On Others	0.99	348.90	0.85	249.57
Dividend income				
Long Term :				
from Subsidiary Companies	209.40		96.40	
from Others	13.12	222.52	6.25	102.65
Current		10.50		13.88
Net gain / loss on sale of long term Investment		1.14		25.34
Net gain / loss on sale of current Investment		11.19		1.21
Rent Income		50.60		52.93
Amortisation of Premium / Discount on Govt/Debt Securities		1.94		0.33
Miscellaneous Income		0.48		0.93
Total		647.27		446.84

17 Employee benefits expenses

	For the year ended 31.03.2013 (₹ in Crores)		For the year ended 31.03.2012 (₹ in Crores)	
Salaries, wages and bonus		66.90		64.48
Contribution to provident and other fund (note 20)		7.47		4.04
Staff welfare expenses	3.15		3.33	
Less : Transferred to Staff Welfare Reserve *	-	3.15	0.50	2.83
Total		77.52		71.35

* Hitherto, Staff welfare expenses were transferred to Staff Welfare Reserve. During the year the same has been charged to Profit & Loss account and as a result of this profit for the year is lower by ₹ 0.69 Crores.

18 Other expenses

	For the year ended 31.03.2013 (₹ in Crores)		For the year ended 31.03.2012 (₹ in Crores)	
Rent		3.96		3.97
Transponder charges/License fee for operating VSAT network		12.43		7.30
License fees for Index		5.54		7.68
Lease line charges		9.43		7.94
Repairs & maintenance				
- To buildings		2.83		2.69
- To computers, trading & telecommunication systems		87.83		74.24
- To others		6.64		4.44
Network Infrastructure Management charges		7.83		4.72
IT management and consultancy charges		18.79		19.19
Web Trading related expenses		21.82		23.61
Insurance		0.69		0.69
Rates & taxes *		9.03		3.11
Advertisement & publicity		3.66		13.46
Legal & Professional fees		17.95		19.95
Payment to auditor (Refer note below)		0.65		0.47
Electricity charges		14.58		11.94
Directors' sitting fees		0.12		0.11
Software expenses		13.69		7.95
Contribution to Investor protection fund trust		6.11		7.17
Investor education expenses		6.73		3.57
Compensation paid to Investors	-		0.06	
Less : Transferred to Investor Compensation Reserve	-	-	0.06	-
SEBI Regulatory Fees		5.34		5.34
Donations/Contributions		1.39		1.07
Bad debts/Sundry balance written off		-		0.02
Loss on sale /discard of assets (Net)		0.80		0.42
Loss on exchange fluctuation (net)		0.05		0.79
Adjustments to the carrying amount of current investments		0.26		0.15
Liquidity enhancement incentive		3.16		7.10
Other Expenses		39.23		34.63
Total		300.54		273.72

* Includes Municipal Corporation Tax of ₹ 3.76 Crores related to earlier years due to revision in taxes by MMRDA in current year.

Note :

Payment to auditor		
As auditor :		
Audit fees	**0.15**	0.15
Tax audit fee	**0.05**	0.03
Limited review	**0.14**	0.03
In other capacity		
Taxation matters	**0.14**	0.14
Certification matters	**0.08**	0.05
Other services	**0.09**	0.07
Total	**0.65**	0.47

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

	Year ended 31.03.2013	Year ended 31.03.2012
Net Profit attributable to Shareholders (₹ In Crores)	877.61	704.89
Weighted Average number of equity shares issued (No. in Crores)	4.50	4.50
Basic earnings per share of ₹ 10/- each (in ₹)	195.02	156.64

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.

20 Disclosure under Revised Accounting Standard 15 on Employee Benefits:

i) Defined Contribution Plan: Company's contribution towards superannuation amounting to ₹ 1.57 Crore (Previous Year : ₹ 1.37 Crore) has been charged to Profit & Loss account.

ii) **Defined Benefit Plan :**

(a) Provident Fund: The Company has contributed ₹ 1.95 Crores and ₹ 1.84 Crores towards Provident Fund during the year ended March 31, 2013 and March 31, 2012, respectively. As per Implementation Guidance on AS 15 (Revised 2005) Employee Benefits issued by the Accounting Standard Board (ASB), benefit involving employer established provident funds which require interest short fall to be recompensed are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided an actuarial valuation and indicated that the interest shortfall liability is ₹ Nil. Accordingly, no provision is required to be made towards the same.

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

	Current Year	Previous Year
a. Approach used	Deterministic	Deterministic
b. Increase in compensation levels	5% p.a.	5% p.a.
c. Discout Rate	8.00%	8.15%

(b) Gratuity: Company has charged the Gratuity expense to Profit & Loss account based on the actuarial valuation of gratuity liability at the end of the year. The projected unit credit method used to show the position as at March 31, 2013 is as under.

(i) Assumptions:

	Current Year	Previous Year
Discount Rate	8.25%	8.50%
Rate of Return on Plan Assets	8.00%	8.00%
Salary Escalation	5.00%	5.00%
Attrition Rate	2.00%	2.00%

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

	Current Year	Previous Year
Liability at the beginning of the year	**10.29**	8.51
Interest cost	0.94	0.77
Current Service Cost	0.99	0.93
Benefits Paid	(0.56)	(0.09)
Actuarial (gains) / loss on obligations	2.61	0.16
Liability at the end of the year	**14.27**	10.29

(iii) Tables of Fair value of plan assets: (₹ in Crores)

	Current Year	Previous Year
Fair Value of plan assets at the beginning of the year	**7.81**	5.32
Expected return on plan assets	0.68	0.57
Contributions	0.92	1.91
Benefits paid	0.56	(0.09)
Actuarial gain / (loss) on Plan Assets	0.12	0.10
Fair Value of plan assets at the end of the year	**8.97**	7.81

(iv) Actual Return on Plan Assets: (₹ in Crores)

	Current Year	Previous Year
Expected return on plan assets	0.67	0.57
Actuarial gain/(loss) on plan assets	0.12	0.10
Actual Return on plan assets	**0.79**	0.67

(v) Amount recognised in the balance sheet (₹ in Crores)

	Current Year	Previous Year
Fair value of plan assets as at the end of the year	8.97	7.81
Liability as at the end of the year	14.27	10.29
Net liability / (asset) disclosed in the Balance Sheet	**5.30**	2.47

(vi) Expenses recognised in the profit & loss account (₹ in Crores)

	Current Year	Previous Year
Current Service cost	1.00	0.93
Interest Cost	0.94	0.77
Expected return on plan assets	(0.68)	(0.57)
Actuarial (Gain) or Loss	2.50	0.07
Expenses recognised in the profit & loss account	**3.76**	1.19

(vii) Balance Sheet Reconciliation (₹ in Crores)

	Current Year	Previous Year
Opening Net Liability	**2.47**	3.19
Expense as above	3.76	1.19
Employers Contribution	(0.93)	(1.91)
Amount recognised in the Balance Sheet	**5.30**	2.47

viii) Category of Assets (₹ in Crores)

	Current Year	Previous Year
Insurer Managed Funds	8.97	7.81
Total	**8.97**	7.81

ix) Experience Adjustment (₹ in Crores)

	Current Year	Previous Year
On Plan Liability (Gain) / Loss	(1.07)	0.40
On Plan asset (Loss) / Gain	0.12	0.10

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

(₹ In Crores)

Lease obligations	Year ended 31.03.2013	Year ended 31.03.2012
Total of future minimum lease payments		
- Lease rentals paid during the year	3.64	3.38
- Not later than one year	3.39	3.60
- Later than one year and not later than five years	9.54	14.27
- Later than five years	0.02	0.43

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

22 The Company had a Joint Venture interest in India Index Services & Products Ltd.(IISPL) which is a jointly controlled entity and is incorporated in India. The company had a 51% ownership interest in the joint venture. During the year, the said joint venture has ceased with effect from 28.03.2013 due to sale of its investment in equity shares. Profit on sale of investment in India Index Services & Products Ltd.(IISPL) amounts to ₹ 32.68 crores which has been included in exceptional item.

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

24 In compliance with Accounting Standard 18 - "Related Party Disclosures" notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956, the required disclosures are given in the table below:

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

Sr. No.	Related Party	Nature of Relationship
1	National Securities Clearing Corporation Limited	Subsidiary Company
2	NSE.IT Limited	Subsidiary Company
3	DotEx International Limited	Subsidiary Company
4	India Index Services & Products Limited	Subsidiary Company (upto 27.03.2013) Subsidiary's Subsidiary Company (w.e.f. 28.03.2013)
5	National Commodity Clearing Limited *	Subsidiary Company
6	NSE Infotech Services Limited	Subsidiary Company (upto 27.03.2013) Subsidiary's Subsidiary Company (w.e.f. 28.03.2013)

Sr. No.	Related Party	Nature of Relationship
7	NSE.IT (US) Inc.	Subsidiary Company
8	NSE Strategic Investment Corporation Limited	Subsidiary Company (w.e.f. 31.01.2013)
9	Power Exchange India Limited	Associate Company
10	NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited)	Associate Company
11	National Securities Depository Limited (new)	Associate Company (w.e.f. 01.04.2012)
12	Omnesys Technologies Private Limited	Subsidiary's Associate
13	Market Simplified India Limited (formerly known as INXS Technologies Limited)	Subsidiary's Associate
14	(1) Dr. Vijay L. Kelkar - Ex Chairman (upto 31.08.2012)	Key Management Personnel
	(2) Mr. Ravi Narain - Managing Director **	
	(3) Ms. Chitra Ramkrishna - Jt. Managing Director ***	

* The Company has entered into an agreement with another company, for sale of equity shares of its subsidiary company viz. National Commodity Clearing Limited.

** Non-Executive Vice Chairman effective April 1, 2013

*** Managing Director effective April 1, 2013

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

(₹ In crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2013	Year ended 31.03.2012
National Securities Clearing Corporation Ltd.	Usage charges received	6.93	5.07
	Space and Infrastructure usage charges received	6.23	6.12
	Reimbursement received for expenses on staff on deputation	12.19	10.32
	Reimbursement received for other expenses incurred	25.98	22.30
	Dividend received	202.50	90.00
	Clearing and Settlement charges paid	81.00	127.71
	Closing balance (Credit)/Debit	18.52	7.14
	Investment in Equity Share Capital	5.64	5.64

Name of the Related Party	Nature of Transactions	Year ended 31.03.2013	Year ended 31.03.2012
NSE.IT Ltd.	Reimbursement received for other expenses incurred	1.25	0.29
	Software Development Charges paid	0.57	0.12
	Repairs and maintenance – Computer trading , Telecommunication systems	28.76	23.17
	STP charges received	0.01	0.01
	Rent received	0.01	0.19
	NCFM Test expenses paid	7.48	6.03
	CTCL Empanelment charges received	0.07	0.03
	IT Mgt. & Consultancy charges paid	3.76	4.17
	Installation, commissioning & warranty charges for trading system	0.20	0.25
	Dividend received	3.70	4.00
	Closing balance (Credit)/Debit	(3.74)	(4.91)
	Investment in Equity Share Capital	10.00	10.00
DotEx International Ltd.	Space and Infrastructure usage charges received	0.96	0.99
	Reimbursement received for expenses on staff on deputation	3.00	2.55
	Reimbursement for expenses incurred	9.60	10.37
	CTCL Empanelment charges received	0.06	0.04
	Amount received towards revenue sharing on account of info feed services	7.99	7.91
	Purchase of asset	0.01	-
	Data Subscription charges paid	0.13	-
	Web trading related expenses	24.51	26.04
	Dividend received	2.40	1.80
	Closing balance (Credit)/Debit	(1.69)	(14.19)
	Investment in Equity Share Capital	0.69	0.69

Name of the Related Party	Nature of Transactions	Year ended 31.03.2013	Year ended 31.03.2012
India Index Services & Products Ltd.	License fees paid	6.23	8.47
	Space and Infrastructure usage charges received	0.58	0.52
	Reimbursement received for expenses on staff on deputation	1.20	1.43
	Reimbursement received for other expenses incurred	8.13	7.52
	Dividend received	0.80	0.60
	Closing balance (Credit)/Debit	1.18	0.50
	Investment in Equity Share Capital (Note no.22)	-	0.67
National Commodity Clearing Ltd.	Space and Infrastructure usage charges received	0.56	0.57
	Reimbursement received for expenses on staff on deputation	0.92	1.30
	Reimbursement received for other expenses incurred	0.81	0.89
	Closing balance (Credit)/Debit	0.51	0.88
	Investment in Equity Share Capital	3.09	3.09
NSE Infotech Services Ltd.	IT Mgt. & Consultancy charges paid	18.61	17.78
	Repairs and maintenance – Computer trading , Telecommunication systems	18.05	19.68
	Rent received	0.24	0.22
	Reimbursement received for expenses incurred	10.60	9.31
	Advance paid	-	4.96
	Closing balance (Credit)/Debit	(1.16)	(1.45)
	Investment in Equity Share Capital	-	0.05
NSE Strategic Investment Corporation Limited	Investment in Preference Share Capital	22.48	-
	Investment in Equity Share Capital	22.53	-
	Sale of equity shares of India Index Services & Products Limited	33.35	-
	Sale of equity shares of NSE Infotech Services Ltd.	3.75	-
	Reimbursement received for expenses incurred	2.07	-
	Closing balance (Credit)/Debit	0.41	-
	Investment in Preference Share Capital	22.48	-
	Investment in Equity Share Capital	22.53	-

Name of the Related Party	Nature of Transactions	Year ended 31.03.2013	Year ended 31.03.2012
Power Exchange India Ltd.	Space and Infrastructure usage charges received	-	3.09
	Reimbursement received for other expenses incurred	-	0.29
	Investment in equity shares	2.00	-
	Investment in Preference shares	-	5.00
	Closing balance (Credit)/Debit	1.42	1.93
	Investment in Preference Share Capital	5.00	5.00
	Investment in Equity Share Capital	15.00	13.00
NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited)	Reimbursement received for expenses incurred	-	0.03
	Dividend received	8.01	5.01
	Closing balance (Credit)/Debit	0.01	0.01
	Investment in Equity Share Capital	35.42	96.90
National Securities Depository Limited (new)	Closing balance (Credit)/Debit	-	-
	Investment in Equity Share Capital	61.49	-
Omnesys Technologies Private Limited	CTCL Empanelment charges received	0.09	0.04
	Closing balance (Credit)/Debit	-	-
Key Management Personnel	Gross remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	16.60 *	13.78
	Housing Loan – Closing Balance	-	0.01
	Interest received on Housing Loan [₹ 1,991/- (Prev Year : ₹ 3,991/-)]	-	-

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

25 **Capital and other commitments**

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 42.88 Crores (Previous year : ₹ 26.52 Crores).

26 **Contingent liability:**

(i) Claims against the company not acknowledged as debts: ₹ 7.87 Crores (Previous Year : ₹ 5.92 Crores)

(ii) Company has received an order passed by the Competition Commission of India, directing the Company to pay a penalty of ₹ 55.50 crores (Previous year ₹ 55.50 crores). The Company has appealed against the said order before the Competition Appellate Tribunal. The Competition Appellate Tribunal has granted the stay against the recovery of said penalty amount pending disposal of the appeal and hence no provision has been made.

(iii) On account of disputed demand of Income Tax: ₹ 52.98 Crores (Previous Year: ₹ 55.12 Crores), disputed demand of Fringe Benefit Tax: ₹ 2.21 Crores (Previous Year: ₹ 2.21 Crores) and disputed demand of Wealth Tax: ₹ 1.94 Crores (Previous Year: 1.94 Crores). Wealth Tax liability includes ₹ 1.86 Crores (Previous Year: ₹ 1.86 Crores) on account of Tax Department appeals pending disposal before the Bombay High Court. On account of disputed demand of Service Tax: ₹ 39.20 crores (Previous Year: ₹ 28.10 crores) alongwith interest and penalty thereon.

(iv) On account of disputed demand of Securities Transaction Tax : ₹ 5.21 Crores (Previous Year : ₹ 14.43 Crores)

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

Liability for expenses includes ₹ 0.24 Crore (Previous Year: ₹ 0.37 Crore) due to Micro, Small & Medium Enterprises. Total outstanding dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

28 C.I.F. value of import in respect of Capital goods : ₹ 7.83 Crores (Previous year : ₹ 9.51 Crores)

29 **Expenditure in foreign currency (accrual basis)**

Particulars	(₹ in Crores)	
	Current Year	Previous Year
Travelling expenses	0.46	0.41
Professional and technical fees	1.42	3.49
Others	7.15	8.81

30 **Net dividend remitted in foreign exchange**

Year of remittance (ending on)	31.03.2013	31.03.2012
Period to which it relates	**01.04.2011 to 31.03.2012**	01.04.2010 to 31.03.2011
Number of non-resident shareholders to whom dividend remitted in foreign currency	**6**	8
Number of equity shares held on which dividend was due	**8,550,000**	6,208,405
Amount remitted INR equivalent USD (₹ In Crores)	**34.20**	13.04

31 **Earnings in foreign currency (accrual basis) :**

Particulars	(₹ in Crores)	
	Current Year	Previous Year
Earnings in foreign exchange :	5.74	15.63

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

33 Exceptional item represents profit on sale of equity shares held in subsidiary companies namely India Index Services & Products Limited (6,63,000 shares) and NSE Infotech Services Limited (50,000 shares) to NSE Strategic Investment Corporation Limited, a newly formed subsidiary.

34 In accordance with Securities Contracts (Regulations) (SECC) Regulations, 2012 (The Regulations) issued on June 20, 2012, every recognized stock exchange is required to transfer twenty five percent of its annual profits every year to a fund to guarantee settlement of trades of the recognized clearing corporation(s) which clears and settles trades executed on that stock exchange. Subsequenlty, the Securities and Exchange Board of India (SEBI) in its Press Release No.66/2012 dated June 21, 2012, has said that an expert Committee is being formed which will inter-alia "look into the norms for adequacy of the core corpus of the Settlement Guarantee Fund (SGF)/Trade Guarantee Fund (TGF) and its sourcing, including transfer of profits by stock exchanges to SGF/TGF in the long run". Pending the report of the Expert Committee, no transfer of profits to the Settlement Guarantee Fund in terms of The Regulations has been made.

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

As per our report of even date attached

For KHANDELWAL JAIN & CO.,
Chartered Accountants

NARENDRA JAIN
Partner
Membership No.:48725

Place : Mumbai
Date : May 27, 2013

For and on behalf of the Board of Directors

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

CHITRA RAMKRISHNA
Managing Director & CEO

Y. H. MALEGAM
Director

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

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

1	Name of the subsidiary	:	National Securities Clearing Corporation Limited
2	Financial Year of the subsidiary company ended on	:	31st March, 2013
3	Holding Company Interest		
	Number of Shares	:	4,50,00,000
	Extent of Holding	:	100%
4	The Net Aggregate amount of the subsidiary Profits / (losses) so far as it concerns members of the holding company and is not dealt with in Holding Company's account		
	(i) for the financial year of the company	:	₹ 1,79,20,00,104
	(ii) for the previous financial years of the subsidiary since it became the holding Company's subsidiary	:	₹ 15,35,64,40,567
5	Net aggregate amount of the Profit/(Losses) of the Subsidiary dealt with in the company's account		
	(i) for the financial year of the subsidiary	:	₹ 1,46,25,00,000
	(ii) for the previous financial years of the subsidiary since it became the subsidiary of the holding company	:	₹ 6,35,62,50,000

For and on behalf of the Board of Directors

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

CHITRA RAMKRISHNA
Managing Director & CEO

Y. H. MALEGAM
Director

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

Place : Mumbai
Date : May 27, 2013

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

1	Name of the subsidiary	:	NSE.IT Limited
2	Financial Year of the subsidiary company ended on	:	31st March, 2013
3	Holding Company Interest		
	Number of Shares	:	1,00,00,010
	Extent of Holding	:	100%
4	The Net Aggregate amount of the subsidiary Profits / (losses) so far as it concerns members of the holding company and is not dealt with in Holding Company's account		
	(i) for the financial year of the company	:	₹ 8,58,72,519
	(ii) for the previous financial years of the subsidiary since it became the holding Company's subsidiary	:	₹ 56,15,37,450
5	Net aggregate amount of the Profit/(Losses) of the Subsidiary dealt with in the company's account		
	(i) for the financial year of the subsidiary	:	₹ 2,10,00,021
	(ii) for the previous financial years of the subsidiary since it became the subsidiary of the holding company	:	₹ 15,70,00,157

For and on behalf of the Board of Directors

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

CHITRA RAMKRISHNA
Managing Director & CEO

Y. H. MALEGAM
Director

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

Place : Mumbai
Date : May 27, 2013

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

1	Name of the subsidiary	:	DotEx International Limited
2	Financial Year of the subsidiary company ended on	:	31st March, 2013
3	Holding Company Interest		
	Number of Shares	:	1,20,00,000
	Extent of Holding	:	100%
4	The Net Aggregate amount of the subsidiary Profits / (losses) so far as it concerns members of the holding company and is not dealt with in Holding Company's account		
	(i) for the financial year of the company	:	₹ 9,90,50,284
	(ii) for the previous financial years of the subsidiary since it became the holding Company's subsidiary	:	₹ 62,44,80,192
5	Net aggregate amount of the Profit/(Losses) of the Subsidiary dealt with in the company's account		
	(i) for the financial year of the subsidiary	:	₹ 2,40,00,000
	(ii) for the previous financial years of the subsidiary since it became the subsidiary of the holding company	:	₹ 7,80,00,000

For and on behalf of the Board of Directors

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

CHITRA RAMKRISHNA
Managing Director & CEO

Y. H. MALEGAM
Director

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

Place : Mumbai
Date : May 27, 2013

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

1	Name of the subsidiary	:	National Commodity Clearing Limited
2	Financial Year of the subsidiary company ended on	:	31st March, 2013
3	Holding Company Interest		
	Number of Shares	:	30,87,500
	Extent of Holding	:	65%
4	The Net Aggregate amount of the subsidiary Profits / (losses) so far as it concerns members of the holding company and is not dealt with in Holding Company's account		
	(i) for the financial year of the company	:	₹ 1,04,12,449
	(ii) for the previous financial years of the subsidiary since it became the holding Company's subsidiary	:	₹ 2,30,86,895
5	Net aggregate amount of the Profit/(Losses) of the Subsidiary dealt with in the company's account		
	(i) for the financial year of the subsidiary	:	Nil
	(ii) for the previous financial years of the subsidiary since it became the subsidiary of the holding company	:	Nil

For and on behalf of the Board of Directors

S. B. MATHUR
Chairman

RAVI NARAIN
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Managing Director & CEO

Y. H. MALEGAM
Director

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

Place : Mumbai
Date : May 27, 2013

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

1	Name of the subsidiary	:	NSE.IT (US) Inc.
2	Financial Year of the subsidiary company ended on	:	31st March, 2013
3	Holding Company Interest		
	Number of Shares	:	5,00,000 Equity Shares
	Extent of Holding	:	100%
4	The Net Aggregate amount of the subsidiary Profits / (losses) so far as it concerns members of the holding company and is not dealt with in Holding Company's account		
	(i) for the financial year of the company	:	₹ (1,72,44,360)
	(ii) for the previous financial years of the subsidiary since it became the holding Company's subsidiary	:	₹ (3,27,37,122)
5	Net aggregate amount of the Profit/(Losses) of the Subsidiary dealt with in the company's account		
	(i) for the financial year of the subsidiary	:	Nil
	(ii) for the previous financial years of the subsidiary since it became the subsidiary of the holding company	:	Nil

For and on behalf of the Board of Directors

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

CHITRA RAMKRISHNA
Managing Director & CEO

Y. H. MALEGAM
Director

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

Place : Mumbai
Date : May 27, 2013

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

1	Name of the subsidiary	:	NSE Strategic Investment Corporation Limited
2	Financial Year of the subsidiary company ended on	:	31st March, 2013
3	Holding Company Interest		
	Number of Shares	:	2,25,27,450 Equity Shares & 2,24,77,500 Preference Shares
	Extent of Holding	:	99.90%
4	The Net Aggregate amount of the subsidiary Profits / (losses) so far as it concerns members of the holding company and is not dealt with in Holding Company's account		
	(i) for the financial year of the company	:	₹ (2,09,28,529)
	(ii) for the previous financial years of the subsidiary since it became the holding Company's subsidiary	:	Not Applicable
5	Net aggregate amount of the Profit/(Losses) of the Subsidiary dealt with in the company's account		
	(i) for the financial year of the subsidiary	:	Not Applicable
	(ii) for the previous financial years of the subsidiary since it became the subsidiary of the holding company	:	Not Applicable

For and on behalf of the Board of Directors

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

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Managing Director & CEO

Y. H. MALEGAM
Director

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

Place : Mumbai
Date : May 27, 2013

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of **National Stock Exchange of India Limited** ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in

the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the separate audit reports, on the financial statements of the subsidiaries and an associate and the unaudited financial statements of the subsidiaries and associates referred to below in the Other Matters paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

1. Financial statements of one of the subsidiary which reflect total assets (net) of ₹ 43.41 crores as at March 31, 2013, total revenue (net) of ₹ 0.02 crore and net cash flows amounting to ₹ 0.80 crore for the period then ended, have been audited by us.

2. We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets (net) of ₹ 4,216.68 crores as at March 31, 2013, total revenues (net) of ₹ 592.68 crores and net cash outflow amounting to ₹ 328.97 crores for the year ended on that date and consolidated financial statements of one associate in which the share of profit of the Group is ₹ 5.98 crores for the year ended March 31, 2013. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

3. We have relied on the unaudited financial statements of four associates wherein the group's share of profit aggregate ₹18.07 crores for the year ended March 31, 2013. These financial statements have been certified by management of the respective companies and have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of these associates, are based solely on these certified financial statements.

4. We have relied on the unaudited financial statements of a subsidiary whose total assets of ₹ 5.48 crores as at March 31, 2013, total revenues of ₹ 7.35 crores and net cash inflow amounting to ₹ 0.86 crore for the year then ended. These financial statements have been certified by management of the said subsidiary and have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the subsidiary, are based solely on these certified financial statements.

Our opinion is not qualified in respect of these matters.

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

(Narendra Jain)
Partner
Membership Number: 048725

Place: Mumbai
Date: May 27, 2013

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

			NOTES	AS AT 31.03.2013 (₹ in Crores)	AS AT 31.03.2012 (₹ in Crores)
		Equity and liabilities			
1		**Shareholders' funds**			
	a	Share Capital	2	**45.00**	45.00
	b	Reserves and surplus	3	**5,380.08**	4,757.44
				5,425.08	4,802.44
		Minority Interest	31	**35.43**	27.49
2		**Non-current liabilities**			
	a	Deposits (Unsecured)	4	**1,607.35**	1,621.51
	b	Deferred tax liabilities (net)	5	**6.70**	9.00
	c	Other long-term liabilities	6	**33.49**	33.39
	d	Long-term provisions	7	**2.62**	3.12
				1,650.16	1,667.02
3		**Current liabilities**			
	a	Deposits (Unsecured)	4	**32.42**	11.77
	b	Trade payables	6	**5.41**	18.45
	c	Other current liabilities	6	**2,682.11**	3,132.30
	d	Short-term provisions	7	**336.46**	310.24
				3,056.40	3,472.76
		TOTAL		**10,167.07**	9,969.71
		Assets			
1		**Non-current assets**			
	a	Fixed assets	8		
		Tangible assets		**449.03**	395.65
		Intangible assets		**39.47**	44.41
		Capital work-in-progress		**15.94**	7.42
		Intangible assets under development		**10.97**	8.15
				515.41	455.63
	b	Goodwill on Consolidation		**1.76**	1.76
	c	Non-current investments	9	**416.78**	520.75
	d	Deferred tax Assets (net)	10	**1.85**	1.30
	e	Long-term loans and advances	11	**87.83**	85.18
	f	Other non-current assets	12	**1,096.13**	1,072.85
				2,119.76	2,137.47

			NOTES	AS AT 31.03.2013 (₹ in Crores)	AS AT 31.03.2012 (₹ in Crores)
2		Current assets			
	a	Current investments	13	1,633.92	993.73
	b	Inventories	14	0.01	0.03
	c	Short-term loans and advances	11	42.64	38.91
	d	Trade receivable	15	155.98	172.22
	e	Cash and bank balances	16	5,846.84	6,404.64
	f	Other Current assets	12	367.92	222.71
				8,047.31	7,832.24
		TOTAL		10,167.07	9,969.71
		Summary of significant accounting policies	1		

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

As per our report of even date attached

For KHANDELWAL JAIN & CO.,
Chartered Accountants

NARENDRA JAIN
Partner
Membership No.:48725

Place : Mumbai
Date : May 27, 2013

For and on behalf of the Board of Directors

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

CHITRA RAMKRISHNA
Managing Director & CEO

Y. H. MALEGAM
Director

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

STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013

PARTICULARS	NOTES	For the year ended 31.03.2013 (₹ in Crores)	For the year ended 31.03.2012 (₹ in Crores)
Income			
Revenue from operations	17	1,283.50	1,378.84
Other income	18	541.18	441.58
Total Revenue (I)		1,824.68	1,820.42
Expenses			
Purchases of Stock-in-Trade	19	0.05	0.44
Changes in inventories of Stock-in-Trade	14	0.01	(0.01)
Employee benefits expenses	20	177.36	165.85
Other expenses	21	313.21	280.67
Depreciation and amortisation expenses	8	85.50	98.19
Total Expenses (II)		576.13	545.14
Profit before prior-period adjustments		1,248.55	1,275.28
Add/(Less) : Prior-period adjustments		(32.97)	(0.58)
Profit before tax		1,215.58	1,274.70
Less : Provision for tax			
Current tax		375.74	392.74
Income Tax for earlier years		0.91	-
Deferred tax		(2.86)	(5.35)
Total tax expenses		373.79	387.39
Profit after taxation before Minority Interest		841.79	887.31
Less: Minority Interest		(8.83)	(7.74)
Add / (Less) : Share of profit / (Loss) of associate	32	24.05	16.33
Profit after taxation		857.01	895.90
Basic	22	190.45	199.09
Diluted	22	190.45	199.09

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

As per our report of even date attached

For KHANDELWAL JAIN & CO.,
Chartered Accountants

NARENDRA JAIN
Partner
Membership No.:48725

Place : Mumbai
Date : May 27, 2013

For and on behalf of the Board of Directors

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

CHITRA RAMKRISHNA
Managing Director & CEO

Y. H. MALEGAM
Director

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

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	For the Year ended March 2013 (₹ In Crores)	For the Year ended March 2012 (₹ In Crores)
A) CASHFLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	1,215.58	1,274.70
Add : Adjustments for :		
Depreciation and amortisation expenses	85.50	98.19
Adjustments to the carrying amount of current investments	0.37	0.19
Bad debts/Sundry balances written off	-	0.10
Prior period adjustments (Net)	32.97	0.58
Loss on sale /discard of assets (Net)	0.79	0.48
Less : Adjustments for :		
Staff welfare expenses debited to staff welfare Reserve	-	(0.50)
Compensation paid to Investors debited to Investor compensation reserve	-	(0.06)
Amortisation of Premium / Discount on Govt/Debt Securities	(1.51)	(0.13)
Interest income on short term investments	(49.74)	(33.34)
Interest income on long term investment	(33.72)	(19.47)
Interest income on Bank deposit	(348.00)	(253.13)
Interest income on Certificate of deposits	(10.59)	(18.94)
Interest income on Inter Corporate deposits	(1.74)	(1.95)
(Profit)/Loss on sale/redemption of long term investments	(3.40)	(29.16)
(Profit)/Loss on sale/redemption of short term investments	(12.68)	(1.81)
Dividend - Long Term	(5.90)	(2.47)
Dividend - Short Term	(25.55)	(34.83)
Excess Provision written back	(1.15)	-
Wealth Tax	0.20	0.20
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	841.43	978.65
Adjustments for :		
Trade Receivables	16.24	13.65
Inventory	0.02	(0.01)
Loans & Advances	(6.62)	21.29
Other Current Assets	(48.61)	(36.62)
Long Term Liabilities	(0.40)	0.37
Current Liabilities & Provisions	(473.79)	(336.29)
CASH GENERATED FROM OPERATIONS	328.27	641.04
Prior period adjustments (Net)	(32.97)	(0.58)
Direct Taxes paid (Net of Refunds)	(376.39)	(382.26)
NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)	(81.09)	258.20
B) CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/Capital work-in-progress	(131.93)	(74.33)
Sale of Fixed Assets	1.73	0.58
Advance received against sale of shares	1.57	-
Interest received	359.16	267.62
Dividend received	31.45	37.30
(Increase)/Decrease in Fixed deposit & Certificate of deposits	385.51	(387.00)
(Increase)/Decrease in Investment	(494.95)	(7.52)
NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)	152.54	(163.35)

	For the Year ended March 2013 (₹ In Crores)	For the Year ended March 2012 (₹ In Crores)
C) CASHFLOW FROM FINANCING ACTIVITIES		
Proceed of deposit from trading & clearing members/applicant	128.09	110.99
Refund of deposit to trading & clearing members/applicant	(118.49)	(102.93)
Refund of Equipments deposits (Net)	(3.11)	(3.25)
Dividend paid	(180.77)	(94.50)
Dividend distribution tax paid on above	(34.21)	(15.64)
NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)	(208.49)	(105.33)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(137.04)	(10.48)
CASH AND CASH EQUIVALENTS : OPENING BALANCE	2,707.14	2,717.62
CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE	2,570.10	2,707.14
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	(137.04)	(10.48)

Notes to Cash Flow Statement :

1 Cash and cash equivalent represent cash, bank balances, certificate of deposits with original maturity of less than three months, fixed deposits with original maturity of less than three months and earmarked deposits of ₹ 44.52 crores (previous year ₹ 416.18 crores) with original maturity of less than three months.

2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.

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

As per our report of even date attached

For KHANDELWAL JAIN & CO.,
Chartered Accountants

NARENDRA JAIN
Partner
Membership No.:48725

Place : Mumbai
Date : May 27, 2013

For and on behalf of the Board of Directors

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

CHITRA RAMKRISHNA
Managing Director & CEO

Y. H. MALEGAM
Director

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1 Summary of significant accounting policies to the consolidated financial statement (CFS)

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

a) Basis of Accounting

The consolidated financial statements of the Company, its subsidiaries and associate are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1956, Accounting Standard 21 "Consolidated Financial Statements", Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures" as notified by Companies (Accounting Standards) Rules 2006 (as amended) and the related provisions of the Companies Act, 1956.

b) Use of estimates

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

c) Principles of Consolidation

The Consolidated Financial Statements are prepared on the following basis:

i. The financial statements of the parent company, its subsidiaries and jointly controlled entity are consolidated / proportionately consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and transactions resulting in unrealized profits or losses on intra-group transactions and are presented to the extent possible, in the same manner as the Company's independent financial statements except in respect of accounting policy for depreciation on fixed assets.

ii. Interest in jointly controlled entities (incorporated Joint Ventures), if any, is accounted using proportionate consolidation method.

iii. The excess of the cost to the company of its investment in subsidiary / jointly controlled entity over the company's portion of equity of the subsidiary / jointly controlled entity as at the date on which investment in subsidiary / jointly controlled entity is made, is recognized in the financial statement as Goodwill. The excess of Company's share of equity and reserve of the subsidiary / joint venture Company over the cost of acquisition is treated as Capital Reserve.

iv. Investment in associate companies have been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in company's share of net assets of the associate. The carrying amount of investment in associate companies is reduced to recognize any decline which is other than temporary in nature and such determination of decline in value, if any, is made for investment individually.

v. Minority Interests in the CFS is identified and recognized after taking into consideration:

- The amount of equity attributable to minority's at the date on which investments in a subsidiary is made.
- The minority's share of movements in equity since the date parent subsidiary relationships came into existence.

d) The particulars of subsidiaries and associates which are considered for consolidation and the percentage of voting power therein of the company as on 31st March, 2013 are as under:

Name of Company	w.e.f.	Country of Incorporation	Percentage of voting power as at 31st March 2013	Reporting Date	Financial Status Audited / Unaudited	Relationship
National Securities Clearing Corporation Limited	31-Aug-1995	India	100.00%	31-Mar-13	Audited	Subsidiary
NSE. IT Limited	29-Oct-1999	India	100.00%	31-Mar-13	Audited	Subsidiary
NSE. IT (US) Inc.	04-Dec-2006	United States of America	100.00%	31-Mar-13	Unaudited	Subsidiary
DotEx International Limited	02-Jun-2000	India	100.00%	31-Mar-13	Audited	Subsidiary
India Index Services & Products Limited	02-Aug-2006	India	51.00%	31-Mar-13	Audited	Subsidiary's Subsidiary
National Commodity Clearing Limited	04-Aug-2006	India	65.00%	31-Mar-13	Audited	Subsidiary
NSE Infotech Services Limited	02-Aug-2006	India	100.00%	31-Mar-13	Audited	Subsidiary's Subsidiary
NSE Strategic Investment Corporation Limited	31-Jan-2013	India	100.00%	31-Mar-13	Audited	Subsidiary
Power Exchange India Limited	20-Feb-2008	India	32.57%	31-Mar-13	Unaudited	Associate
NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited)	15-Feb-2010	India	25.05%	31-Mar-13	Unaudited	Associate
National Securities Depository Limited (new)	01-Apr-2012	India	25.05%	31-Mar-13	Audited	Associate
Omnesys Technologies Private Limited	2-Jul-2008	India	26.00%	31-Mar-13	Unaudited	Associate
Market Simplified India Limited (Formerly known as INXS Technologies Limited)	30-Nov-2011	India	30.00%	31-Mar-13	Unaudited	Associate

e) Revenue Recognition

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

(ii) Revenue from sale of software product licenses, sale of digital certificates and resale of hardware & software is recognised on dispatch.

(iii) Revenue from e-learning activity is recognised on the basis of enrollment.

(iv) Revenues from software development and maintenance on time and material basis and consultancy charges are recognised based on the terms agreed with the customers.

(v) Revenue from IT & Process support charges are recognised on accrual basis when services are rendered and there is reasonable certainty of ultimate realization.

(vi) Clearing and Settlement charges, IT & support charges are recognized on accrual basis as and when the services are rendered.

(vii) Revenue from subscription fees received for dissemination of data (data feed) is recognised on time proportion method.

(viii) Penal Charges, in the year of declaration of default, in respect of shortages due from the respective member, are booked to the extent such charges are recoverable.

(ix) Interest is recognized on time proportionate basis taking into consideration the amount outstanding and the rate applicable.

(x) Income from dividend is accounted as and when such dividend has been declared and the Company's right to receive payment is established.

(xi) Income excludes applicable taxes and other levies

(xii) Provision for Doubtful debts and Bad Debts.

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

(b) Other overdue amounts are provided for as doubtful debts or are written off as bad debts, if the same are considered doubtful / irrecoverable in the opinion of the management.

f) Expenditure

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

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

g) Fixed Assets

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

h) Depreciation

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

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

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

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

(ii) Leasehold land is amortised over the period of lease.

(iii) Computer Software is amortized over a period of 4 years

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

(iv) In case of Subsidiary National Commodity Clearing Limited Depreciation on Office Equipment is provided using Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956 and in case of DotEx International Limited Depreciation on Office Equipment is provided @ 25% based on estimated useful life of assets at the following rates which are higher than those prescribed in Schedule XIV (Inserted by the Companies (Amendment) Act, 1988 and Notification GSR No. 756E dated 16th December, 1993) to the Companies Act, 1956.

i) Computer software

(i) Cost of development and production software is capitalised,

(ii) Cost towards software development incurred till the time software is put to use is capitalised, and

(iii) Standard packaged software products are written off in the year of purchase in case of Parent Company.

j) Impairment of Assets

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

k) Investments

(i) Long term investments are considered as held till maturity and are valued at cost. Provision is made for diminution in the value of investment, if any, other than temporary in nature.

(ii) Short term investments are valued at cost or fair value whichever is lower.

(iii) Premium paid/discount received at the time of acquisition of Government / Debt securities is amortised over the residual period of its maturity.

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

l) Foreign currency transactions

(i) Transactions denominated in foreign currency are recorded at the exchange rate prevailing at the time of the transaction.

(ii) Monetary items denominated in foreign currency at the year end are translated at the year end rate except for those covered by forward cover contracts which are translated at contracted rates.

(iii) Any income or expense on account of exchange difference between the date of transaction and settlement or translation is recognised in the profit and loss account as income or expense. The premium or discount on forward exchange contract are amortised and recognized in the profit and loss account over the period of contract.

m) Forward Exchange Contract

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

n) Inventory

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

o) Employee Benefits

(i) Provident Fund: The parent company has established 'National Stock Exchange of India Limited Employee Provident Fund Trust' and one of the subsidairy, NSE Infotech Services Limited has established 'NSE Infotech Services Limi ted Employee Provident Fund Trust' to which both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively. Such contribution to the provident fund for all employees, are charged to revenue. In case of any liability arising due to shortfall between the return from its investments

and the administered interest rate, the same is required to be provided for by the respective companies.

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

(ii) Superannuation: Superannuation benefits for employees designated as chief managers and above are covered by group policies with the Life Insurance Corporation of India. Company's contribution payable for the year is charged to revenue. There are no other obligations other than the annual contribution payable.

(iii) Gratuity: The Company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The Company provides for the defined benefit with respect to gratuity liability based on the present value of defined benefit obligation as reduced by the fair value of plan assets as per the actuarial valuation calculation.

(iv) Other Long term benefits: Liability on account of other long term benefits such as Leave encashment, medical reimbursement and Leave Travel Allowance is made on the basis of actuarial valuation at the end of the year.

(v) Short term employee benefits are charged to revenue in the year in which the related service is rendered.

p) Taxation

Tax expense for the year, comprising current tax and deferred tax is included in determining the net profit for the year.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted tax rates.

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

q) Provisions, contingent liabilities & contingent assets :-

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

r) Earning Per Share:-

Basic and diluted earning per share is computed by dividing the net profit attributable to equity shareholders for the year, by weighted average number of equity shares outstanding during the year.

s) Cash and cash equivalents

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

2 Share Capital

	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Authorised 5,00,00,000 (Previous Year 5,00,00,000) Equity Shares of Rs 10 each.	50.00	50.00
Issued, Subscribed and Paid-up 4,50,00,000 (Previous year 4,50,00,000) Equity shares of ₹10 each fully paid up.	45.00	45.00
Total	**45.00**	45.00

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

The company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

The Board of Directors, in the meeting May 27, 2013, proposed a dividend ₹ 50 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended Mar 31, 2013 amounted to ₹ 225 crores excluding Dividend Distribution Tax.

The Board of Directors, in the meeting May 14, 2012, proposed a dividend ₹ 40 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended Mar 31, 2012 amounted to ₹ 180 crores excluding Dividend Distribution Tax.

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

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

	As at 31.03.2013		As at 31.03.2012	
	No.	% holding	No.	% holding
Life Insurance Corporation of India	**4,728,500**	**10.51%**	4,728,500	10.51%
State Bank of India	**4,587,500**	**10.19%**	4,587,500	10.19%
Infrastructure Development Finance Company Limited	**2,947,990**	**6.55%**	2,947,990	6.55%
IFCI Limited	**2,497,750**	**5.55%**	2,497,750	5.55%

3 Reserves and surplus

	As at 31.03.2013 (₹ in Crores)		As at 31.03.2012 (₹ in Crores)	
Share premium				
As per last balance sheet		40.00		40.00
Special Contingency Reserve				
As per last balance sheet	-		220.00	
Less : Transferred to General Reserve account	-	-	220.00	-
Investor compensation reserve				
As per last balance sheet	10.00		10.00	
Less : Expenses Transferred from Profit & Loss account	-		0.06	
Add : Transferred from surplus balance in the statement of profit & loss account	-	10.00	0.06	10.00
Capital Redemption Reserve				
As per last balance sheet		10.00		10.00
Staff welfare reserve				
As per last balance sheet	1.50		1.00	
Less: Expenses incurred Transferred from profit & loss account	-		0.50	
Add : Transferred from surplus balance in the statement of profit & loss account	-	1.50	1.00	1.50
Capital Reserve (on consolidation)		39.39		39.39
Currency Translation Reserve		0.17		0.10
General reserve				
As per last balance sheet	4,178.51		3,506.88	
Add : Transferred from surplus balance in the statement of profit & loss account	458.65		451.63	
Add : Transferred from Special Contingency Reserve	-		220.00	
Add : Transferred from Technology Upgradation Reserve	-	4,637.16	-	4,178.51
Surplus/(deficit) in the statement of profit and loss				
Balance as per last financial statements	477.94		262.69	
Profit for the year	857.01		895.90	
Excess provision of Dividend Distribution Tax reversed	29.20		15.33	
Less : Appropriations				
Transfer to general reserve	458.65		451.63	
Transfer to Investor compensation reserve	-		0.06	
Proposed dividend	225.00		180.00	
Tax on proposed dividend	38.64		63.29	
Transfer to Staff welfare reserve	-	641.86	1.00	477.94
Total reserves and surplus		5,380.08		4,757.44

4 Deposits (Unsecured)

	Non-current		Current	
	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Deposits from trading members	1,056.29	1,073.24	1.29	0.48
Deposits from applicants for membership	-	-	5.35	6.64
Deposits towards equipments	21.15	43.43	19.17	-
Security Deposit from Clearing Members	329.05	328.21	6.10	4.15
Security Deposit in lieu of Bank Guarantee/securities	61.86	60.13	0.51	0.50
Deposits from Clearing Banks	139.00	116.50	-	-
Total	**1,607.35**	1,621.51	**32.42**	11.77

5 Deferred Tax liabilities (net)

	As at 31.03.2013 (₹ in Crores)		As at 31.03.2012 (₹ in Crores)	
Deferred Tax Liabilities				
Related to depreciation and other expenditure	14.57		13.83	
Related to other items	0.40		0.31	
Total (A)		14.97		14.14
Less : Deferred Tax Assets				
Related to disallowance u/s 43B	8.08		4.94	
Related to depreciation and other expenditure	0.19		0.20	
Related to other items	-		-	
Total (B)		8.27		5.14
Net Deferred Tax liabilities (A-B)		**6.70**		9.00

6 Other liabilities

	Long Term		Short Term	
	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Trade payables	-	-	5.41	18.45
	-	-	**5.41**	18.45
Others				
Deposit - Premises	28.10	28.00	-	-
Deposit - Others	5.39	5.39	-	-
Liability for expenses	-	-	62.47	85.59
Creditors for Capital expenditure	-	-	22.53	9.45
Margins from Members	-	-	641.22	596.46

	Long Term		Short Term	
	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Settlement Obligation payable	-	-	1,625.36	2,115.79
Amount payable to NSEIL IPFT	-	-	3.90	1.11
Security deposit	-	-	53.12	65.79
Deposit - premises	-	-	1.52	0.25
Unpaid matured deposits	-	-	0.07	0.07
Other deposits	-	-	1.21	1.11
Income received in advance	-	-	27.22	28.83
Securities Transaction Tax payable	-	-	71.45	124.12
Statutory dues - payable	-	-	16.51	21.40
Defaulters committee account	-	-	53.36	50.02
Deposits of defaulters members - SEBI	-	-	0.16	0.14
Advance received against sale of shares *	-	-	1.57	-
Other liabilities	-	-	100.44	32.17
	33.49	33.39	**2,682.11**	3,132.30
Total	**33.49**	33.39	**2,687.52**	3,150.75

* The Company has entered into an agreement with another company, for sale of equity shares of its subsidiary company viz. National Commodity Clearing Limited. Pending transfer of shares, the part amount received towards the same has been shown as advance

7 Provision

	Long - term		Short - Term	
	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Provision for employee benefits				
Medical benefits	-		0.94	1.44
Provision for Leave Travel allowance	-		2.58	3.07
Provision for gratuity	0.63	1.41	5.68	2.07
Provision for Leave encashment	1.99	1.71	8.08	7.83
	2.62	3.12	**17.28**	14.41
Other Provisions				
Income tax (net of advance tax including TDS)	-	-	54.09	51.16
Wealth Tax	-	-	1.38	1.31
Fringe Benefit Tax	-		0.07	0.07
Proposed Dividend	-	-	225.00	180.00
Corporate Dividend Tax	-	-	38.64	63.29
	-	-	**319.18**	295.83
Total	**2.62**	3.12	**336.46**	310.24

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

(₹ in Crores)

SR NO	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As On April 1, 2012	Additions 2012-2013	eductions 2012-2013	As On March 31, 2013	Total Upto March 31, 2012	For The Year	Deduc-tions / Amorti-sations 2012-2013	Total Upto March 31,2013	As On March 31, 2013	As On March 31, 2012
	Tangible Assets										
1	Building	172.37	3.35	0.02	175.70	23.60	2.94	0.01	26.53	149.17	148.77
2	Clearing and Settlement Systems	22.81	3.89	0.19	26.51	19.99	1.91	0.19	21.71	4.80	2.82
3	Computer Systems Office Automation	25.72	2.17	2.85	25.04	17.51	3.31	2.83	17.99	7.05	8.21
4	Computer Systems Others	67.47	21.18	0.47	88.18	42.46	13.14	0.44	55.16	33.02	25.01
5	Electrical Equipment & Installations	40.72	13.38	1.03	53.07	13.44	2.61	0.51	15.54	37.53	27.28
6	Furniture & Fixtures	32.63	4.72	2.01	35.34	18.32	2.16	0.95	19.53	15.81	14.31
7	Land	3.31	31.07	0.00	34.38	0.00	0.00	0.00	0.00	34.38	3.31
8	Leasehold Land	107.61	0.01	0.00	107.62	21.23	1.30	0.00	22.53	85.09	86.38
9	Office Equipments	50.10	8.61	2.15	56.56	26.20	4.66	1.61	29.25	27.31	23.90
10	Telecommunication Systems	199.23	26.27	93.80	131.70	171.64	18.26	93.46	96.44	35.26	27.59
11	Trading Systems	153.95	8.79	0.00	162.74	125.88	17.25	0.00	143.13	19.61	28.07
	TOTAL (A)	875.92	123.44	102.52	896.84	480.27	67.54	100.00	447.81	449.03	395.65
	Intangible Assets										
12	Computer Software	134.58	13.01	0.00	147.61	90.17	17.96	0.00	108.14	39.47	44.41
13	Software Copy Rights	2.59	0.00	0.00	2.59	2.59	0.00	0.00	2.59	0.00	0.00
	TOTAL (B)	137.17	13.01	0.00	150.20	92.76	17.96	0.00	110.73	39.47	44.41
	TOTAL (A + B)	1,013.09	136.45	102.52	1,047.04	573.03	85.50	100.00	558.54	488.50	440.06
	Previous Year Total	987.06	81.23	55.20	1,013.09	528.93	98.19	54.09	573.03	440.06	0.00

9 - NON CURRENT INVESTMENTS

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹ in Crores)	Number of Units	As at 31.3.2012 (₹ in Crores)
I	**INVESTMENTS IN EQUITY SHARES (VALUED AT COST UNLESS STATED OTHERWISE)**							
A)	**QUOTED EQUITY SHARES**							
	IN OTHER COMPANIES							
	MCX LIMITED		1,250,000	10	10,000,000	1.00	1,250,000	1.00
				Sub-Total (i)		**1.00**		**1.00**
B)	**UNQUOTED EQUITY SHARES**							
	IN ASSOCIATE COMPANY							
	NSDL E-GOVERNANCE INFRASTRUCTURE LTD. (EXTENT OF HOLDING 25.05%) *		10,018,000	10	100,180,000	100.59	20,036,001	149.10
	NATIONAL SECURITIES DEPOSITORY LTD. (EXTENT OF HOLDING 25.05%) *		10,018,000	10	100,180,000	65.10		
	POWER EXCHANGE INDIA LTD. (EXTENT OF HOLDING 32.57%)		15,000,030	10	150,000,300	5.36	13,000,030	6.22
	OMNESYS TECHNOLOGIES PVT. LTD. (EXTENT OF HOLDING 26%)		833,990	10	8,339,900	14.66	833,990	12.32
	MARKET SIMPLIFIED INDIA LIMITED (EXTENT OF HOLDING 32.50%)		4,505,175	10	45,051,750	8.48	4,505,175	8.50
				Sub-Total (ii)		**194.19**		**176.14**
	IN OTHER COMPANIES							
	NATIONAL COMMODITY & DERIVATIVE EXCHANGE LTD.		5,067,577	10	50,675,770	15.20	5,067,577	15.20
				Sub-Total (iii)		**15.20**		**15.20**
				Total (I)		**210.39**		**192.34**

* Till last year, Company was holding equity investment in the National Securities Depositories Limited. The same has been renamed as NSDL e-governance Infrastructure Limited. During the year, the NSDL e-governance Infrastructure Limited has demerged and transferred its depository operation to a new entity namely National Securities Depositories Limited (new). In view of the same, the investment in NSDL e-governance Infrastructure Limited (erstwhile National Securities Depositories Limited (old) has been bifurcated in the ratio of book value of two new companies namely NSDL e-governance Infrastructure Limited and National Securities Depositories Limited (new).

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹ in Crores)	Number of Units	As at 31.3.2012 (₹ in Crores)
II	INVESTMENTS IN PREFERENCE SHARES							
	UNQUOTED PREFERENCE SHARES							
	IN ASSOCIATE COMPANY							
	10% OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES OF POWER EXCHANGE OF INDIA LIMITED		5,000,000	10	50,000,000	5.00	5,000,000	5.00
	(These shares are redeemable or convertible on or before 31-Mar-2014 at par i.e. ₹10.00 each)							
				Total (II)		5.00		5.00
III	QUOTED BONDS							
	TAX FREE BONDS							
	5.25% NUCLEAR POWER CORPORATION OF INDIA LIMITED	23-Mar-14	200	1,000,000	200,000,000	-	200	20.00
	6.00% INDIAN RAILWAY FINANCE CORPORATION LIMITED	8-Mar-15	1,000	100,000	100,000,000	10.00	1,000	10.00
	6.05% INDIAN RAILWAY FINANCE CORPORATION LIMITED	20-Dec-15	1,000	100,000	100,000,000	10.00	1,000	10.00
	6.85 % INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED - 2014	22-Jan-14	100	100,000	10,000,000	-	100	1.01
	6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED	20-Mar-14	3,250	302,954	984,600,000	-	3,250	32.67
	6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED	22-Jan-14	6,596	100,000	659,600,000	-	6,596	66.27
	6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED - 2014	22-Jan-14	100	100,000	10,000,000	-	100	1.02
	6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED - SERIES I - 22 JAN 2014	22-Jan-14	6,750	100,000	675,000,000	-	6,750	67.79
	6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED - SERIES II - 20 MAR 2014	20-Mar-14	2,875	100,000	287,500,000	-	2,875	28.88
	7.93 % RURAL ELECTRIFICATION CORPORATION LIMITED	27-Mar-22	61,238	1,000	61,238,000	6.12	61,238	6.12
	8.00% INDIAN RAILWAY FINANCE CORPORATION LIMITED	23-Feb-22	65,252	1,000	65,252,000	6.52	65,252	6.54

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹ in Crores)	Number of Units	As at 31.3.2012 (₹ in Crores)
	8.09% POWER FINANCE CORPORATION LIMITED	25-Nov-21	500	100,000	50,000,000	5.00	2,000	20.00
	8.20% NATIONAL HIGHWAYS AUTHORITY OF INDIA	25-Jan-22	37,172	1,000	37,172,000	3.72	74,172	7.42
	8.20% POWER FINANCE CORPORATION LIMITED	1-Feb-22	135,436	1,000	135,436,000	13.61	135,436	13.62
	7.18 % INDIAN RAILWAY FINANCE CORPORATION LIMITED	19-Feb-23	300,000	1,000	300,000,000	30.00	-	-
	9% INDIAN RAILWAY FINANCE CORPORATION LIMITED	28-Feb-15	200	1,000,000	200,000,000	20.50	200	20.77
				Sub-Total (i)		105.47		312.11
	TAXABLE BONDS							
	5.75% NUCLEAR POWER CORPORATION OF INDIA LIMITED	14-Aug-13	400	100,000	40,000,000	-	400	4.00
	11.25% POWER FINANCE CORPORATION LIMITED	28-Nov-18	100	1,000,000	100,000,000	10.97	-	-
	9.66% POWER FINANCE CORPORATION LIMITED	15-Apr-17	100	1,000,000	100,000,000	10.13	-	-
	9.70% POWER FINANCE CORPORATION LTD	15-Dec-18	50	1,000,000	50,000,000	5.16	-	-
	11.50% GOVERNMENT OF INDIA SECURITY	21-May-15	300	100	30,000	-	300	-
				Sub-Total (ii)		26.26		4.00
				Total (III)		131.73		316.11
IV	QUOTED							
	DEBENTURES							
	9.55% HOUSING DEVELOPMENT FINANCE CORPORATION LTD	7-Sep-15	50	1,000,000	50,000,000	5.03	-	-
	9.60% HOUSING DEVELOPMENT FINANCE CORPORATION LTD	18-Jul-15	200	1,000,000	200,000,000	20.12	-	-
	9.70% HOUSING DEVELOPMENT FINANCE CORPORATION LTD	16-Apr-15	250	1,000,000	250,000,000	25.19	-	-
				Total (IV)		50.34		-
V	QUOTED							
	GOVERNMENT SECURITIES							
	8.33% GOVERNMENT SECURITY 2026	9-Jul-26	10,000	10,000	100,000,000	10.32	-	-
	8.20% GOVERNMENT SECURITY 2025	24-Sep-25	5,000	10,000	50,000,000	5.09	-	-
				Total (V)		15.41		-

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹ in Crores)	Number of Units	As at 31.3.2012 (₹ in Crores)
VI	MUTUAL FUNDS							
	QUOTED							
	SUNDARAM FIXED TERM PLAN CQ 370 DAYS GROWTH	4-Apr-13	4,000,000	10	40,000,000	-	4,000,000	4.00
	RELIANCE FIXED HORIZON FUND - XXI - SERIES 18-GROWTH PLAN	3-Apr-13	440,000	10	4,400,000	-	440,000	0.44
	SUNDARAM FIXED TERM PLAN - DI - 375 DAYS GROWTH	4-Apr-14	1,000,000	10	10,000,000	1.00	-	0.00
	JPMORGAN INDIA FIXED MATURITY PLAN 400D SERIES 6 - GROWTH PLAN	4-Apr-13	432,700	10	4,327,000	-	432,700	0.43
	RELIANCE FIXED HORIZON FUND - XXI - SERIES 18 - GROWTH	3-Apr-13	150,000	10	150,000	-	150,000	0.15
	Sundaram Fixed Term Plan DF 396 Days Direct Growth	7-Apr-14	628,500	10	6,285,000	0.63	-	-
	CAN LIQUID FUND INSTITUTIONAL GROWTH PLAN		4,279	1,168	5,000,000	0.50	4,279	0.50
	HDFC CASH MANAGEMENT SAVING PLAN GROWTH		579,494	13	7,792,359	0.78	579,494	0.78
	DSP MERILL LYNCH LIQUIDITY FUND - GROWTH		302,847	17	5,000,000	0.50	302,847	0.50
	UTI LIQUID CASH PLAN REGULAR - GROWTH		4,522	1,106	5,000,000	0.50	4,522	0.50
				Total (VI)		3.91		7.30
				GRAND TOTAL (I+II+III+IV+V+VI)		416.78		520.75

Notes :

	As at 31.3.2013 ₹ in Crores	As at 31.3.2012 ₹ in Crores
(a) Aggregate Book Value - Quoted Investments	202.39	324.41
(b) Aggregate Market Value of Quoted Investments	309.93	488.42
(c) Aggregate Book Value - Unquoted Investments	214.39	196.34

Note : Investment in associates include goodwill of ₹ 73.03 crores (Previous Year : ₹ 71.03 crores)

10 Deferred Tax Assets (net)

	As at 31.03.2013 (₹ in Crores)		As at 31.03.2012 (₹ in Crores)	
Deferred Tax Assets				
Related to disallowance u/s 43B	0.02		0.03	
Related to depreciation and other expenditure	1.17		0.63	
Related to other items	0.66		0.64	
Total (A)		1.85		1.30
Less : Deferred Tax Liabilities				
Related to depreciation and other expenditure	-		-	
Related to other items	-		-	
Total (B)		-		-
Net Deferred Tax liabilities (A-B)		1.85		1.30

11 Loans and advances

	Long Term		Short Term	
	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Capital advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	2.90	5.68	-	-
(A)	**2.90**	5.68	-	-
Security deposit				
Secured, considered good	-	-	-	-
Unsecured, considered good	7.29	6.72	0.14	-
(B)	**7.29**	6.72	**0.14**	-
Loan and advances to related parties				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
(C)	-	-	-	-
Advances recoverable in cash or kind				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	21.46	16.48
(D)	-	-	**21.46**	16.48
Other loans and advances (unsecured, considered good)				
Loans to employees	-	0.01	-	0.03
Income Tax paid including TDS (Net of Provisions)	62.40	59.32	9.19	9.87
Sales Tax Refund	0.08	0.11	-	
Fringe Benefit Tax (Net of Provisions)	2.21	2.21	0.14	-

	Long Term		Short Term	
	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Wealth Tax (Net of Provisions)	0.02	0.02		
Prepaid Expenses	1.22	0.40	11.07	12.38
Securities Transaction Tax paid	10.59	10.59	-	-
Share Application Money - Goods and Service Tax Network	1.00	-	-	-
Others	0.12	0.12	0.64	0.15
(E)	**77.64**	72.78	**21.04**	22.43
Total (A+B+C+D+E)	**87.83**	85.18	**42.64**	38.91

	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Loans to employees includes		
Due from executive directors	-	0.01

12 Other assets

	Non-current		Current	
	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Unsecured, considered good unless stated otherwise				
Non-current bank balances (note no.16)	1,068.97	1,033.72	-	-
Other receivable (Unsecured, considered good)	-	-	5.75	5.13
	1,068.97	1,033.72	**5.75**	5.13
Others				
Interest accrued on Investments	1.45	2.04	50.86	28.52
Interest accrued on certificate of deposits	-	-	1.53	2.82
Interest accrued on Bank deposits	25.71	37.09	279.18	173.69
Other receivables (Unsecured, considered good)			30.60	12.55
	27.16	39.13	**362.17**	217.58
Total	**1,096.13**	1,072.85	**367.92**	222.71

13 - CURRENT INVESTMENTS

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹ in Crores)	Number of Units	As at 31.3.2012 (₹ in Crores)
I	CURRENT PORTION OF LONG TERM INVESTMENTS (valued at lower of cost or fair value, unless stated otherwise)							
A)	BONDS							
	QUOTED TAXABLE BONDS							
	7.10 % POWER FINANCE CORPORATION	15-Jul-12	20	1,000,000	20,000,000	-	30.00	3.00
	6.35% EXPORT-IMPORT BANK OF INDIA	16-Jul-13	1	10,000,000	10,000,000	0.99	-	-
	9.45% RURAL ELECTRIFICATION CORPORATION LTD	4-Apr-13	184	1,000,000	184,000,000	18.40	-	-
	9.48% INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED	14-Oct-13	250	1,000,000	250,000,000	25.00	-	-
	5.75 % NUCLEAR POWER CORPORATION OF INDIA LIMITED	14-Aug-13	400	200,000	40,000,000	3.95	-	-
				Sub-Total (i)		48.34		3.00
	QUOTED TAX FREE BONDS							
	5.25% NUCLEAR POWER CORPORATION OF INDIA LIMITED 2014	23-Mar-14	200	1,000,000	200,000,000	19.80	-	-
	6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED - SERIES I - 22 JAN 2014	22-Jan-14	13,546	100,000	1,354,600,000	135.73	-	-
	6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED - SERIES II - 20 MAR 2014	20-Mar-14	6,125	100,000	612,500,000	61.36	-	-
				Sub-Total (ii)		216.89		-
B)	MUTUAL FUNDS							
	QUOTED FIXED MATURITY PLANS							
	BIRLA SUN LIFE FIXED TERM PLAN SERIES CY GROWTH	28-Apr-12	10,000,000	10	100,000,000	-	10,000,000	10.00
	BIRLA SUN LIFE FIXED TERM PLAN SERIES DB GROWTH	21-May-12	515,000	10	5,150,000	-	515,000	0.52
	BIRLA SUN LIFE FIXED TERM PLAN SERIES DT GROWTH	29-Nov-12	2,000,000	10	20,000,000	-	2,000,000	2.00
	BIRLA SUN LIFE FTP - SERIES DD - GROWTH	7-Jun-12	5,000,000	10	50,000,000	-	5,000,000	5.00

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹ in Crores)	Number of Units	As at 31.3.2012 (₹ in Crores)
	DSP BLACKROCK FMP - 12 MONTHS - SERIES 20 - GROWTH	31-May-12	6,001,105	10	60,011,053	-	6,001,105	6.00
	DSP BLACKROCK FMP - SERIES 23 - 12M - GROWTH	13-Dec-12	790,000	10	7,900,000	-	790,000	0.79
	DWS FIXED TERM FUND - SERIES 80 - GROWTH PLAN	2-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00
	DWS FTF - SERIES 80 - GROWTH	2-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00
	DWS FTF - SERIES 83 - GROWTH	11-Jun-12	5,000,000	10	50,000,000	-	5,000,000	5.00
	FIDELITY FMP SERIES 6 - PLAN F - GROWTH	21-Jan-13	350,061			-	350,061	0.35
	HDFC FMP - 370D - JUN 2011 (18) - 3 - GROWTH	26-Jun-12	5,000,000	10	50,000,000	-	5,000,000	5.00
	HDFC FMP - 370D - MAY 2011 (18) - 1 - GROWTH	29-May-12	5,900,000	10	50,000,000	-	5,900,000	5.90
	HDFC FMP 370D JANUARY 2012 (2) - GROWTH - SERIES XIX	14-Jan-13	940,000	10	9,400,000	-	940,000	0.94
	ICICI PRUDENTIAL FMP - S 54 - 1 YEARS - PLAN D - GROWTH	25-Apr-12	5,000,000	10	50,000,000	-	5,000,000	5.00
	ICICI PRUDENTIAL FMP - S 55 - 1 YEARS - PLAN G - GROWTH	21-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00
	ICICI PRUDENTIAL FMP - S 56 - 1 YEARS - PLAN E - GROWTH	30-Apr-12	5,000,000	10	50,000,000	-	5,000,000	5.00
	ICICI PRUDENTIAL FMP SERIES 57 - 1 YEAR PLAN A CUMULATIVE	4-Jun-12	1,000,000	10	10,000,000	-	1,000,000	1.00
	ICICI PRUDENTIAL FMP SERIES 62 - 1 YEAR PLAN B CUMULATIVE	25-Feb-13	1,000,000	10	10,000,000	-	1,000,000	1.00
	ICICI PRUDENTIAL FMP SERIES 62 - 1 YEAR PLAN C CUMULATIVE	1-Mar-13	1,000,000	10	10,000,000	-	1,000,000	1.00
	KOTAK FIXED MATURITY PLAN - SERIES 44 - 370 DAYS - GROWTH	25-Apr-12	5,000,000	10	50,000,000	-	5,000,000	5.00
	KOTAK FMP - SERIES 45 (370 DAYS) - GROWTH	9-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00
	KOTAK FMP - SERIES 46 (370 DAYS) - GROWTH	28-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00
	KOTAK FMP - SERIES 52 (370 DAYS) - GROWTH	9-Jul-12	5,000,000	10	50,000,000	-	5,000,000	5.00
	RELIANCE FHF 19 - SERIES 4 - GROWTH	9-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00
	RELIANCE FIXED HORIZON FUND - XXI - SERIES 14-GROWTH PLAN	26-Nov-12	1,000,000	10	10,000,000	-	1,000,000	1.00
	RELIGARE FIXED MATURITY PLAN - SERIES X - PLAN F (371 DAYS) - GROWTH	3-Dec-12	1,000,000	10	10,000,000	-	1,000,000	1.00
	RELIGARE FMP - SERIES VII - PLAN A - GROWTH	16-Apr-12	5,000,000	10	50,000,000	-	5,000,000	5.00
	RELIGARE FMP - SERIES VII - PLAN C - GROWTH	15-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹ in Crores)	Number of Units	As at 31.3.2012 (₹ in Crores)
	RELIGARE FMP - SERIES X - PLAN F - GROWTH	3-Dec-12	1,000,000			-	1,000,000	1.00
	RELIGARE FMP Series XIII Plan A - 370 Days - Growth	6-Mar-13	570,000	10	5,700,000	-	570,000	0.57
	SBI DEBT FUND SERIES - 367 DAYS - 11 - GROWTH	23-Nov-12	1,000,000	10	10,000,000	-	1,000,000	1.00
	SBI DEBT FUND SERIES - 370 DAYS - 15 - GROWTH	29-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00
	SBI MAGNUM DFS - 370 DAYS - 15 - GROWTH	29-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00
	SUNDARAM FIXED TERM PLAN CB 366 DAYS GROWTH	3-Dec-12	1,000,000	10	10,000,000	-	1,000,000	1.00
	TATA FMP - SERIES 34 - PLAN B - GROWTH	21-May-12	5,009,198	10	50,091,980	-	5,009,198	5.01
	UTI FIXED TERM INCOME FUND - SERIES X - IX (368 DAYS) - GROWTH PLAN	25-Feb-13	1,000,000	10	10,000,000	-	1,000,000	1.00
	UTI FTIF - SERIES IX - PLAN 2 - GROWTH	16-Apr-12	5,000,000	10	50,000,000	-	5,000,000	5.00
	UTI FTIF - SERIES IX - PLAN 4 - GROWTH	21-May-12	5,000,000	10	50,000,000	-	5,000,000	5.00
	RELIANCE FIXED HORIZON FUND - XXI - SERIES 18-GROWTH PLAN	3-Apr-13	440,000	10	4,400,000	0.44	-	-
	RELIANCE FIXED HORIZON FUND - XXI - SERIES 18-GROWTH PLAN	3-Apr-13	150,000	10	1,500,000	0.15	-	-
	JPMORGAN INDIA FIXED MATURITY PLAN 400D SERIES 6 - GROWTH PLAN	4-Apr-13	432,700	10	4,327,000	0.43	-	-
	BARODA PIONEER FIXED MATURITY PLAN - 366 DAYS - SERIES A - GROWTH	6-Mar-14	1,000,000	10	10,000,000	1.00	-	-
				Sub-Total (iii)		2.02		136.08
	UNQUOTED MUTUAL FUNDS							
	AXIS TREASURY ADVANTAGE FUND - INSTITUTIONAL DAILY DIVIDEND		11,565.74	1,000.11	11,567,057	1.16	10,820.72	1.08
	CANARA ROBECO TREASURY ADVANTAGE FUND - RET - DAILY DIVIDEND		4,824.24	1,240.71	5,985,484	0.60	4,640.94	0.58
	DWS CASH OPPORTUNITIES FUND - REG - WEEKLY DIVIDEND		526,567.15	10.11	5,321,200	0.53	491,409.33	0.50
	ICICI PRUDENTIAL FLEXIBLE INCOME PLAN - DAILY DIVIDIEND		72,611.30	105.75	7,678,999	0.77	67,842.59	0.72
	ICICI PRUDENTIAL FLEXIBLE INCOME PLAN - PREMIUM - DAILY DIVIDEND		141,961.25	-		-	141,961.25	1.50

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹ in Crores)	Number of Units	As at 31.3.2012 (₹ in Crores)
	IDFC MONEY MANAGER FUND -TREASURY PLAN - INST PLAN B - DAILY DIV		233,943.15	-		-	233,943.15	0.24
	JM MONEY MANAGER FUND - SUPER PLUS PLAN - DAILY DIVIDEND		801,068.96	10.0053	8,014,964	0.80	747,469.18	0.75
	JP MORGAN INDIA TREASURY FUND - SUPER IP - DAILY DIVIDEND		1,224.48	10.01	12,256	-	373,872.47	0.37
	RELIANCE LIQUID FUND -TREASURY PLAN - INSTITUTIONAL OPTION - DAILY DIVIDEND		10,642.48	1,528.74	16,269,589	1.63	388,556.39	0.59
	RELIGARE ULTRA SHORT TERM FUND - IP - DAILY DIVIDEND		13,346.37	1,001.72	13,369,287	-	13,346.37	1.34
	TEMPLETON INDIA ULTRA SHORT BOND FUND - IP - DIVIDEND		975,067.70	10.01	9,761,500	0.98	934,375.19	0.94
	TEMPLETON INDIA ULTRA SHORT BOND FUND - IP - WEEKLY DIVIDEND		1,160,273.29	10.20	11,833,306	1.18	1,111,173.60	1.13
	UTI TREASURY ADVANTAGE FUND - IP - DLY DIVIDEND		739.40	1,000.28	739,607	0.07	1,629.62	0.15
	CANARA ROBECO TREASURY ADVANTAGE FUND - REGULAR - DAILY DIVIDEND		112.99	1,240.71	140,194	0.01	-	-
	JM HIGH LIQUIDITY - REGULAR - DAILY DIVIDEND		413,524.36	10.43	4,313,142	0.43	-	-
	TEMPLETON INDIA ULTRA SHORT BOND FUND SUPER INST PLAN - DAILY DIVIDEND REINVEST		25,770.11	10.02	258,098	0.03	-	-
	TEMPLETON INDIA ULTRA SHORT BOND FUND SUPER INSTITUTIONAL PLAN - WEEKLY DIVIDEND		31,074.58	10.10	313,810	0.03	-	-
	AXIS TREASURY ADVANTAGE FUND - GROWTH - DIRECT PLAN		24,802.40	1,284.35	31,855,000	3.19	-	-
	AXIS TREASURY ADVANTAGE FUND - IP - GROWTH		15,850.17	1,234.50	19,567,000	1.96	-	-
	ICICI PRUDENTIAL FLEXIBLE INCOME - REGULAR PLAN - GROWTH		246,205.44	207.45	51,075,000	5.11	-	-
	JP MORGAN INDIA TREASURY FUND - SUPER IP - GROWTH		4,533,214.81	14.69	66,596,000	6.66	-	-
	RELIANCE MONEY MANAGER FUND - GROWTH		22,458.97	1,555.19	34,928,000	3.49	-	-
	SBI ULTRA SHORT TERM DEBT FUND - DIRECT PLAN - GROWTH		19,221.81	1,483.21	28,510,000	2.85	-	-
	SBI SHDF - ULTRA SHORT TERM - IP - GROWTH		5,651.85	1,450.14	8,196,000	0.82	-	-
	SBI SHDF - ULTRA SHORT TERM - REGULAR - GROWTH		16,400.72	1,466.46	24,051,000	2.41	-	-

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹ in Crores)	Number of Units	As at 31.3.2012 (₹ in Crores)
	SUNDARAM ULTRA SHORT TERM - DIRECT PLAN - GROWTH		2,403,328.55	15.84	38,067,000	3.81	-	-
	UTI TREASURY ADVANTAGE FUND - GROWTH		22,699.39	1,539.69	34,950,000	3.50	-	-
	UTI TREASURY ADVANTAGE FUND GROWTH - DIRECT PLAN		11,488.99	1,566.72	18,000,000	1.80	-	-
	AXIS LIQUID FUND - DAILY DIVIDEND - DIRECT PLAN		2,886.69	1,000.11	2,887,011	0.29	-	-
	JM HIGH LIQUIDITY - DAILY DIVIDEND - DIRECT PLAN		289,362.86	10.43	3,018,112	0.30	-	-
	JM HIGH LIQUIDITY - REGULAR PLAN - DAILY DIVIDEND		888,733.78	10.43	9,269,671	0.93	-	-
	KOTAK FLOATER - SHORT TERM - DAILY DIVIDEND		3,422.19	1,011.62	3,461,951	0.35	-	-
	RELIANCE LIQUID FUND - TREASURY PLAN - DAILY DIVIDEND OPTION - REINVEST		3,449.73	1,528.74	5,273,733	0.53	-	-
	RELIGARE LIQUID FUND - INSTITUTIONAL DAILY DIVIDEND		528.67	1,000.22	528,785	0.05	-	-
	RELIGARE LIQUID FUND - SUPER INSTITUTIONAL DAILY DIVIDEND		63.45	1,000.78	63,495	0.01	-	-
	TATA LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND		3,846.26	1,114.52	4,286,738	0.43	-	-
	TEMPLETON INDIA TR MGT ACCOUNT- SUPER INST PLAN-DAILY DIV		3.80	1,000.46	3,803	0.00	-	-
	TEMPLETON INDIA TREASURY MANAGEMENT ACCOUNT- INSTITUTIONAL PLAN-DAILY DIVIDEND -		148.90	1,000.67	148,996	0.01	-	-
							-	-
	AXIS TREASURY ADVANTAGE FUND - GROWTH - DIRECT PLAN		6,740.46	1,281.81	8,640,000	0.86	-	-
	AXIS TREASURY ADVANTAGE FUND - IP - GROWTH		34,046.37	1,246.04	42,423,000	4.24	-	-
	BARODA PIONEER TREASURY ADVANTAGE FUND - DIRECT PLAN - GROWTH		7,639.69	1,308.95	10,000,000	1.00	-	-
	BARODA PIONEER TREASURY ADVANTAGE FUND - INSTITUTIONAL GROWTH PLAN		15,796.18	1,259.80	19,900,000	1.99	-	-
	ICICI PRUDENTIAL FLEXIBLE INCOME PLAN - GROWTH		96,880.53	212.37	20,575,000	2.06	-	-
	ICICI PRUDENTIAL FLEXIBLE INCOME PLAN PREMIUM - GROWTH		143,509.20	206.96	29,700,000	2.97	-	-
	JP MORGAN INDIA TREASURY FUND - SUPER IP - GROWTH		1,561,432.19	14.55	22,725,000	2.27	-	-
	JPMORGAN INDIA TREASURY FUND - GROWTH		1,999,024.38	14.91	29,800,000	2.98	-	-
	SBI SHDF - ULTRA SHORT TERM - GROWTH		8,519.89	1,469.05	12,516,100	1.25	-	-
	SBI SHDF - ULTRA SHORT TERM - GROWTH - DIRECT PLAN		12,474.28	1,483.05	18,500,000	1.85	-	-

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹ in Crores)	Number of Units	As at 31.3.2012 (₹ in Crores)
	SBI SHDF - ULTRA SHORT TERM - IP - GROWTH		15,444.35	1,448.88	22,377,000	2.24	-	-
	SUNDARAM ULTRA SHORT TERM - DIRECT PLAN - GROWTH		384,246.31	15.87	6,097,670	0.61	-	-
	UTI TREASURY ADVANTAGE FUND - GROWTH		28,025.88	1,541.43	43,200,000	4.32	-	-
	UTI TREASURY ADVANTAGE FUND GROWTH - DIRECT PLAN		6,421.42	1,557.29	10,000,000	1.00	-	-
	KOTAK FLOATER - SHORT TERM - DAILY DIVIDEND		123.95	1,011.62	125,389	0.01	-	-
	RELIGARE LIQUID FUND - DAILY DIVIDEND		55.88	1,000.80	55,926	0.01	-	-
	RELIGARE LIQUID FUND - IP - DAILY DIVIDEND		739.55	1,000.22	739,712	0.07	-	-
	SUNDARAM MONEY FUND - IP - DAILY DIVIDEND		10,885.03	10.10	109,888	0.01	-	-
	SUNDARAM MONEY FUND - REGULAR - DAILY DIVIDEND REINVESTMENT		4,135.57	10.10	41,750	0.00	-	-
	JP MORGAN INDIA TREASURY FUND - SUPER IP - DAILY DIVIDEND		50,732.74	10.10	507,779	0.05	-	-
	UTI TREASURY ADVANTAGE FUND - IP - DLY DIVIDEND		1,005.98	10.10	1,006,196	0.10	-	-
	AXIS TREASURY ADVANTAGE FUND - GROWTH - DIRECT PLAN		2,339.76	1,282.18	3,000,000	0.30		
	JP MORGAN INDIA TREASURY FUND - SUPER IP - GROWTH		467,157.57	14.63	6,836,000	0.68		
	SBI SHDF - ULTRA SHORT TERM - GROWTH - DIRECT PLAN		2,594.44	1,483.17	3,848,000	0.38		
	SBI SHDF - ULTRA SHORT TERM - REGULAR PLAN - GROWTH		2,646.08	1,465.98	3,879,100	0.39		
	SUNDARAM ULTRA SHORT TERM - DIRECT PLAN - GROWTH		378,276.50	15.86	6,000,000	0.60		
	UTI TREASURY ADVANTAGE FUND - GROWTH		14,794.06	1,541.16	22,800,000	2.28		
				Sub-Total (iv)		81.23		9.89
					TOTAL (I)	348.48		148.97

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹ in Crores)	Number of Units	As at 31.3.2012 (₹ in Crores)
II	CURRENT INVESTMENTS (valued at lower of cost or fair value, unless stated otherwise)							
A)	DEBENTURES							
	QUOTED							
	9.15% TATA POWER COMPANY LIMITED	23-Jul-12	60	2,500,000	150,000,000	-	60.00	14.91
	8.40% CAIRN INDIA LIMITED	12-Oct-12	100	1,000,000	100,000,000	-	100.00	9.89
	8.40% SUNDARAM FINANCE LIMITED	19-Nov-12	150	1,000,000	150,000,000	-	150.00	14.81
	8.35% CAIRN INDIA LIMITED	12-Jul-12	150	1,000,000	150,000,000	-	150.00	14.90
	7.00% INDIAN OIL CORPORATION LIMITED	24-Jul-12	150	1,000,000	150,000,000	-	150.00	14.83
	8.25%SUNDARAM FINANCE LIMITED - NCD - 26 JUL 2012	26-Jul-2012	100	1,000,000	100,000,000	-	100.00	9.89
	0% MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED TAXABLE ZCB MAT 16 MAY 2013	16-May-2013	100	1,000,000	100,000,000	9.88	-	-
	0.00% TATA CAPITAL FINANCIAL SERVICES LIMITED - 13SCC - NCD - 30 AUG 2013	30-Aug-2013	150	1,000,000	150,000,000	14.44	-	-
	10.15% L&T FINANCE LIMITED NCD MATURITY 23 MAY 2013	23-May-2013	150	1,000,000	150,000,000	15.00	-	-
	10.47% - MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED - NCD - 17 JUN 2013	17-Jun-2013	200	1,000,000	200,000,000	20.02	-	-
	7.55% NATIONAL HOUSING BANK NCD MATURITY 12 JUL 2013	12-Jul-2013	50	1,000,000	50,000,000	4.97	-	-
	7.70% HINDUSTAN PETROLEUM CORP. LIMITED NCD MATURITY 12 APRIL 2013	12-Apr-2013	150	1,000,000	150,000,000	14.97	-	-
	8.10% - SUNDARAM FINANCE LIMITED - NCD - 25 JUN 2013	25-Jun-2013	50	1,000,000	50,000,000	4.98	-	-
	9.55% INFRASTRUCTURE DEVELOPMENT FINANCE CO LTD - NCD - 12 APR 2013	12-Apr-2013	50	1,000,000	50,000,000	5.00	-	-
	9.75% - SUNDARAM FINANCE LIMITED - NCD - 06 SEP 2013	6-Sep-2013	250	1,000,000	250,000,000	24.96	-	-
	9.9075% INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED - NCD - 14 JUN 2013	14-Jun-2013	250	1,000,000	250,000,000	25.00	-	-
	10.47% - MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED	17-Jun-2013	50	1,000,000	50,000,000	5.01	-	-

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹ in Crores)	Number of Units	As at 31.3.2012 (₹ in Crores)
	11.4% POWER FINANCE CORPORATION LTD	28-Nov-2013	150	1,000,000	150,000,000	15.20	-	-
	9.5% HOUSING DEVELOPMENT FINANCE CORPORATION LTD	12-Sep-2013	50	1,000,000	50,000,000	4.99	-	-
				Sub-Total (v)		164.43		79.23
	UNQUOTED							
	7.45% TATA SONS LIMITED	15-Apr-12	385	1,000,000	385,000,000	-	385.00	38.45
	8.67% AXIS BANK LIMITED	25-Jul-12	150	1,000,000	150,000,000	-	150.00	14.90
				Sub-Total (vi)		-		53.35
B)	MUTUAL FUNDS							
	QUOTED							
	FIXED MATURITY PLANS							
	BIRLA SUN LIFE FTP - SERIES DB - GROWTH	12-May-12	5,000,000	10	50,000,000		5,000,000.00	5.00
	SUNDARAM FIXED TERM PLAN CQ 370 DAYS GROWTH	4-Apr-13	4,000,000	10	40,000,000	4.00	40,000,000.00	-
				Sub-Total (vii)		4.00		5.00
	UNQUOTED							
	LIQUID DIVIDEND PLANS							
	AXIS LIQUID FUND - INSTITUTIONAL - DAILY DIVIDEND		65,402	1,000	65,403,371	-	65,402.26	6.54
	BARODA PIONEER TREASURY ADVANTAGE FUND - INSTITUTIONAL DAILY DIVIDEND PLAN		102,206	1,001	102,298,641	-	102,205.63	10.23
	BIRLA SUN LIFE CASH PLUS - INSTL PREM - DAILY DIVIDEND - REINVESTMENT		3,870	100	387,722	-	3,869.67	0.04
	DWS ULTRA SHORT TERM FUND - INSTITUTIONAL DAILY DIVIDEND		116,200	10	1,164,243	-	116,199.71	0.12
	ICICI PRUDENTIAL FLEXIBLE INCOME PLAN PREMIUM - DAILY DIVIDEND		18,086	106	1,912,520	-	18,085.59	0.19
	ICICI PRUDENTIAL ULTRA SHORT TERM PLAN SUPER PREMIUM WEEKLY DIVIDEND		11,186,353	10	112,444,117	-	11,186,353.27	11.24
	IDFC MONEY MANAGER FUND - TP - SUPER INST PLAN C - DAILY DIVIDEND		569,597	10	5,696,829	-	569,597.44	0.57
	JM HIGH LIQUIDITY FUND - SUPER INSTITUTIONAL PLAN - DAILY DIVIDEND		32,632,935	10	326,867,798	-	32,632,935.40	32.69

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹ in Crores)	Number of Units	As at 31.3.2012 (₹ in Crores)
	JPMORGAN INDIA LIQUID FUND - SUPER INST DAILY DIVIDEND PLAN - REINVEST		118,978	10	1,190,724	-	118,978.39	0.12
	KOTAK FLOATER - SHORT TERM - DAILY DIVIDEND		54,951,346	10	555,898,810	-	54,951,346.31	55.59
	KOTAK FLOATER LONG TERM - DAILY DIVIDEND		132,184	10	1,332,393	-	132,184.44	0.13
	RELIANCE LIQUID FUND - TREASURY PLAN-INSTITUTIONAL OPTION - DAILY DIVIDEND		13,874,648	15	212,107,296	-	13,874,648.16	21.21
	RELIANCE MEDIUM TERM FUND - DAILY DIVIDEND PLAN		1,137,954	17	19,454,248	-	1,137,954.36	1.95
	RELIGARE LIQUID FUND - SUPER INSTITUTIONAL DAILY DIVIDEND		24	1,001	23,897	-	23.88	-
	TATA FLOATER FUND - DAILY DIVIDEND		263,191	10	2,641,281	-	263,191.11	0.26
	TEMPLETON INDIA TREASURY MGMT ACCOUNT SUPER INSTITUTIONAL PLAN - DAILY DIVIDEND		142,364	1,001	142,460,166	-	142,364.35	14.25
	TEMPLETON INDIA ULTRA SHORT BOND FUND SUPER INST PLAN - DAILY DIVIDEND REINVEST		788,590	10	7,895,045	-	788,589.74	0.78
	UTI MONEY MARKET FUND - INSTITUTIONAL PLAN - DAILY DIVIDEND		51	1,003	50,689	-	50.52	0.01
	SUNDARAM MONEY FUND - DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		19,812,703	10	200,157,829	20.02	-	-
	AXIS LIQUID FUND - DAILY DIVIDEND - DIRECT PLAN		100,070	1,000	100,081,312	10.01	-	-
	AXIS LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND - REINVEST		66,934	1,000	66,941,792	6.69	-	-
	BARODA PIONEER LIQUID FUND - PLAN B - DAILY DIVIDEND - REINV (DIRECT PLAN)		431	1,001	431,081	0.04	-	-
	BARODA PIONEER TREASURY ADVANTAGE FUND PLAN B DAILY DIVIDEND REINV (DIRECT PLAN)		103,554	1,001	103,685,701	10.37	-	-
	CANARA ROBECO LIQUID FUND - DIRECT DAILY DIVIDEND REINVESTMENT		3,943	1,006	3,964,808	0.40	-	-
	DWS INSTA CASH PLUS FUND - DIRECT - DAILY DIVIDEND		5,041	100	505,598	0.05	-	-
	HDFC CASH MANAGEMENT FUND - SAVINGS PLAN - DIRECT PLAN - DAILY DIVIDEND REINVEST		52,126	11	554,430	0.06	-	-
	HDFC LIQUID FUND - DIRECT - DAILY DIVIDEND		79,986	10	815,709	0.08	-	-

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹ in Crores)	Number of Units	As at 31.3.2012 (₹ in Crores)
	ICICI PRUDENTIAL FLEXIBLE INCOME - DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		1,778	106	187,961	0.02	-	-
	ICICI PRUDENTIAL LIQUID FUND - DIRECT - DAILY DIVIDEND		11,698	100	1,170,017	0.12	-	-
	ICICI PRUDENTIAL ULTRA SHORT TERM - DIRECT PLAN - WEEKLY DIVIDEND		10,687,942	10	107,246,738	10.73	-	-
	IDBI LIQUID FUND - DAILY DIVIDEND - DIRECT PLAN		252,468	1,000	252,495,530	25.25	-	-
	IDFC CASH FUND - DIRECT - DAILY DIVIDEND		731	1,000	731,651	0.07	-	-
	IDFC MONEY MANAGER FUND - TREASURY PLAN - DIRECT PLAN - DAILY DIVIDEND		52,394	10	527,602	0.05	-	-
	JM HIGH LIQUIDITY FUND (DIRECT) - DAILY DIVIDEND - REINVESTMENT		2,791,691	10	29,117,896	2.91	-	-
	JPMORGAN INDIA LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND REINVEST		5,948,251	10	59,529,503	5.95	-	-
	KOTAK FLOATER - SHORT TERM - DAILY DIVIDEND - DIRECT PLAN		246,970	1,012	249,839,763	24.99	-	-
	KOTAK LIQUID SCHEME - PLAN A - DIRECT - DAILY DIVIDEND		235	1,223	286,837	0.03	-	-
	L&T CASH FUND (SUPER INSTITUTIONAL) - DIRECT PLAN - DAILY DIVIDEND		232	1,023	237,574	0.02	-	-
	PRINCIPAL CASH MANAGEMENT - DIRECT PLAN - DAILY DIVIDEND		73	1,000	73,004	0.01	-	-
	RELIANCE LIQUID FUND - TREASURY PLAN - DIRECT DAILY DIVIDEND - REINVESTMENT		1,241	1,529	1,896,959	0.19	-	-
	RELIANCE LIQUIDITY FUND - DIRECT DAILY DIVIDEND REINVESTMENT		896	1,001	896,089	0.09	-	-
	RELIANCE MEDIUM TERM - DAILY DIRECT DIVIDEND PLAN - REINVESTMENT		101,182	17	1,729,795	0.17	-	-
	SBI PREMIER LIQUID FUND - DIRECT - DAILY DIVIDEND		445	1,003	446,759	0.04	-	-
	SUNDARAM MONEY FUND - DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		237,907	10	2,403,452	0.24	-	-
	TATA FLOATER FUND DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		144	1,004	144,515	0.01	-	-

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹ in Crores)	Number of Units	As at 31.3.2012 (₹ in Crores)
	TATA LIQUID FUND DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		366	1,115	407,416	0.04	-	-
	TEMPLETON INDIA - TMA - DAILY DIVIDEND - DIRECT PLAN		2,174	1,001	2,174,995	0.22	-	-
	TEMPLETON INDIA ULTRA SHORT BOND FUND - SUPER IP - DIRECT - DAILY DIVIDEND		737,183	10	7,384,220	0.74	-	-
							-	-
	IDFC MONEY MANAGER - TREASURY PLAN - PLAN B - DLY DIVIDEND		243,437	10	2,451,487	0.25	-	-
	ICICI PRUDENTIAL FLEXIBLE INCOME PLAN - DAILY DIVIDIEND		151,940	106	16,065,369	1.61	-	-
	IDFC MONEY MANAGER FUND - TREASURY PLAN A - DAILY DIVIDEND - REINVEST		5,809	10	58,499	0.01	-	-
				Sub-Total (viii)		121.48		155.92
C)	DEPOSITS							
	HDFC LTD	11-May-12	1	150,000,000	150,000,000	-	1.00	15.00
	HDFC LTD	9-Nov-12	1	150,000,000	150,000,000	-	1.00	15.00
	HDFC LTD	8-Nov-13	1	163,942,346	163,942,346	16.39	-	-
				Sub-Total (ix)		16.39		30.00
D)	COMMERCIAL PAPER							
	ADITYA BIRLA FINANCE LIMITED	14-May-12	200	500,000	100,000,000	-	200.00	9.75
	ADITYA BIRLA FINANCE LIMITED	11-Sep-12	500	500,000	250,000,000	-	500.00	22.73
	ADITYA BIRLA FINANCE LIMITED	14-Sep-12	500	500,000	250,000,000	-	500.00	22.71
	ADITYA BIRLA FINANCE LIMITED	7-Nov-12	300	500,000	150,000,000	-	300.00	13.62
	ADITYA BIRLA FINANCE LIMITED	12-Nov-12	300	500,000	150,000,000	-	300.00	13.63
	ADITYA BIRLA FINANCE LIMITED	12-Apr-12	300	500,000	150,000,000	-	300.00	14.64
	ADITYA BIRLA FINANCE LIMITED	23-Apr-12	300	500,000	150,000,000	-	300.00	14.63
	ADITYA BIRLA FINANCE LIMITED	14-May-12	100	500,000	50,000,000	-	100.00	4.87
	APOLLO TYRES LIMITED	23-May-12	300	500,000	150,000,000	-	300.00	14.60
	BAJAJ ELECTRICALS LIMITED	20-Apr-12	300	500,000	150,000,000	-	300.00	14.29
	BAJAJ FINANCE LIMITED	6-Jul-12	500	500,000	250,000,000	-	500.00	23.16
	BAJAJ FINANCE LIMITED	2-Aug-12	300	500,000	150,000,000	-	300.00	13.88
	BAJAJ FINANCE LIMITED	1-Nov-12	500	500,000	250,000,000	-	500.00	22.72

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹ in Crores)	Number of Units	As at 31.3.2012 (₹ in Crores)
	BALLARPUR INDUSTRIES LIMITED	16-Apr-12	400	500,000	200,000,000	-	400.00	19.05
	BLUE STAR LIMITED	13-Jul-12	120	500,000	60,000,000	-	120.00	5.71
	BLUE STAR LIMITED	27-Sep-12	100	500,000	50,000,000	-	100.00	4.55
	GODREJ INDUSTRIES LIMITED	25-Apr-12	200	500,000	100,000,000	-	200.00	9.76
	HCL INFOSYSTEMS LIMITED	4-May-12	300	500,000	150,000,000	-	300.00	14.63
	HCL INFOSYSTEMS LIMITED	14-May-12	400	500,000	200,000,000	-	400.00	19.49
	HCL INFOSYSTEMS LIMITED	31-May-12	100	500,000	50,000,000	-	100.00	4.87
	HCL INFOSYSTEMS LIMITED	31-May-12	200	500,000	100,000,000	-	200.00	9.74
	HDFC LIMITED	7-Jun-12	300	500,000	150,000,000	-	300.00	14.61
	IL&FS FINANCIAL SERVICES LIMITED	22-May-12	300	500,000	150,000,000	-	300.00	14.28
	IL&FS FINANCIAL SERVICES LIMITED	15-Oct-12	200	500,000	100,000,000	-	200.00	9.09
	IL&FS FINANCIAL SERVICES LIMITED	16-Nov-12	300	500,000	150,000,000	-	300.00	13.62
	IL&FS FINANCIAL SERVICES LIMITED	21-Dec-12	300	500,000	150,000,000	-	300.00	13.62
	IL&FS FINANCIAL SERVICES LIMITED	16-Nov-12	300	500,000	150,000,000	-	300.00	13.65
	INDIAN OIL CORPORATION LIMITED	24-Sep-12	300	500,000	150,000,000	-	300.00	14.11
	INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED	24-Aug-12	300	500,000	150,000,000	-	300.00	14.17
	NORTH DELHI POWER LIMITED	12-Jun-12	300	500,000	150,000,000	-	300.00	13.83
	RANBAXY LABORATORIES LIMITED	22-Oct-12	300	500,000	150,000,000	-	300.00	13.65
	SUNDARAM FINANCE LIMITED	12-Oct-12	500	500,000	250,000,000	-	500.00	22.73
	TATA CAPITAL LIMITED	17-May-12	300	500,000	150,000,000	-	300.00	14.62
	TATA CAPITAL LIMITED	16-Jul-12	300	500,000	150,000,000	-	300.00	14.43
	TATA CAPITAL LIMITED	25-May-12	300	500,000	150,000,000	-	300.00	14.61
	TATA MOTORS FINANCE LIMITED	25-May-12	300	500,000	150,000,000	-	300.00	13.58
	TATA MOTORS LIMITED	3-Dec-12	300	500,000	150,000,000	-	300.00	13.63
	IL&FS FINANCIAL SERVICES LIMITED	16-May-13	300	500,000	150,000,000	13.58	-	-
	INFRASTRUCTURE LEASING AND FINANCIAL SERVIES LTD	27-May-13	300	500,000	150,000,000	13.58	-	-
	ADITYA BIRLA FINANCE LIMITED	7-Jun-13	200	500,000	100,000,000	9.08	-	-
	INDUSTRIAL FINANCE CORPORATION OF INDIA LTD.	28-Jun-13	300	500,000	150,000,000	13.62	-	-
	SUNDARAM FINANCE LIMITED	19-Jul-13	200	500,000	100,000,000	9.11	-	-
	NFRASTRUCTURE LEASING & FINANCIAL SERVICES LTD	22-Jul-13	300	500,000	150,000,000	13.66	-	-
	TATA CAPITAL FINANCIAL SERVICES LIMITED	23-Jul-13	300	500,000	150,000,000	13.66	-	-
	TATA MOTORS FINANCE LIMITED	31-Jul-13	300	500,000	150,000,000	13.66	-	-

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹ in Crores)	Number of Units	As at 31.3.2012 (₹ in Crores)
	TATA MOTORS FINANCE LIMITED	6-Aug-13	300	500,000	150,000,000	13.66	-	-
	TATA MOTORS FINANCE LIMITED	30-Aug-13	300	500,000	150,000,000	13.67	-	-
	SUNDARAM FINANCE LIMITED	4-Sep-13	300	500,000	150,000,000	13.68	-	-
	SUNDARAM FINANCE LIMITED	10-Jul-13	300	500,000	150,000,000	13.87	-	-
	SUNDARAM FINANCE LIMITED	20-Sep-13	300	500,000	150,000,000	13.69	-	-
	ADITYA BIRLA FINANCE LIMITED	19-Sep-13	500	500,000	250,000,000	22.84	-	-
	POWER FINANCE CORPORATION LIMITED	28-Jun-13	300	500,000	150,000,000	14.06	-	-
	HCL INFOSYSTEMS LIMITED	27-Jun-13	600	500,000	300,000,000	27.87	-	-
	HCL INFOSYSTEMS LIMITED	28-Jun-13	200	500,000	100,000,000	9.30	-	-
	TATA MOTORS FINANCE LIMITED	6-Aug-13	100	500,000	50,000,000	4.65	-	-
	TATA MOTORS FINANCE LIMITED	22-Oct-13	500	500,000	250,000,000	22.87	-	-
	HOUSING DEVELOPMENT FINANCE CORPORATION LTD	28-Aug-13	500	500,000	250,000,000	23.25	-	-
	SUNDARAM FINANCE LIMITED	10-Sep-13	400	500,000	200,000,000	18.52	-	-
	INFRASTRUCTURE LEASING & FINANCIAL SERVICES LTD	14-Jun-13	600	500,000	300,000,000	28.47	-	-
	IL&FS FINANCIAL SERVICES LIMITED	31-May-13	500	500,000	250,000,000	23.90	-	-
	IL&FS FINANCIAL SERVICES LIMITED	2-Sep-13	500	500,000	250,000,000	23.37	-	-
	TATA CAPITAL FINANCIAL SERVICES LIMITED	7-Jun-13	500	500,000	250,000,000	23.89	-	-
	L&T FINANCE LIMITED	5-Jun-13	500	500,000	250,000,000	23.92	-	-
	ADITYA BIRLA FINANCE LIMITED	10-Jun-13	500	500,000	250,000,000	23.90	-	-
	ADITYA BIRLA FINANCE LIMITED	30-Jul-13	300	500,000	150,000,000	14.18	-	-
	BAJAJ FINANCE LIMITED	20-Jun-13	300	500,000	150,000,000	14.32	-	-
	BAJAJ FINANCE LIMITED	30-Aug-13	200	500,000	100,000,000	9.38	-	-
	BAJAJ FINANCE LIMITED	30-Aug-13	300	500,000	150,000,000	14.08	-	-
	BAJAJ FINANCE LIMITED	19-Jul-13	200	500,000	100,000,000	9.48	-	-
	BAJAJ FINANCE LIMITED	30-Aug-13	500	500,000	250,000,000	23.47	-	-
	POWER FINANCE CORPORATION LTD	6-Sep-13	500	500,000	250,000,000	23.71	-	-
	GODREJ INDUSTRIES LIMITED	8-May-13	500	500,000	250,000,000	24.44	-	-
	TATA CAPITAL LIMITED	30-Jul-13	500	500,000	250,000,000	23.95	-	-
	HOUSING DEVELOPMENT FINANCE CORPORATION LTD	14-Jun-13	500	500,000	250,000,000	24.22	-	-
	HOUSING DEVELOPMENT FINANCE CORPORATION LTD	6-Sep-13	500	500,000	250,000,000	23.72	-	-
	TATA CAPITAL LIMITED	17-May-13	500	500,000	250,000,000	24.44	-	-
	EXPORT IMPORT BANK OF INDIA	5-Jul-13	800	500,000	400,000,000	38.64	-	-
	SESA GOA LIMITED	21-Oct-13	300	500,000	150,000,000	14.11	-	-
	POWER FINANCE CORPORATION LTD	15-Jul-13	500	500,000	250,000,000	24.20	-	-

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹ in Crores)	Number of Units	As at 31.3.2012 (₹ in Crores)
	POWER FINANCE CORPORATION LIMITED	15-Apr-13	200	500,000	100,000,000	9.93	-	-
	L&T FINANCE LIMITED	31-May-13	500	500,000	250,000,000	24.59	-	-
	ADITYA BIRLA FINANCE LIMITED	7-Jun-13	100	500,000	50,000,000	4.54	-	-
	HCL INFOSYSTEMS LIMITED	27-Jun-13	100	500,000	50,000,000	4.65	-	-
	TATA MOTORS FINANCE LIMITED	6-Aug-13	100	500,000	50,000,000	4.65	-	-
	IL&FS FINANCIAL SERVICES LIMITED	19-Jun-13	500	500,000	250,000,000	23.89	-	-
	ADITYA BIRLA FINANCE LIMITED	30-Jul-13	100	500,000	50,000,000	4.76	-	-
	ADITYA BIRLA FINANCE LIMITED	16-Jul-13	100	500,000	50,000,000	4.78	-	-
	BAJAJ FINANCE LIMITED	16-Jul-13	100	500,000	50,000,000	4.78	-	-
	ADITYA BIRLA FINANCE LIMITED	3-May-13	200	500,000	100,000,000	9.75	-	-
	L&T FINANCE COMPANY LIMITED	16-Sep-13	100	500,000	50,000,000	4.71	-	-
	POWER FINANCE CORPORATION LIMITED	15-Jul-13	500	500,000	250,000,000	24.02	-	-
	EXPORT-IMPORT BANK OF INDIA	5-Jul-13	200	500,000	100,000,000	9.65	-	-
	HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED	10-May-13	300	500,000	150,000,000	14.71	-	-
	IL&FS FINANCIAL SERVICES LIMITED	29-Aug-13	300	500,000	150,000,000	14.32	-	-
	POWER FINANCE CORPORATION LIMITED	15-Apr-13	1,000	500,000	500,000,000	49.69	-	-
					Sub-Total (x)	979.15		521.26
					TOTAL (II)	1,285.44		844.76
					GRAND TOTAL (I +II)	1,633.92		993.73

Notes :	As at 31.3.2013 ₹ in Crores	As at 31.3.2012 ₹ in Crores
(a) Aggregate Book Value - Quoted Investments	435.68	223.31
(b) Aggregate Market Value of Quoted Investments	437.62	230.89
(c) Aggregate Book Value - Unquoted Investments	1,198.24	770.42
(d) Provision for diminution in value of Current quoted debenture	(0.42)	(0.19)

14 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

	As as 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Opening Inventories of Digital Certificates	0.02	0.02
Closing Inventories of Digital Certificates	0.01	0.03
Total	0.01	(0.01)

15 Trade receivables

	Non-current		Current	
	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Unsecured, considered good unless stated otherwise				
Outstanding for a period of over six months from the date they are due from payment				
Secured, considered good	-	-	1.61	0.99
Unsecured, considered good	-	-	10.61	4.47
Doubtful	-	-	0.18	0.18
	-	-	12.40	5.64
Provision for doubtful receivables	-	-	0.18	0.18
	-	-	**12.22**	5.46
Other debts				
Secured, considered good	-	-	115.69	134.81
Unsecured, considered good	-	-	28.07	31.95
	-	-	**143.76**	166.76
Total	-	-	**155.98**	172.22

16 Cash and bank balances

	Non-current		Current	
	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Cash and cash equivalents				
Balances with banks :				
On current accounts	-	-	86.79	62.16
Certificate of Deposits with original maturity of less than three months	-	-	238.49	48.71
Deposits with original maturity of less than three months	-	-	2,199.49	2,180.07
Earmarked Deposits with original maturity of less than three months	-	-	44.52	416.18
Cheques in hand	-	-	0.01	0.01
Cash on hand	-	-	0.80	0.01
	-	-	**2,570.10**	2,707.14

	Non-current		Current	
	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Other bank balances				
Bank Deposits with original maturity for more than 12 months	886.97	922.92	1,840.86	2,715.46
Earmarked Deposits with original maturity for more than 12 months	182.00	110.80	218.98	380.51
Bank Deposits with original maturity for more than 3 months but less than 12 months	-	-	990.01	484.66
Certificate of Deposits with original maturity for more than 3 months but less than 12 months	-	-	80.39	79.34
Certificate of Deposits		-	39.22	22.77
Earmarked Deposits with original maturity for more than 3 months but less than 12 months	-	-	97.49	14.76
Earmarked Certificate of Deposits			9.79	-
	1,068.97	1,033.72	**3,276.74**	3,697.50
Amount disclosed under non-current assets (note 12)	**1,068.97**	1,033.72		
Total	-	-	**5,846.84**	6,404.64

17 Revenue from operations

	For the year ended 31.03.2013 (₹ in Crores)		For the year ended 31.03.2012 (₹ in Crores)	
Operating revenues				
Transaction charges	726.79		771.79	
Annual subscription	5.71		11.69	
Book building Fees	4.24		4.28	
Listing fees	33.38		33.37	
Income - Online Datafeed Service Fees	27.82		28.34	
Application Development & Maintenance Services	14.36		16.52	
Infrastructure Management Services	6.16		9.24	
E-Learning Solutions	43.51		54.37	
IT & Process Support Charges	4.08		4.24	
Index License Fees Outside India	9.36		8.19	
ETF Licensing Outside India	1.50		1.06	
Data Subscription Fees	2.60		2.15	
Dividend received	0.02		-	
Others	8.42	887.95	5.92	951.16

	For the year ended 31.03.2013 (₹ in Crores)		For the year ended 31.03.2012 (₹ in Crores)	
Other operating revenues				
NCFM Registration & Test enrolment fees	18.69		21.60	
Interest on Bank Deposits & Dividend recd	275.07		280.76	
Processing Fees - Listing	5.78		12.29	
Strategic Co-operation fees	5.33		14.24	
Data Centre charges	42.62		37.95	
Operational expenses recovery	19.16		24.33	
Others	20.40	387.05	32.31	423.48
Sale of Products				
Software Products	8.21		3.31	
Traded Goods	0.29	8.50	0.89	4.20
Total		1,283.50		1,378.84

18 Other income

	For the year ended 31.03.2013 (₹ in Crores)		For the year ended 31.03.2012 (₹ in Crores)	
Interest Income on				
On Investment				
Current	49.74		30.53	
Long Term	33.72		22.28	
On Bank Deposits	348.00		253.13	
On Certificate of Deposits	10.59		18.94	
On Inter Corporate Deposits	1.74		1.95	
On Income Tax Refund	0.02		0.07	
On Others	1.01	444.82	0.93	327.83
Dividend income				
Long Term :				
from Others	5.90		2.47	
Current	25.55	31.45	34.83	37.30
Net gain / loss on sale of long term Investment		3.40		29.16
Net gain / loss on sale of current Investment		12.68		1.81
Rent Income		44.22		41.78
Excess Provision written back		1.15		-
Profit on exchange fluctuation (net)		0.88		-
Amortisation of Premium / Discount on Govt/ Debt Securities		1.51		0.13
Professional Fees (NCDEX)		0.31		-
Miscellaneous Income		0.76		3.57
Total		541.18		441.58

19 Purchases Of Stock-In-Trade

	For the year ended 31.03.2013 (₹ in Crores)	For the year ended 31.03.2012 (₹ in Crores)
Purchase of Digital Certificates	0.05	0.07
Purchase of Licenses (Algo Products)	-	0.37
Total	**0.05**	0.44

20 Employee benefits expenses

	For the year ended 31.03.2013 (₹ in Crores)		For the year ended 31.03.2012 (₹ in Crores)	
Salaries, wages and bonus		157.28		152.48
Contribution to provident and other fund		14.04		8.33
Staff welfare expenses	6.04		5.54	
Less : Transferred to Staff Welfare Reserve	-	6.04	0.50	5.04
Total		**177.36**		165.85

* Hitherto, Staff welfare expenses were transferred to Staff Welfare Reserve. During the year the same has been charged to Profit & Loss account and as a result of this profit for the year is lower by ₹0.69 Crores.

21 Other expenses

	For the year ended 31.03.2013 (₹ in Crores)	For the year ended 31.03.2012 (₹ in Crores)
Rent	16.80	16.15
Transponder charges/License fee for operating VSAT network	12.43	7.30
Lease line charges	9.45	7.95
Repairs & maintenance		
- To buildings	3.04	2.85
- To computers, trading & telecommunication systems	56.91	49.11
- To others	9.70	4.59
Network Infrastructure Management charges	7.83	4.72
IT management and consultancy charges	3.57	2.69
Insurance	1.65	2.56
Rates & taxes *	8.89	3.05
Advertisement & publicity	3.66	13.46
Legal & Professional fees	22.82	26.58
Payment to auditor (Refer note below)	0.77	0.59
Electricity charges	16.83	13.86
Directors' sitting fees	0.15	0.14
Software expenses	17.14	10.03
Contribution to Investor protection fund trust	6.11	7.17

	For the year ended 31.03.2013 (₹ in Crores)	For the year ended 31.03.2012 (₹ in Crores)
Investor education expenses	6.73	3.57
SEBI Regulatory Fees	5.34	5.34
Donations	1.39	1.07
Bad debts/Sundry balance written off	-	0.10
Loss on sale /discard of assets (Net)	0.79	0.48
Loss on exchange fluctuation	-	0.56
Adjustments to the carrying amount of current investments	0.37	0.19
Liquidity enhancement incentive	3.16	7.10
Preliminary Expenses written off **	2.06	-
Technical & Sub Contract Charges	20.20	20.42
Wealth Tax	0.20	0.20
Share Issue Expense	0.05	-
Other Expenses	75.17	68.84
Total	**313.21**	280.67

* Includes Municipal Corporation Tax of ₹ 3.76 crores related to earlier year due to revision in taxes by MMRAD in current year.

** Preliminary Expenses written off above by a newly formed subsidiary NSE Strategic Investment Corporation Limited includes Stamp Duty of ₹ 2.01 crores payable to Ministry of Corporate Affairs and Registrar of Companies,Legal Fees of ₹ 0.003 crores and Professional Fees of ₹0.05 crores.

Note :		
Payment to auditor		
As auditor :		
Audit fees	0.20	0.20
Tax audit fee	0.05	0.03
Limited review	0.14	0.03
In other capacity		
Taxation matters	0.14	0.14
Certification matters	0.08	0.05
Other services	0.16	0.14
Total	**0.77**	0.59

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

Earning per share

	Year ended 31.03.2013	Year ended 31.03.2012
Net Profit attributable to Shareholders (₹ In Crores)	**857.01**	895.90
Weighted Average number of equity shares issued (No. in Crores)	**4.50**	4.50
Basic earnings per share of ₹ 10/- each (in ₹)	**190.45**	199.09

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

23 Disclosure under Revised Accounting Standard 15 on Employee Benefits:

i) **Defined Contribution Plan:** Company's contribution towards superannuation amounting to ₹1.81 Crore (Previous year : ₹1.60 Crore) has been charged to Profit & Loss account.

ii) **Defined Benefit Plan :**

(a) Provident Fund: The Company has contributed ₹3.80 Crores (Previous year ₹ 3.59 Crores) towards Provident Fund during the year ended March 31, 2013. As per Implementation Guidance on AS 15 (Revised 2005) Employee Benefits issued by the Accounting Standard Board (ASB), benefit involving employer established provident funds which require interest short fall to be recompensed are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided an actuarial valuation and arrived at the interest shortfall liability of ₹0.24 Crores (Previous year ₹0.12 Crores after considering of ₹ 0.04 crores reserves available with the company's Provident Fund Trust, 0.08 crores) has been provided in the books of accounts.

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

	Current year	Previous year
a. Approach used	Deterministic	Deterministic
b. Increase in compensation levels	5% p.a.	5% p.a.
c. Discount Rate	8%	8.15%

(b) Gratuity: Company has charged the Gratuity expense to Profit & Loss account based on the actuarial valuation of gratuity liability at the end of the year. The projected unit credit method used to show the position as at March 31, 2013 is as under.

(i) Assumptions: (₹ In Crores)

	Current Year	Previous Year
Discount Rate	8.00% - 8.50%	8.25% - 8.50%
Rate of Return on Plan Assets	8.00% - 8.70%	8.00%
Salary Escalation	5.00%	5.00%
Attrition Rate	2.00%	2.00%

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

	Current Year	Previous Year
Liability at the beginning of the year	**13.65**	**10.57**
Interest cost	1.23	0.94
Current Service Cost	1.70	1.43
Benefits Paid	(1.01)	(0.45)
Actuarial (gains) / loss on obligations	3.01	1.15
Liability at the end of the year	**18.58**	**13.65**

(iii) Tables of Fair value of plan assets: (₹ In Crores)

	Current Year	Previous Year
Fair Value of plan assets at the beginning of the year	**10.16**	**7.56**
Expected return on plan assets	0.88	0.75
Contributions	2.02	2.21
Benefits paid	(1.01)	(0.45)
Actuarial gain / (loss) on Plan Assets	0.22	0.10
Fair Value of plan assets at the end of the year	**12.27**	**10.16**
Total Actuarial Gain/(Loss) to be recognised	-	**0.07**

(iv) Actual Return on Plan Assets: (₹ In Crores)

	Current Year	Previous Year
Expected return on plan assets	0.87	0.75
Acturial gain/(loss) on plan assets	0.22	0.10
Actual Return on plan assets	**1.00**	**0.86**

(v) Amount recognised in the balance sheet (₹ In Crores)

	Current Year	Previous Year
Liability as at the end of the year	18.58	13.65
Fair value of plan assets as at the end of the year	12.27	10.17
Net liability / (asset) disclosed in the Balance Sheet	**6.31**	**3.48**

(vi) Expenses recognised in the profit & loss account (₹ In Crores)

	Current Year	Previous Year
Current Service cost	1.71	1.43
Interest Cost	1.23	0.94
Expected return on plan assets	(0.88)	(0.75)
Actuarial (Gain) or Loss	2.80	1.06
Expenses recognised in the profit & loss account	**4.86**	**2.68**

(vii) Balance Sheet Reconciliation (₹ In Crores)

	Current Year	Previous Year
Opening Net Liability	**3.48**	**3.01**
Expense as above	4.86	2.68
Employers Contribution	(2.03)	(2.21)
Amount recognised in the Balance Sheet	**6.31**	**3.48**

(viii) Category of Assets (₹ In Crores)

	Current Year	Previous Year
Insurer Managed Funds	12.27	10.17
Total	**12.27**	**10.17**

(ix) Experience Adjustment (₹ In Crores)

	Current Year	Previous Year
On Plan Liability (Gain) / Loss	(0.86)	1.20
On Plan asset (Loss) / Gain	0.22	0.10

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

(₹ In Crores)

Lease obligations	Year ended 31.03.2013	Year ended 31.03.2012
Total of future minimum lease payments		
- Not later than one year	19.33	12.84
- Later than one year and not later than five years	39.12	38.08
- Later than five years	4.11	8.52

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

25 In compliance with Accounting Standard 18 - "Related Party Disclosures" notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956, the required disclosures are given in the table below:

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

Sr. No.	Related Party	Nature of Relationship
1	Power Exchange India Limited	Associate Company
2	NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited) w.e.f April 01,2013	
3	National Securities Depository Limited (new) w.e.f April 01,2013	
4	Omnesys Technologies Private Limited	
5	Market Simplified India Limited (formerly known as INXS Technologies Limited)	
6	(1) Dr. Vijay L. Kelkar - Ex Chairman (upto 31.08.2012) of NSEIL	Key Management Personnel
	(2) Mr. Ravi Narain - Managing Director of NSEIL *	
	(3) Ms. Chitra Ramkrishna - Jt. Managing Director of NSEIL **	

* Non-Executive Vice Chairman effective April 1, 2013

** Managing Director effective April 1, 2013

(b) Names of the related parties and relationship

(₹ In Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2013	Year ended 31.03.2012
Power Exchange India Ltd.	Space and Infrastructure usage charges received	-	3.09
	Application Development and Maintenance Services	2.80	3.23
	Infrastructure Management Services	0.64	0.75
	Reimbursement received for other expenses incurred	0.43	0.70
	Investment in equity shares	2.00	-
	Investment in preference shares	-	5.00
	Closing balance (Credit)/Debit	5.30	6.09
	Investment in Prefrence Share Capital	5.00	5.00
	Investment in Equity Share Capital	15.00	13.00
NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited)	Reimbursement received for expenses incurred	-	0.03
	Dividend received	8.01	5.01
	Closing balance (Credit)/Debit	0.01	0.01
	Investment in Equity Share Capital	35.42	96.90
National Securities Depository Limited (new)	Closing balance (Credit)/Debit	-	-
	Investment in Equity Share Capital	61.49	-
Omnesys Technologies Pvt. Ltd.	CTCLempanelment charges received	0.09	0.04
	License Fees Paid	8.90	8.30
	Receipt of fees for Online Data Feed Services	0.18	0.06
	Investment in Equity Shares (Closing Balance)	4.68	4.68
	Closing balance (Credit)/Debit	(0.06)	(0.65)
Market Simplified India Limited (formerly known as INXS Technologies Limited)	License Fees Paid	0.67	0.63
	Investment in Equity Shares (Closing Balance)	-	9.80
	Closing balance (Credit)/Debit	(0.05)	(0.05)
Key Management Personnel	Gross remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	16.60 *	13.78
	Housing Loan – Closing Balance	-	0.01
	Interest received on Housing Loan [₹1,991/- (Previous year ₹3,991/-]	-	-

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

26 Segment Reporting

The disclosure in respect of Segment information as per Accounting Standard - 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India for the period ended 31st March, 2013 is given as follows:

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

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

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

Business Segments:

(₹ in Crores)

Particulars	Trading Services	Clearing Services	Others	Elimination	Total	Trading Services	Clearing Services	Others	Elimination	Total
	31.03.2013	31.03.2013	31.03.2013			31.03.2012	31.03.2012	31.03.2012		
REVENUE :										
External Revenue	986.72	170.43	126.35	-	1,283.50	1,057.39	187.48	133.97	-	1,378.84
Inter-segment Revenue	14.12	72.59	112.40	(199.11)	-	12.52	115.77	104.50	(232.79)	-
Total Revenue	**1,000.84**	**243.02**	**238.75**	**(199.11)**	**1,283.50**	**1,069.91**	**303.25**	**238.47**	**(232.79)**	**1,378.84**
RESULT										
Segment Result	476.31	149.12	49.00	-	**674.43**	522.33	248.94	54.29	-	**825.56**
Add:Unallocable Income (net of unallocable expenditure)					96.33					121.30
Add:Interest Income					444.82					327.84
Profit Before tax & exceptional item					**1,215.58**					**1,274.70**
Less:Provision for current tax					(375.74)					(392.74)
Less:Provision for deferred tax					2.86					5.35
Less:Income tax for earlier years					(0.91)					-
Profit after tax and before minority interest and share of loss of associate					**841.79**					**887.31**
Less: Minority Interest					(8.83)					(7.74)
Add: Share of profit (net) of associate(s)					24.05					16.33
Profit after tax					**857.01**					**895.90**
OTHER INFORMATION										
Segment Assets	1,900.72	2,742.10	118.67		4,761.49	1,839.07	3,164.72	81.29	-	5,085.08
Unallocable Assets					5,405.58					4,884.63
Total Assets					**10,167.07**					**9,969.71**

Particulars	Trading Services	Clearing Services	Others	Elimina-tion	Total	Trading Services	Clearing Services	Others	Elimina-tion	Total
	31.03.2013	31.03.2013	31.03.2013			31.03.2012	31.03.2012	31.03.2012		
Segment Liabilities	1,491.52	2,707.59	48.45		4,247.56	1,551.74	3,132.28	35.66	-	4,719.68
Unallocable Liabilities					494.43					447.59
Total Liabilities					**4,741.99**					**5,167.27**
Capital Expenditure										
Segment Capital Expenditure	139.81	3.81	1.37		144.99	68.50	0.94	4.83	-	74.27
Unallocable Capital Expenditure					0.02					0.06
Total Capital Expenditure					**145.01**					**74.33**
Depreciation/Amortisation										
Segment Depreciation / Amortisation	76.18	2.61	5.85		84.64	87.95	2.26	6.92	-	97.13
Unallocable Depreciation / Amortisation					0.86					1.06
Total Depreciation / Amortisation					**85.50**					**98.19**

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

Note : Segment result of Clearing Services includes prior period item of ₹ 32.76 crores on account of reversal of fines and penalties income, now transferred to National Stock Exchange Investor Protection Fund Trust.

27 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹42.90 Crores (previous year ₹28.56 Crores)

28 Contingent liability:

(i) Claims against the company not acknowledged as debts: ₹14.56 Crores (previous year₹ 12.61 Crores)

(ii) The company has received an order passed by the Competition Commission of India, directing the Company to pay a penalty of ₹55.50 Crores (previous year ₹55.50 crores). The Company has appealed against the said order before the Competition Appellate Tribunal. The Competition Appellate Tribunal has granted the stay against the recovery of said penalty amount pending disposal of the appeal and hence no provision has been made

(iii) On account of disputed demand of Income Tax: ₹61.63 Crores (previous year ₹66.06 Crores), disputed demand of Fringe Benefit Tax: ₹2.22 Crores (previous year ₹2.22 Crores) and disputed demand of Wealth Tax: ₹1.94 Crores (previous year ₹1.94 Crores). Wealth Tax liability includes ₹1.86 Crores (previous year ₹1.86 Crores) on account of Tax Department appeals pending disposal before the Bombay High Court. On account of disputed demand of Service Tax: ₹ 39.58 Crores (previous year ₹28.38 crores) alongwith interest and penalty thereon

(iv) On account of disputed demand of Securities Transaction Tax : ₹5.21 Crores (previous year ₹14.43 Crores)

(v) On account of Bank Guaranties ₹ 0.01 Crores (previous year ₹Nil)

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

30 The National Securities Clearing Corporation Ltd., a subsidiary company has constituted separate Settlement Guarantee Funds (SGF) in respect of the Capital Market, Futures & Options Market, Retail Debt Market segments and Currency Derivatives Market.

The Clearing members are required to contribute to the respective fund in the form of interest free security deposit and also make additional deposits in the form of cash, securities, fixed deposit receipts or bank guarantees. Besides the same, the Clearing members are also required to deposit margin money which, subject to hair cut, forms part of the SGF. While the interest free security deposit is not refundable during the tenure of a clearing membership, the margin money is refundable, subject to adjustments, if any.

Of this, the interest free security deposit and security deposit in the form of cash collected from members amounting to ₹374.75 Crores are grouped under the head "Unsecured Deposits" whereas the cash margin amounting to ₹641.22 Crores collected from members (₹638.48 Crores after applying hair cut) has been grouped under the head "Other Current Liabilities". The non cash portion of the SGF comprising of collaterals such as bank guarantees, securities and fixed deposit receipts received from the members amounting to ₹39,880.98 Crores (₹ 32,023.98 Crores after applying hair cut) does not form part of the Balance Sheet.

(₹ In Crores)

Sr. No.	Segment	Total SGF	Cash Component	Non Cash Component		
				Bank Guarantees	Securities	Fixed Deposit Receipts
1	Capital market *	4,731.76	233.92	1,092.21	694.67	2,710.96
2	Futures & Options *	26,140.72	693.87	4,636.21	3,542.64	17,268.00
3	Retail Debt Market	3.00	1.65	0.40	-	0.95
4	Currency Derivatives	1,807.17	62.87	481.78	276.76	985.76
5	SLB Segment	354.30	20.66	131.40	-	202.24
	Total	**33,036.95**	**1,012.97**	**6,342.00**	**4,514.07**	**21,167.91**

* after adjusting net shortages amounting to ₹ 0.23 Crores for CM segment and ₹ 0.03 Crores for F&O segment.

The breakup of Cash Component in each SGF is as follows:

Sr. No.	Segment	Mar-13			
		Interest Free Security Deposit	Security Deposit	Margins	Total
1	Capital market	148.51	18.60	67.04	234.15
	Less : Net Shortages				0.23
	Net Amount				233.92
2	Futures & options	121.00	32.02	540.88	693.90
	Less : Net Shortages				0.03
	Net Amount				693.87
3	Retail Debt Market	-	1.65	-	1.65
4	Currency Derivatives	35.50	6.67	20.70	62.87
5	SLB Segment	10.80	-	9.86	20.66
	Total	**315.81**	**58.94**	**628.62**	**1,686.24**
6	Amount not forming part of SGF	19.34	3.79	6.74	29.87
	TOTAL	**335.15**	**62.73**	**635.36**	**1,716.11**
	(Balance Sheet ref no.)	**Note 4**	**Note 4**	**Note 6**	
	Non Current	329.05	61.86	-	
	Current	6.10	0.51	641.22	
	Total	**335.15**	**62.37**	**641.22**	

The above cash component of SGF has been earmarked as under:

Sr. No.	Particulars	Amount	Balance Sheet Reference No.	Earmarked Amount
1	Non Current Investments	47.90	Note 9	4.27
2	Current Investments	402.00	Note 13	84.72
3	Balances with Banks			
	in Current Account	30.45	Note 16	5.31
	in Deposit Accounts	3,328.80	Note 16	909.17
	in Certificate of Deposits	49.01	Note 16	9.78
	Total (1 to 3)	**3,858.16**		**1,013.25**

A) Capital Market Segment:

I. Cash component in form of Interest Free Security Deposit of ₹ 148.51 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
Mutual Funds	
RELIANCE MEDIUM TERM FUND - DAILY DIVIDEND PLAN	0.15
JM HIGH LIQUIDITY FUND-SUPER INSTITUTIONAL PLAN-DAILY DIVIDEND PLAN	2.56
Total Mutual Funds	**2.71**
Flexi Fixed Deposits	
FLEXI FIXED DEPOSITS WITH HDFC BANK	18.10
FLEXI FIXED DEPOSITS WITH AXIS BANK	21.33
FLEXI FIXED DEPOSITS WITH ICICI BANK	2.05
Total Flexi Fixed Deposits	**41.48**
Fixed Deposits	
FEDERAL BANK LIMITED	46.54
YES BANK LIMITED	12.59
AXIS BANK LIMITED	19.43
BANK OF INDIA	11.71
Total Fixed Deposits	**90.27**
Certificate of Deposit	
HDFC Bank	9.78
Total Certificate of Deposit	**9.78**
Tax Free Bonds	
8.20% POWER FINANCE CORPORATION LIMITED	4.27
Total Tax Free Bonds	**4.27**

II. Cash Component in form of Security Deposit of ₹ 18.60 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
Flexi Fixed Deposits	
Flexi Fixed Deposits with HDFC Bank	18.60
Total Flexi Fixed Deposits	**18.60**

III. Cash component in form of Margins of ₹67.04 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
Flexi Fixed Deposits	
FLEXI FIXED DEPOSITS WITH HDFC BANK	18.02
FLEXI FIXED DEPOSITS WITH AXIS BANK	1.26
FLEXI FIXED DEPOSITS WITH CANARA BANK	2.71
FLEXI FIXED DEPOSITS WITH ICICI BANK	2.63
FLEXI FIXED DEPOSITS WITH STAN CHART BANK	1.75
FLEXI FIXED DEPOSITS WITH BANK OF INDIA	1.45
FLEXI FIXED DEPOSITS WITH CITIBANK	1.09
FLEXI FIXED DEPOSITS WITH KOTAK BANK	1.07
FLEXI FIXED DEPOSITS WITH IDBI BANK	2.71
FLEXI FIXED DEPOSITS WITH INDUSIND BANK	4.63
Total Flexi Fixed Deposits	**37.32**
Fixed Deposits	
STATE BANK OF TRAVANCORE	18.85
STATE BANK OF BIKANER & JAIPUR	-
YES BANK LIMITED	-
CENTRAL BANK OF INDIA -	-
IDBI BANK	-
BANK OF INDIA	6.64
BANK OF MAHARASHTRA	1.68
ICICI BANK	1.64
FEDERAL BANK LIMITED	0.91
Total Fixed Deposits	**29.72**

B) Futures & Options Segment:

I. Cash component in form of Interest Free Security Deposit of ₹121.00 Crores earmarked as under:

Particulars	Amount (₹ In Crores)
Taxfree Bonds	
6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED - SERIES I - 22 JAN 2014	10.24
Total Taxfree Bonds	**10.24**
Fixed Deposits	
STATE BANK OF TRAVANCORE	10.00
BANK OF BARODA	10.00
ICICI BANK	7.05
CANARA BANK	24.76
CORPORATION BANK	5.00
AXIS BANK LIMITED	9.84
AXIS BANK LIMITED	4.95
KOTAK MAHINDRA BANK	9.30
BANK OF INDIA	0.77
YES BANK	3.67
Total Fixed Deposits	**85.34**
Mutual Funds	
ICICI PRUDENTIAL ULTRA SHORT TERM PLAN SUPER PREMIUM WEEKLY DIVIDEND	0.25
Total Mutual Funds	**0.25**
Flexi Fixed Deposits	
FLEXI FIXED DEPOSIT ICICI BANK	12.01
FLEXI FIXED DEPOSIT CITI BANK	2.94
FLEXI FIXED DEPOSIT AXIS BANK	10.22
Total Flexi Fixed Deposits	**25.17**

II. Cash component in form of Security Deposit of ₹ 32.02 Crores earmarked as under:

Particulars	Amount (₹ In Crores)
Flexi Fixed Deposits	
FLEXI FIXED DEPOSIT BANK OF INDIA	17.58
FLEXI FIXED DEPOSIT HDFC BANK	8.73
FLEXI FIXED DEPOSIT ICICI BANK	5.71
Total Flexi Fixed Deposits	**32.02**

III. Cash component in form of Margins of ₹540.89 Crores is earmarked as under:-

Particulars	Amount (₹ In Crores)
Mutual Funds	
KOTAK FLOATER - SHORT TERM - DAILY DIVIDEND	15.00
IDBI LIQUID FUND - DAILY DIVIDEND - DIRECT PLAN	25.00
Total Mutual Funds	**40.00**
Fixed Deposit	
BANK OF INDIA	0.65
UCO BANK	4.72
CORPORATION BANK	15.00
BANK OF MAHARASHTRA	3.00
ALLAHABAD BANK	8.00
ICICI BANK LTD	4.99
HDFC BANK LTD	4.99
STATE BANK OF TRAVANCORE	71.54
CENTRAL BANK OF INDIA	25.00
STATE BANK OF PATIALA	0.55
YES BANK LIMITED	15.00
Total Fixed Deposits	**153.44**
Flexi Fixed Deposits	
FLEXI FIXED DEPOSIT BANK OF INDIA	10.39
FLEXI FIXED DEPOSIT AXIS BANK	9.70
FLEXI FIXED DEPOSIT CANARA BANK	6.03
FLEXI FIXED DEPOSIT HDFC BANK	257.93
FLEXI FIXED DEPOSIT ICICI BANK	21.25
FLEXI FIXED DEPOSIT INDUSIND BANK	5.76
FLEXI FIXED DEPOSIT HSBC BANK	2.00
FLEXI FIXED DEPOSIT KOTAK MAHINDRA BANK	11.76
FLEXI FIXED DEPOSIT IDBI BANK	1.45
FLEXI FIXED DEPOSIT CITI BANK LTD.	2.25
FLEXI FIXED DEPOSIT STANDARD CHARTERED BANK	11.76
FLEXI FIXED DEPOSIT STATE BANK OF INDIA	
FLEXI FIXED DEPOSIT UNION BANK	7.17
Total Flexi Fixed Deposits	**347.45**

C) Retail Debt Market Segment :

Cash component in form of Cash Deposit of ₹ 1.65 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
Flexi Fixed Deposits	
FLEXI FIXED DEPOSITS WITH HDFC BANK	1.65
TOTAL RDM DEPOSITS	1.65

D) CURRENCY DERIVATIVE SEGMENT :

I. Cash component in form of Interest Free Security Deposit of ₹ 35.50 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
BARODA PIONEER TREASURY ADVANTAGE FUND - INSTITUTIONAL DAILY DIVIDEND PLAN	10.00
ICICI PRUDENTIAL ULTRA SHORT TERM PLAN SUPER PREMIUM WEEKLY DIVIDEND	10.02
Total Mutual Funds	20.02
Fixed Deposit	
State Bank of Mysore	5.00
Total Fixed Deposit	5.00
Flexi Fixed Deposits	
HDFC Bank	5.44
Citi Bank	0.91
BANK OF INDIA	1.76
KOTAK MAHINDRA BANK LTD	0.31
AXIS BANK	2.06
Total Flexi Fixed Deposits	10.48

II. Cash component in form of CDS Security Deposit of ₹ 6.67 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
Flexi Fixed Deposits	
HDFC BANK LTD	3.15
Total Flexi Fixed Deposits	3.15
Bank Balances	
ICICI	3.52
Total SD	6.67

III. Cash component in form of CDS Margins of ₹ 20.70 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
KOTAK FLOATER - SHORT TERM - DAILY DIV	5.00
Total Mutual Funds	**5.00**
Flexi Fixed Deposits	
HDFC Bank	8.01
CITI BANK	0.32
KOTAK MAHINDRA BANK LTD	0.01
INDUSIND BANK	3.27
CANARA BANK	0.20
AXIS BANK	3.89
Total Flexi Fixed Deposits	**15.70**

E) Securities Lending & Borrowing

I. Cash component in form of Interest Free Security Deposit of ₹ 10.80 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
AXIS LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND - REINVEST	6.50
Total Mutual Funds	**6.50**
Bank Balnces	
ICICI Bank	0.80
BANK OF INDIA (BOI)	0.11
HDFC BANK	0.09
Total Bank Balnces	**1.00**
Flexi Fixed Deposits	
HONGKONG & SHANGHAI BKG.CO.(HON)	0.10
BANK OF INDIA	0.24
HDFC Bank	2.32
KOTAK MAHINDRA BANK LTD	0.12
AXIS BANK	0.52
Total Flexi Fixed Deposits	**3.30**

II. Cash component in form of SLB Margins of ₹ 9.86 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
Bank Balnces	
AXIS BANK LTD	0.10
BANK OF INDIA (BOI)	0.11
IDBI BANK LTD	0.01
STANDARD CHARTERED BANK (CHB)	0.11
CITI BANK (CIT)	0.10
ICICI Bank	0.26
CANARA BANK	0.10
Total Bank Balnces	**0.79**
Flexi Fixed Deposits	
HDFC Bank	5.97
CITI BANK	0.20
STANDARD CHARTERED BANK	0.50
BANK OF INDIA	0.53
CANARA BANK	0.41
AXIS BANK	1.46
Total Flexi Fixed Deposits	**9.07**

31 Minority Interest Reconciliation

(₹ In Crores)

Particulars	As on 31.03.2013	As on 31.03.2012
Opening Balance as on 1-Apr-12	**27.49**	19.75
Add: Share in Profit of Subsidiary National Commodity Clearing Limited	**0.56**	0.37
Add: Share in Profit of Subsidiary India Index Services & Products Limited	**8.27**	7.37
Less: Share in dividend and dividend distribution tax paid by Subsidiary India Index Services & Products Limited	**(0.89)**	-
Closing Balance as on 31-Mar-13	**35.43**	27.49

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

(₹ In Crores)

Particulars	2012-13	2011-12
Power Exchange India Limited	(2.86)	(5.15)
National Securities Depository Limited	5.98	-
NSDL-e governance Infrastructure Limited	18.61	20.20
Omnesys Technologies Private Limited	2.30	2.58
Market Simplified India Limited	0.02	(1.30)
Total	**24.05**	**16.33**

33 In accordance with Securities Contracts (Regulations) (SECC) Regulations, 2012 (The Regulations) issued on June 20, 2012, every recognized stock exchange is required to transfer twenty five percent of its annual profits every year to a fund to guarantee settlement of trades of the recognized clearing corporation(s) which clears and settles trades executed on that stock exchange. Subsequenlty, the Securities and Exchange Board of India (SEBI) in its Press Release No.66/2012 dated June 21, 2012, has said that an expert Committee is being formed which will inter-alia "look into the norms for adequacy of the core corpus of the Settlement Guarantee Fund (SGF) / Trade Guarantee Fund (TGF) and its sourcing, including transfer of profits by stock exchanges to SGF/TGF in the long run". Pending the report of the Expert Committee, no transfer of profits to the Settlement Guarantee Fund in terms of The Regulations has been made.

34 Shares reserved for issue under options in case of Subsidiary NSE. IT Limited

In terms of the authority granted by the General Meeting held on September 25th, 2006, the Company has formulated an Employee Stock Option Plan 2006 (ESOP). Under the said ESOP, 3,47,350 Options for equivalent number of Equity Shares of the company have been granted as an incentive scheme to the employees covered under the scheme. The Scheme provides that the Options shall vest in a graded manner over a period of 4 years in the ratio of 25%, 30%, 35% and 10% respectively. The exercise period shall be three years from the vesting of each tranche of the aforesaid options. Each option entitles the holder of the option to 1 Equity Share of the Company at an exercise price of ₹ 53/- per share, which is also the Fair Market Value (FMV) of the share on the date of the grant as determined by a valuation report obtained from an independent valuer.

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

Particulars	F.Y. 2012 – 13 Quantity (Nos.)	F.Y. 2011 – 12 Quantity (Nos.)
Options at the beginning of the year	62031	144840
Options granted during the year	Nil	Nil
Options lapsed during the year	48594	82809
Options Exercised during the year	Nil	Nil
Options expired during the year	Nil	Nil
Balance Options in force	13437	62031

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

As per our report of even date attached

For KHANDELWAL JAIN & CO.,
Chartered Accountants

NARENDRA JAIN
Partner
Membership No.:48725

Place : Mumbai
Date : May 27, 2013

For and on behalf of the Board of Directors

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

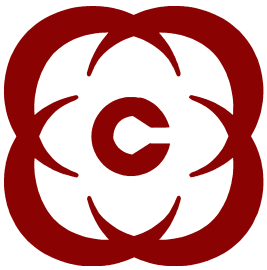
CHITRA RAMKRISHNA
Managing Director & CEO

Y. H. MALEGAM
Director

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

NATIONAL SECURITIES CLEARING CORPORATION LIMITED

(A wholly owned subsidiary of National Stock Exchange of India Limited)



EIGHTEENTH ANNUAL REPORT

2012-13

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BOARD OF DIRECTORS*

Mr. Ravi Narain	:	Chairman
Ms. Chitra Ramkrishna		
Mr. Anjan Barua		
Mr. Dileep C. Choksi		
Mr. Sudhir M. Joshi		
Mr. K. R. Ramamoorthy		
Mr. Gagan Rai		
Mr. L. Ravi Sankar		
Mr. C. M. Vasudev		

SECRETARY

Mr. R. Jayakumar	:	Asst. Company Secretary

AUDITORS

: M/s. Haribhakti & Co.
Chartered Accountants
701, Leela Business Park
Andheri Kurla Road
Andheri (East)
Mumbai – 400 059

REGISTERED OFFICE

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

* As on May 23, 2013

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report and Audited Accounts of the Company for the year ended March 31, 2013.

I. OPERATIONS

Your company, a wholly-owned subsidiary of National Stock Exchange of India Limited (NSEIL), carries out the clearing and settlement of the trades executed on the Capital Market (CM), Futures & Options (F&O), Currency Derivatives (CD), Securities Lending and Borrowing (SLB), Mutual Funds (MFSS) segment, Debt segment and OTC trades in Corporate Bonds. National Securities Clearing Corporation Limited (NSCCL) guarantees settlement of trades executed on the Capital Market, Futures and Options, Securities Lending & Borrowing and Currency Derivatives segments.

1. Settlement – Capital Market segment

NSCCL successfully continued its track record of completing all settlements in a timely manner.

During the period under review, 250 rolling settlements were handled in dematerialised mode. Per settlement figures in value terms in the current year are as follows:-

The average value of securities handled per settlement was ₹ 3,190.02 crores in 2012-13 compared to ₹ 3,153.69 crores in 2011-12. The average funds pay-in per settlement during the above periods was ₹1,004.14 crores and ₹ 1,011.05 crores respectively. The average number of shares processed per settlement was about 1,840.04 lakhs in 2012-13 compared to 1,782.87 lakhs in 2011-12. Short deliveries per settlement averaged around 0.14% in 2012-13 as compared to 0.16% in 2011-12.

The highest trading volume of ₹ 21,968.11 crores was observed on February 28, 2013 and the highest deliverable value of ₹ 8,909.60 crores was observed on September 27, 2012. Percentage of number of shares deliverable to number of shares traded increased to 27.98% in 2012-13 from 27.66% in 2011-12. Percentage of value of shares deliverable to value of shares traded increased to 29.53% in 2012-13 from 28.01% in 2011-12. The Settlement Guarantee Fund stood at ₹ 4,731.76 crores as on 31st March 2013. The details of settlements carried out by NSCCL are presented in Table 1.

Table No. 1 :Settlement Statistics for 2012-13 – Capital Market segment

Month	Quantity of Shares Traded (lakhs)	Quantity of Shares Deliverable (lakhs)	% of Shares Deliverable to Total Shares Traded	Value of Shares Traded (₹ Crores)	Value of Shares Deliverable (₹ Crores)	% of Delivery to Value of Shares Traded	% of Short Delivery to Delivery	Funds-Pay In (₹ Crores)	Settlement Guarantee Fund (₹ Crores)	No. of settlements
Apr-12	119753.01	32806.45	27.40%	204919.06	57926.30	28.27%	0.18%	18088.50	4941.36	19
May-12	126435.33	32546.81	25.74%	210630.87	55180.24	26.20%	0.12%	15947.74	4704.70	23
Jun-12	124109.94	32561.87	26.24%	202660.76	55583.04	27.43%	0.11%	18974.53	4772.06	21
Jul-12	141145.86	38961.00	27.60%	214397.82	63887.98	29.80%	0.14%	19276.86	4643.35	22
Aug-12	117460.70	32987.33	28.08%	198765.63	57340.86	28.85%	0.20%	16182.49	4673.10	21
Sep-12	137120.37	39771.52	29.00%	231871.20	74033.81	31.93%	0.15%	27483.76	5008.56	20
Oct-12	153616.17	43423.40	28.27%	251868.47	74076.96	29.41%	0.12%	22484.85	4760.50	21
Nov-12	121292.12	33214.82	27.38%	200938.75	56270.33	28.00%	0.15%	15206.93	5032.08	21
Dec-12	162624.34	46099.69	28.35%	260515.50	77090.74	29.59%	0.15%	23089.86	4775.45	20
Jan-13	172051.92	48838.29	28.39%	283698.16	87446.82	30.82%	0.11%	26147.76	4701.05	23
Feb-13	132716.52	38835.76	29.26%	220162.61	71117.78	32.30%	0.15%	24577.34	4874.63	20
Mar-13	135932.98	39963.18	29.40%	220227.46	67549.62	30.67%	0.16%	23573.49	4731.76	19

Note - During the year under review, there was no physical settlement.

2. Securities Lending and Borrowing segment

NSCCL is an Approved Intermediary (AI) for SLBS with SEBI. In 2012-13, the volumes in SLBS increased by 77.18% from ₹ 2,729.67 crores in 2011-12 to ₹ 4,836.50 crores. As compared to previous year, during 2012-13, securities traded in SLBS increased from 87 to 105 and number of participants traded too increased from 25 to 52. As on March 31, 2013, there are 102 participants, 4 custodian-cum-participants and 4 custodians registered in SLBS.

3. Settlement - F&O segment

The period April 2012 - March 2013 witnessed a decrease in the total amount settled. The total value of settlement decreased from ₹ 72,296.22 crores in 2011-12 to ₹ 56,758.80 crores in 2012-13. The highest monthly settlement was ₹ 5,681.64 crores in the month of January 2013. March 2013 witnessed the highest monthly trading volumes of ₹ 31,27,445.81 crores while the highest daily trading volumes on NSE during this period was ₹ 4,02,090.64 crores, witnessed on February 28, 2013 with total of 1,36,91,547 contracts being traded.

The details of turnover and month-wise settlement values during the year April 01, 2012 to March 31, 2013 are tabulated below:

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-12	828.12	22,07,316.88	2,884.20	33.38	899.03	56.37	3,872.98
May-12	1,101.45	27,19,667.04	4,279.60	51.81	1,041.20	93.09	5,465.70
Jun-12	1,050.12	26,40,706.46	3,399.46	28.69	1,092.45	124.35	4,644.96
Jul-12	931.82	24,53,083.15	3,457.92	163.05	1,402.19	74.48	5,097.64
Aug-12	909.92	24,32,168.60	2,374.68	59.57	1,024.41	63.69	3,522.35
Sep-12	933.64	25,91,948.50	3,272.74	65.58	1,062.39	145.94	4,546.66
Oct-12	937.97	27,14,209.45	3,246.05	44.75	860.60	47.17	4,198.58
Nov-12	865.73	24,79,816.70	3,361.72	132.76	825.82	134.17	4,454.47
Dec-12	883.8	26,40,392.76	3,128.93	77.84	905.98	342.08	4,454.83
Jan-13	946.54	29,50,975.14	4,661.27	47.55	857.93	114.89	5,681.64
Feb-13	854.85	25,75,097.44	4,204.58	382.36	839.86	201.18	5,627.98
Mar-13	1,070.63	31,27,445.81	3,654.08	131.93	1,101.45	303.55	5,191.01

As on March 31, 2013, the Settlement Guarantee Fund in F&O segment stood at ₹ 26,140.72 crores.

4. Settlement – Currency Derivatives segment

The year 2012-13 witnessed an increase in the total settlement values from ₹ 8,290.44 crores in 2011-12 to ₹ 8,647.91 crores. The highest monthly settlement value was ₹ 1,217.76 crores in the month of May 2012. The highest trading volume in Currency Futures on NSE during the period was ₹ 29,407.52 crores witnessed on February 28, 2013 with total of 53,67,443 contracts being traded and in Currency Options it was ₹ 16,364.62 crores, witnessed on January 18, 2013 with total of 29,93,155 contracts being traded. There were no trades in futures contracts on 10 Year G-Sec and 91 Day GOI T-Bills in 2012-13.

The details of turnover and month-wise settlement values during the year April 01, 2012 to March 31, 2013 are tabulated below:

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-12	372.57	1,95,385.54	350.27	2.39	124.28	65,065.44	80.74	42.29	475.69
May-12	613.19	3,37,776.28	947.79	22.55	211.71	1,16,169.57	172.06	75.36	1,217.76
Jun-12	526.71	2,97,769.08	620.48	9.26	169.53	95,849.81	115.48	41.96	787.18
Jul-12	601.19	3,35,829.84	667.52	6.53	234.93	1,31,444.09	168.25	25.94	868.24
Aug-12	432.48	2,42,266.85	321.23	1.69	154.67	86,639.94	103.26	24.83	451.01
Sep-12	515.90	2,82,508.22	487.25	6.17	209.62	1,15,083.61	138.18	35.62	667.22
Oct-12	677.75	3,62,500.50	583.07	5.64	270.86	1,44,925.39	160.37	32.10	781.18
Nov-12	583.50	3,23,517.67	593.16	1.80	261.65	1,44,357.40	153.84	48.65	797.45
Dec-12	581.35	3,21,892.54	435.21	3.84	230.30	1,26,860.43	123.71	23.71	586.47
Jan-13	730.28	4,01,631.93	568.10	10.80	336.78	1,84,392.88	178.24	47.69	804.83
Feb-13	633.17	3,46,859.12	490.11	7.26	277.00	1,50,418.10	139.72	42.58	679.67
Mar-13	573.50	3,17,167.78	307.38	13.78	269.51	1,48,152.67	157.90	52.15	531.21

As on March 31, 2013, the Settlement Guarantee Fund in Currency Derivatives segment stood at ₹ 1,807.17 crores.

5. Risk Management

(i) Capital Market & Securities Lending & Borrowing segments

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

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

(ii) F&O & Currency Derivatives segments

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

The most critical component of PRISM is the online real time client level portfolio based margining and monitoring system. The robustness of the system is time tested and has proved its efficient handling of volatile situations effectively, on numerous occasions in the past and especially on highly volatile days in the year. The actual margining and position monitoring is

done on-line, on an intra-day basis. NSCCL uses the SPAN (Standard Portfolio Analysis of Risk) system for the purpose of margining, which is a portfolio based system.

SPAN is a registered trademark of the Chicago Mercantile Exchange, used herein under License. The objective of SPAN is to identify overall risk in a portfolio of futures and options contracts for each member. The system treats futures and options contracts uniformly, while at the same time recognising the unique exposures associated with options portfolios like extremely deep out-of-money short positions and inter-month risk. As 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. There have been no defaults during the financial year.

6. Corporate Debt Instruments Settlement

The current financial year 2012-13 witnessed an increase in number of trades settled in Corporate Bonds. The total trades settled in Corporate Bonds increased by 6.10% to 36,815 while the average daily settlement value in Corporate Bonds increased by 8.83% to ₹ 1792.26 crores.

Following SEBI and RBI circulars, dated March 05, 2012 permitting DVP-1 based settlement of OTC trades in Commercial Papers (CP) and Certificate of Deposits (CD) through clearing corporations, settlement of such trades through National Securities Clearing Corporation Ltd. (NSCCL) commenced w.e.f. April 01, 2012. The average daily settlement value at NSCCL for OTC trades in Commercial Papers (CP) and Certificate of Deposits (CD) during the financial year 2012-13 stands at ₹ 2,150.55 crores and ₹ 7,201.82 crores respectively. The highest settlement value of ₹ 39,966.08 crores (across all corporate debt instruments) were recorded on March 26, 2013.

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

Month	No. of Settlement Days	Total No. of Trades Settled	Settled Value (in ₹ crores)	Average Daily Settlement Value (in ₹ crores)
Apr-12	18	6515	2,12,500.35	11,805.57
May-12	22	6614	1,98,108.87	9,004.95
Jun-12	21	8690	2,88,735.68	13,749.32
Jul-12	22	7929	2,24,872.61	10,221.48
Aug-12	21	6433	1,94,335.04	9,254.05
Sep-12	19	7012	2,50,131.98	13,164.84
Oct-12	20	6578	1,86,778.13	9,338.91
Nov-12	19	5267	1,63,930.51	8,627.92
Dec-12	20	5904	2,05,853.10	10,292.66
Jan-13	22	8133	2,30,034.91	10,456.13
Feb-13	19	5561	1,80,123.56	9,480.19
Mar-13	19	9090	3,61,595.19	19,031.33

RBI has permitted repo transactions in corporate bonds vide directions issued on January 08, 2010. During the financial year 2012-13, NSCCL settled 33 repo trades valuing ₹ 723.20 crores as compared to 23 trades valuing ₹ 618.05 crores in the previous financial year.

7. Mutual Fund Service System (MFSS)

As on March 31, 2013, 33 mutual fund houses with 2879 schemes were enabled under the revised MFSS scheme.

(i) Subscription

The average daily value of funds settled for subscription of mutual fund units for the period April 1, 2012 to March 31, 2013 was ₹ 2.67 crores. The highest settlement value was ₹ 23.72 crores and was observed on November 22, 2012. The average daily quantity of units allotted under subscription for the period April 1, 2012 to March 31, 2013 was 11.81 lakhs. The highest quantity allotted was 891.00 lakhs and was observed on September 17, 2012.

(ii) Redemption

The average daily value of funds settled for redemption of mutual fund units for the period April 1, 2012 to March 31, 2013 was ₹ 2.62 crores. The highest settlement value was ₹ 26.56 crores and was observed on November 26, 2012. The average daily quantity of units redeemed for the period April 1, 2012 to March 31, 2013 was 6.62 Lakhs. The highest quantity redeemed was 54.29 Lakh units and was observed on June 01, 2012.

8. New Initiatives and Developments

(i) Project 60

The objective of Project 60 was to ensure all end-of-day reports are delivered to members within 60 minutes of market close. Several process improvement and re-engineering initiatives were undertaken, and this objective was achieved. The success of project 60 has resulted in early availability of information and better time management of members as well as clearing corporation.

(ii) T+0 Settlement

Clearing members in F&O segment were provided with an option to settle settlement obligations on T+0 basis, before market hours next day. This facility benefited members due to reduced SPAN margin requirement and dropping of net buy premium before market opens leading to efficient use of collateral.

(iii) Risk Reduction Mode

Risk reduction mode was implemented in Cash Market and F&O segments. When the collateral utilisation of a member exceeds 90%, risk reduction mode gets enabled for the member. In the risk reduction mode, all orders are validated for collateral sufficiency on pre-trade basis. Risk reduction mode has significantly reduced the instances of disablement and risk of potentially uncovered exposures for the clearing corporation.

(iv) Collateral and margin information for members

Collateral and margin information was made available free of cost to members on member portal. The information is available on a real-time basis and has significantly benefited the members.

(v) Settlement of Commercial Paper (CPs) and Certificate of Deposit (CDs)

National Securities Clearing Corporation Limited (NSCCL) has commenced the settlement of OTC trades in Commercial Paper (CPs) and Certificate of Deposit (CDs) on DVP I basis w.e.f. April 01, 2012. NSCCL has continued its track record for successfully settling OTC trades in Corporate Bonds, Repos in Corporate Bonds, Commercial Paper (CPs) and Certificate of Deposit (CDs).

(vi) Prudential norms for securities accepted as collaterals

NSCCL introduced prudential norms on securities accepted as collaterals. These norms were introduced in order to ensure that the liquid assets of a member do not have concentration of single security and the value of securities accepted as collateral is in tune with its average daily traded volume. This initiative has helped in strengthening NSCCL's risk containment measures and reduced overall market risk.

(vii) Revised clearing & settlement mechanism for Offer for Sale (OFS)

The Offer for Sale is window provided to the promoters where they can offload their stake in order to reduce the overall shareholding percentage in the company. Revised scheme for OFS has been made operational, where two settlement types have been introduced as prescribed by SEBI. The revised scheme for OFS offers the institutions an option to place orders with or without upfront margins.

(viii) Clearing & settlement mechanism for SME securities

The clearing and settlement mechanism for SME securities has been built on the lines of capital market segment. All the clearing members in CM segment have been made active for SME segment. All SME securities have been classified under group 3 for the purpose of VaR margins. Settlement of Pay-in is on the basis of market lots only. Any excess or short of the market lot shall be rejected and returned to the members. In case of market lot changes, security shortages will be financially closed out.

(ix) Fungibility of Bank guarantee

Bank Guarantee (BGs) as a collateral instrument has been made fungible across segments. This has led to smooth and hassle free transfer of BGs from one segment to another. The overall experiences of members have bettered with respect to efficient use of collateral placed by members.

(x) Availability of STT Exclusion list – Cash Market

To enhance members convenience and in view of suggestions received, it has been decided to provide a file giving a list of all the securities on which STT is not applicable. The details of which are made available on NSE website.

(xi) Debt segment

NSE launched the debt segment on May 13, 2013. There are two platforms in the Debt segment, Retail and Institutional platforms, where market lot size is as low as one bond for retail investors (up to a ceiling of 1 crore value), while institutions can trade in lot size of 1 crore (Institutional odd lot) and its multiples, and 5 crores (Institutional normal lot) and its multiples. While publicly placed Corporate bonds are listed for trading on the retail platform, the privately placed Corporate bonds are listed on the Institutional platform. Institutions can also buy and sell publicly placed corporate bonds. NSCCL carries out clearing and settlement of trades done on NSE.

9. Other achievements

CRISIL has continued its highest corporate credit rating of 'AAA' to the National Securities Clearing Corporation Limited (NSCCL). 'AAA' rating indicates highest degree of strength with regard to honouring debt obligations. NSCCL is the first Indian Clearing Corporation to get this rating. The rating reflects NSCCL's status as Clearing Corporation for NSE, India's largest stock exchange. The rating also factors in NSCCL's rigorous risk management controls and adequate settlement guarantee cover. NSCCL has been accorded this rating for the fifth consecutive year.

10. Opportunities and increased coverage

(i) Clearing Members

New Clearing Members have been added on both Capital Market and F&O segments thereby providing a wider choice to clients. Clearing membership was granted to 6 new members in the F&O segment and 32 new members in Capital Market segment. In Currency Derivatives segment, 5 Clearing Members have been enabled.

(ii) Custodian Clearing Members & Professional Clearing Members (PCM)

In the Capital Market segment, 16 Custodians and 4 Professional Clearing Members (PCM) are enabled through whom clients can settle their transactions.

(iii) Participants & custodians in SLBM

17 new participants became active in SLBM segment in 2012-13. The total number of 102 participants, 4 custodian-cum-participants and 4 custodians registered in SLBM as on March 31, 2013.

11. Multiple Depositories /Banks

NSCCL is electronically connected to both the depositories National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for securities settlement and 13 clearing banks for funds settlement.

II. FINANCIAL RESULTS

The working of NSCCL during the year has resulted in a net profit after tax of ₹ 179.21 crores as per particulars given below: -

Particulars	2012-13 (₹ In crores)	2011-12 (₹ In crores)
Income	349.93	400.84
Expenditure	62.97	55.00
Profit before prior period adjustments	286.96	345.84
Add/(Less): Prior Period adjustment	(32.79)	(0.03)
Profit before tax	254.17	345.81
Provision for tax (including deferred tax)	74.96	104.92
Profit after tax	179.21	240.89
Surplus brought forward from previous year	85.87	105.33
Amount available for appropriation	265.08	346.22
Appropriations		
General Reserve	20.00	25.00
Proposed Dividend	146.25	202.50
Corporate Dividend tax	24.86	32.85
Balance carried to Balance Sheet	73.97	85.87
Total	265.08	346.22

III. DIVIDEND

In view of the above results, the Directors recommend payment of dividend of ₹ 32.50 per share for the year 2012-13.

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

SEBI notified Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporation) Regulations, 2012 on June 20, 2012. As per the above Regulations, existing clearing house / corporations are required to obtain recognition from SEBI. Accordingly, NSCCL made an application to SEBI for recognition under the above Regulations and SEBI granted it's in principle approval to NSCCL on April 3, 2013 to act as a Clearing Corporation for a period of one year.

V. During the year under review, NSEIL promoted a public limited company, NSE Strategic Investment Corporation Limited, inter alia to make or hold primarily strategic investments in the equity shares and/or other securities of NSE group companies, in which NSCCL holds 0.10% of the paid up share capital.

VI. DIRECTORS

As Mr. Gagan Rai was appointed as an Additional Director of the Company with effect from May 21, 2013, he holds office till the date of the forthcoming Annual General Meeting. However, he is eligible for appointment as Director by members. Mr. Ravi Narain relinquished his executive chairman position in NSCCL effective from August 23, 2012. However, he continues as Non-executive Chairman till a new Chairman is elected with the approval of SEBI. Mr. Ravi Narain retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Dr. Ajay Shah, Mr. S. Venkiteswaran and Mr. Y. H. Malegam ceased to be Directors of the Company consequent upon their resignation from the Board of Company with effect from August 24, 2012, August 31, 2012 and March 30, 2013 respectively. Ms. Chitra Ramkrishna ceased to be the Managing Director effective from April 1, 2013 consequent upon her appointment as Managing Director & CEO of NSEIL. However she continues as a Director in non-executive capacity on the Board of NSCCL. The Board wishes to place on record its sincere appreciation and gratitude for their valuable contribution made during their tenure as Directors/Managing Director.

VII. CORPORATE GOVERNANCE

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

National Securities Clearing Corporation Limited (NSCCL) is a public limited company, whose securities are not listed on any of the stock exchanges. As per Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for listed companies are mutatis mutandis applicable to a recognised clearing corporation. In September, 2012, NSCCL made an application to SEBI for recognition of a clearing corporation under the above Regulations and SEBI granted its in principle approval to NSCCL on April 3, 2013 to act as a Clearing Corporation for a period of one year. NSCCL has always been involved in good governance practices and endeavors continuously to improve upon the same. A report on corporate governance for the financial year 2012-13 is furnished as part of the Annual Report for the information of all its stakeholders. The certificate from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under clause 49 of Listing Agreement is also attached with the above report.

VIII. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that -

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

(ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the

state of affairs of NSCCL at the end of the financial year i.e., 31st March 2013 and of the profits of NSCCL for that year;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of NSCCL and for preventing and detecting fraud and other irregularities ; and

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

IX. AUDIT COMMITTEE

The Audit Committee comprises of four Directors viz., Mr. C. M Vasudev, Mr. Ravi Narain, Mr. Sudhir Joshi and Mr. K. R. Ramamoorthy as its members. Mr. C. M. Vasudev is the Chairman of the Audit Committee. Mr. R. P. Chitale, ceased to be a member of the Audit Committee consequent upon his desire not to seek re-election at the Company's 17th Annual General Meeting held on May 29, 2012. Mr. S. Venkiteswaran and Mr. Y. H. Malegam ceased to be members of the Audit Committee consequent upon their resignation from the Board of Company with effect from August 31, 2012 and March 30, 2013 respectively. Mr. Sudhir Joshi was appointed as a member of the Audit Committee with effect from August 23, 2012. Mr. C. M. Vasudev and Mr. Ravi Narain were appointed as members of Audit Committee with effect from February 08, 2013. The Committee met four times during the year i.e., on April 30, 2012, August 23, 2012, November 2, 2012 and February 08, 2013. The details of the attendance of members of the Audit Committee at their meetings held on the above dates are given in the following table:-

Name	Number of meetings held during the year	Number of meetings attended
Mr. C. M. Vasudev, Chairman	None	N.A.
Mr. Y. H. Malegam	4	4
Mr. R. P. Chitale	1	1
Mr. S. Venkiteswaran	2	0
Mr. Sudhir Joshi	2	2
Mr. K. R. Ramamoorthy	3	2
Mr. Ravi Narain	None	N.A.

X. AUDITORS

The Auditors, M/s. Haribhakti & Co., Chartered Accountants, will retire at the forthcoming Annual General Meeting of NSCCL and are eligible for re-appointment. NSCCL has received a certificate from the Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

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

1. Conservation of Energy and Technology Absorption

As the Company does not fall under any of the industries listed out in the Schedule appended to Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the requirements of disclosure of particulars with respect to conservation of energy and technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956, read with the aforesaid Rules are not applicable to the Company.

2. Foreign Exchange earnings/outgo during the year under review

There was no foreign exchange earning during the year. However, the foreign exchange outgo during the year was ₹ 0.08 crores.

XII. PARTICULARS OF EMPLOYEES

All the persons who are working with NSCCL are on deputation from National Stock Exchange of India Limited and accordingly the remuneration paid in respect of them has been reimbursed to NSEIL by NSCCL. A statement under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is enclosed.

XIII. ACKNOWLEDGMENT

Your Directors wish to place on record their gratitude for the co-operation and support extended by the Government of India, Securities and Exchange Board of India and Reserve Bank of India. The Board also wishes to place on record their sincere appreciation for the unstinted efforts of the employees at all levels towards the continued growth of NSCCL.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 23, 2013

Ravi Narain
Chairman

ANNEXURE TO DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975

Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (₹)		Experience (No.of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
1	Mr. R Nandakumar B. Com., Grad. CWA, MBA, CAIIB, FIII	47	Senior Vice President	5332889	2774332	26	March 15, 1995	Staff Officer (Finance), Unit Trust of India
2	Mr. T Venkat Rao B.Com., LL. B	55	Vice President	11176547	7302433	31	December 21, 2000	Manager, Global Trust Bank Limited

Notes:

1 Gross Remuneration includes Salary and other benefits, Company's contribution to Provident Fund, Superannuation Fund, taxable value of perquisites, etc. Net remuneration represents gross remuneration less Company's contribution to provident and superannuation funds, taxable value of perquisites, profession tax and income tax. Where applicable, the amount also includes certain allowances accrued during previous year(s) but claimed in the current year.

2 Besides the above, variable pay pertaining to FY 2011-12 amounting to ₹ 4071329, in respect of Mr. T Venkat Rao was disbursed during FY 2012-13.

3 None of the employees mentioned above is a relative of any Director.

4 The above employees were on deputation basis from the Company's holding company i.e. National Stock Exchange of India Limited (NSEIL) and the remuneration in respect of them has been reimbursed to NSEIL by the Company.

5 None of the employees is holding equity shares in the Company within the meaning of sub-clause (iii) of clause (a) of sub-section (2A) of Section 217 of the Companies Act, 1956.

6 The Company does not have any Employees Stock Option Plan (ESOP) Scheme for its employees.

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of law and commitment to values and ethical business conduct to achieve the Company's objective of enhancing shareholder value and effective discharge of its social responsibility. National Securities Clearing Corporation Limited (NSCCL) is a public limited company, whose securities are not listed on any of the stock exchanges. As per Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for listed companies are mutatis mutandis applicable to a recognised clearing corporation. In September, 2012, NSCCL made an application to SEBI for recognition of a clearing corporation under the above Regulations and SEBI granted it's in principle approval to NSCCL on April 3, 2013 to act as a Clearing Corporation for a period of one year. In continuation of its pursuit to establish good corporate governance practice and for the information of its stakeholders, NSCCL is furnishing this Report for the financial year ended on 31st March, 2013.

NSCCL is a company incorporated under the Companies Act, 1956. NSCCL is additionally required to comply with Securities Contracts (Regulation) Act, 1956, the Rules laid down thereunder and the directives and circulars issued by Securities and Exchange Board of India (SEBI) from time to time for the purpose of its governance.

I. Board of Directors

A. Composition of the Board

As on March 31, 2013, the Board consisted of 6 Directors, out of which four Directors are Independent Directors, one non executive Director and one executive director. None of the Directors of the Company are related with each other. The Chairman of the Board of Directors is a non-executive Director. The composition of the Board is in conformity with Clause 49 of the listing agreement.

Number of Board Meetings

The Board of Directors met four times during the year on May 09, 2012, August 23, 2012, November 02, 2012, and February 08, 2013. The maximum time gap between any two meetings was less than 4 months.

Directors' Attendance Record and Directorships Held

As mandated by the Clause 49, none of the Directors are members of more than ten Board level Committees nor are they Chairman of more than five Committees in which they are members. Table 1 gives the details of the composition of the Board, attendance and details of Committee Membership and Committee Chairmanships.

(1) Details of Directors along with the Directorship(s) and Chairmanship(s)/Membership(s) of Committees in other companies for the year 2012-13:

Name of the Director	Category	Attendance Particulars			No. of Directorships / Chairmanships and Committee Chairmanships / Memberships		
		Number of Board Meetings		Last AGM	Other Directorship(s)/ Chairmanship(s)@	Other Committee Membership(s)#	Other Committee Chairmanship(s) #
		Held	Attended				
Mr. Ravi Narain	Non- Executive Chairman	4	4	Y	14	2	3
Ms. Chitra Ramkrishna	Executive Director	4	4	Y	8	2	1
Mr. Anjan Barua	Independent Director	3	2	N	1	-	-
Mr. R. P. Chitale	Independent Director	1	1	N	8	5	1
Mr. Sudhir Joshi	Independent Director	3	3	N	2	-	2
Mr. K. R. Ramamoorthy	Independent Director	3	2	N	7	6	2
Mr. C. M. Vasudev	Independent Director	3	2	N	8	4	1
Mr. Y. H. Malegam	Independent Director	4	4	N	7	-	4
Dr. Ajay Shah	Independent Director	2	1	N	2	1	-
Mr. S. Venkiteswaran	Independent Director	2	0	N	5	6	1

Y = Yes; N = No

Notes:

1. Mr. Anjan Barua, Mr. K. R. Ramamoorthy, Mr. Sudhir Joshi and Mr. C.M. Vasudev were appointed as Directors of the Company with effect from May 09, 2012, May 09, 2012, August 23, 2012 and August 23, 2012 respectively.
2. Mr. R. P. Chitale, Dr. Ajay Shah, Mr. S. Venkiteswaran and Mr. Y. H. Malegam ceased to be Directors of the Company with effect from May 29, 2012, August 24, 2012, August 31, 2012 and March 30, 2013 respectively.
3. Mr. Ravi Narain relinquished his executive chairman position w.e.f August 23, 2012 and continues as non executive chairman till a new Chairman is elected with the approval of SEBI from among the Public Interest Directors nominated on the Board of NSCCL. Ms. Chitra Ramkrishna ceased to be Managing Director & CEO of the Company w.e.f April 1, 2013.

@The Directorships/ Committee memberships held by Directors as mentioned above, do not include Directorships/ Committee memberships of Foreign Companies, Section 25 Companies and Private Companies.

#Memberships/Chairmanships of only the Audit Committee and Shareholders/Investors' Grievances Committee of all Public Companies have been considered.

B. Responsibilities of the Board

The Company conducts orientation programmes for new Directors covering various operations of the Clearing Corporation so as to familiarise themselves with the various functions being carried out by the Clearing Corporation. Every director inducted on the Board is well known in the financial services industry and has the ability to understand basic financial statements and information and related documents/papers.

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

- Annual capital and revenue budgets and updates
- Quarterly financial results
- Status report on the operations of different segments
- Minutes of the meetings of Audit Committee
- Details of joint ventures, etc.
- Other information, which is required to be placed before the Board as per clause 49 of the Listing Agreement, is taken to the Board as and when the event occurs.

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

C. Code of Conduct

A code of conduct has been prescribed for the Directors and Key Management Personnel. All Board members and Key Management Person have affirmed compliance with the Code of Conduct.

D. Independent Directors

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

(2) Attributes

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

(3) Tenure

The Company, being a clearing corporation is required to follow directives issued by SEBI from time to time. The Clearing Corporation follows the same.

(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 clearing corporation. The Company always strives to strike a balance between both the above requirements without compromising on compliance of such requirements.

E. Remuneration of Directors

The Remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. Mr. Ravi Narain, Non- Executive Chairman and Ms Chitra Ramkrishna, Managing Director & CEO did not draw any remuneration or sitting fee during the Financial Year 2012-13.

A sitting fee is being paid to other non-executive Directors for the meetings of the Board or the Committees constituted by it, attended by them. The sitting fees paid to the Non-executive Directors during the year for attending the meetings of the Board and its Committees are as follows:

Name	Board meetings		Board Committees' meetings		Total
	No. of meetings attended	Amount (₹)	No. of meetings attended	Amount (₹)	
Mr. Anjan Barua	2	40,000	-	-	40,000
Mr. R. P. Chitale*	1	20,000	1	20,000	40,000
Mr. Sudhir Joshi	3	60,000	2	40,000	1,00,000
Mr. Y. H. Malegam*	4	80,000	4	80,000	1,60,000
Mr. K. R. Ramamoorthy	2	40,000	2	40,000	80,000
Dr. Ajay Shah**	1	20,000	1	20,000	40,000
Mr. C. M. Vasudev	2	40,000	-	-	40,000

* Mr. Chitale and Mr. Malegam ceased to be members of the Board and the Audit Committee w.e.f May 29, 2012 and March 30, 2013 respectively.

** Dr. Ajay Shah ceased to be a member of the Board w.e.f. August 24, 2012.

II. Committees of the Board

Audit Committee

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

The Audit Committee reviews the reports of the internal auditors and operational auditors. Besides, the role of Audit Committee of NSCCL, inter-alia, also covers the following:

(a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

(b) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on-

- Any changes in accounting policies and practices.
- Major accounting entries based on exercise of judgment by management.
- Qualifications, if any, in draft audit report.
- Significant adjustments arising out of audit.
- The going concern assumption.
- Compliance with accounting standards.
- Compliance with legal requirements concerning financial statements.
- Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.

(c) Reviewing with the management, external and internal auditors and the adequacy of internal control systems.

(d) Reviewing the adequacy of internal audit function including specification of terms of reference to firms conducting internal audit.

(e) Discussion with internal auditors any significant findings and follow up there on.

(f) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

(g) Discussion with external auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

(h) Reviewing the company's financial management policies.

(i) To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

The Audit Committee comprises of four Directors viz., Mr. C. M. Vasudev, Mr. Sudhir Joshi, Mr. K. R. Ramamoorthy and Mr. Ravi Narain as its members. Mr. C. M. Vasudev is the Chairman of the Audit Committee. The Committee met four times during the year i.e., on April 30, 2012, August 23, 2012, November 2, 2012 and February 08, 2013. The details of the attendance of members of the Audit Committee at their meetings held on the above dates are given hereunder:-

Name	No. of meetings held during the year	Number of meetings attended
Mr. C. M. Vasudev, Chairman**	None	N.A.
Mr. Y. H. Malegam #	4	4
Mr. R. P. Chitale #	1	1
Mr. S. Venkiteswaran #	2	0
Mr. Sudhir Joshi *	2	2
Mr. K. R. Ramamoorthy	3	2
Mr. Ravi Narain**	None	N.A.

* Member w.e.f August 23, 2012; ** Members w.e.f February 08, 2013

Mr. R. P. Chitale, Mr. S. Venkiteswaran and Mr. Y. H. Malegam ceased to be members of the Audit Committee with effect from May 29, 2012, August 31, 2012 and March 30, 2013 respectively.

The Officer responsible for the finance function and the representative of the statutory auditors and internal auditors are regularly invited by the Audit Committee to its meetings. The Company Secretary appointed pursuant to the provisions of the Companies Act, 1956 is the Secretary to the Committee. All members of the Audit Committee have requisite accounting and financial management expertise.

III. Subsidiary Companies

As on 31st March 2013, NSCCL did not have any 'material non-listed Indian subsidiary'.

IV. Auditors

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

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

V. Secretarial Review

The Company has engaged the services of M/s. S.N. Ananthasubramanian & Co., Practicing Company Secretaries, to conduct review of compliances under the Companies Act, 1956 and the rules laid down thereunder for the financial year ended 31st March, 2013. The report of the Practicing Company Secretary is placed before the Audit Committee.

VI. Disclosures

(1) Basis of related party transactions

Related party transactions in the ordinary course of business have been disclosed in the notes to the financial statements in the Annual Report.

(2) Disclosure of Accounting Treatment in preparation of Financial Statements

NSCCL follows the guidelines of Accounting Standards laid down by the Central Government under the provisions of section 211(3) of the Companies Act, 1956 in the preparation of its financial statements.

VII. Shareholders

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

Mr. Ravi Narain retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Mr. Gagan Rai was appointed as an Additional Director of the Company with effect from May 21, 2013.

B. Communication with Shareholders

The data related to quarterly and annual financial results, shareholding pattern, etc., are provided in the Company's web-site for the information of the shareholders.

Annual Report**:** Annual report containing, inter alia, Audited Accounts, Directors' Report, Report on Corporate Governance, other material and related matters/information is circulated to the shareholders and others entitled thereto.

C. Redressal of shareholders' complaints

The Company is a wholly owned subsidiary of National Stock Exchange of India Limited. The Company did not receive any complaint from its shareholder(s) like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. during the year.

D. General Body Meetings

Location, date and time of the general meetings held in the last three years till March 31, 2013:-

Type of meeting	Date	Time	Venue	Special Resolution passed
Extra-Ordinary General Meeting	25-Feb-13	10. 00 am	Board Room, Exchange Plaza, Plot C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	-
Extra-Ordinary General Meeting	27-Sep-12	12.00 Noon	- do -	Alteration of Articles of Association
17th Annual General Meeting	29-May-12	2. 30 p.m.	- do -	-
16th Annual General Meeting	13-Sep-11	2.00 pm	- do -	-

E. **Shareholding pattern of the Clearing Corporation and Top 10 Shareholders as on 31st March, 2013.**

The Company is a wholly owned subsidiary of National Stock Exchange of India Limited.

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

Stock Market Data: The equity shares of NSCCL are not listed on any stock exchange.

F. **Registrar and Transfer Agent:**

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

M/s. Link Intime India Pvt Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West) Mumbai 400 078. Tel. No. + 91 22 2596 3838 and Fax No. +91 22 2594 6969.

G. Addresses for Correspondence:

Shareholders are requested to intimate all changes pertaining to their Bank details, email addresses, Power of Attorney, change of name, change of address, contact details, etc., to their Depository Participants (DP).

H. Certificate on compliance of corporate governance norms

Clause 49 of the Listing Agreement mandates for the companies which listed their securities with the Stock Exchanges to obtain a certificate, from either the auditors or practicing company secretaries, regarding the compliance of conditions of corporate governance covered therein and annex the certificate with the Directors' Report, which is sent annually to the shareholders. NSCCL is a public limited company, whose securities are not listed on any stock exchanges. As per Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for listed companies are mutatis mutandis applicable to a recognised clearing corporation. As SEBI granted in-principle approval to NSCCL, NSCCL has obtained corporate governance compliance certificate from a practicing company secretary. The same is given as an Annexure to the Directors' Report.

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
National Securities Clearing Corporation Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East), Mumbai 400051

We have examined all relevant records of **National Securities Clearing Corporation Limited (the Company)** for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies for the financial year ended **31st March 2013**. In terms of Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for listed companies have become *mutatis mutandis* applicable to a recognised Clearing Corporation. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with disclosure requirements and corporate governance norms as specified for Listed Companies.

S. N. ANANTHASUBRAMANIAN & CO.
Company Secretaries

S. N. Ananthasubramanian
Proprietor
C.P.No.: 1774

Date: 23rd May, 2013
Place: Thane

INDEPENDENT AUDITORS' REPORT

To the Members of National Securities Clearing Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of National Securities Clearing Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

   e. on the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No.103523W

Sumant Sakhardande
Partner
Membership No. 034828

Mumbai : May 23, 2013

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of National Securities Clearing Corporation Limited on the financial statements for the year ended March 31, 2013]

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

(ii) The Company does not hold any Inventory. Therefore, the provisions of clauses 4(ii)(a),(b)&(c) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(b),(c) and (d) of the order are not applicable.

(e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(f)and (g) of the order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. During the course of our audit, we have not observed any continuing failure to correct weaknesses in internal control system of the Company.

(v) (a) According to the information and explanations given to us, there are no contracts or arrangements during the year that need to be entered into the register maintained under section 301 hence clause 4(v)(b) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the services of the Company.

(ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including investor education and protection fund, income-tax, service tax, cess and other material statutory dues applicable to it. We are informed that the provisions of Provident Fund Act and Employees' State Insurance Act are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of investor education and protection fund, income-tax, service tax, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, service tax and cess as at March 31, 2013 which have not been deposited with respective authorities on account of disputes, are as follows:

Name of the statute	Nature of dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	14,33,426	A.Y. 2008-09	ITAT

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company does not have dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

(xvi) The Company has not obtained any term loans.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year.

(xx) The Company has not raised money by way of public issue during the year.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No.103523W

Sumant Sakhardande
Partner
Membership No. 034828

Mumbai : May 23, 2013

BALANCE SHEET AS AT MARCH 31, 2013

			Note No.	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
I	Equity and Liabilities				
	1	Shareholders' funds			
		a Share Capital	3	45.00	45.00
		b Reserves and surplus	4	904.92	896.82
				949.92	941.82
	2	Non-current Liabilities			
		a Deposits (Unsecured)	5	529.91	504.84
		b Deferred tax liabilities (net)	6	0.29	0.33
				530.20	505.17
	3	Current Liabilities			
		a Deposits (Unsecured)	5	9.93	8.37
		b Trade payables	8	22.79	11.51
		c Other current liabilities	8	2,283.96	2,724.07
		d Short-term provisions	7	171.44	235.35
				2,488.12	2,979.30
	TOTAL			3,968.24	4,426.29
II	Assets				
	1	Non-current Assets			
		a Fixed assets	9		
		Tangible assets		4.80	2.82
		Intangible assets		1.66	0.79
		Capital work-in-progress		-	0.02
				6.46	3.63
		b Non-current investments	10	47.90	145.32
		c Long-term loans and advances	12	0.12	1.75
		d Other non-current assets	13	382.51	414.90
				436.99	565.60
	2	Current Assets			
		a Current investments	11	402.00	280.08
		b Trade receivable	14	8.30	4.65
		c Cash and bank balances	15	3,033.61	3,520.23
		d Short-term loans and advances	12	3.63	4.23
		e Other Current assets	13	83.71	51.50
				3,531.25	3,860.69
	TOTAL			3,968.24	4,426.29

Summary of significant accounting policies 2

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

As per our report of even date attached

For HARIBHAKTI & CO.
Chartered Accountants
Firm Regn. No. 103523W

SUMANT SAKHARDANDE
Partner
Membership No.034828

Place : Mumbai
Date : May 23, 2013

For and on behalf of the Board of Directors

RAVI NARAIN
CHAIRMAN

CHITRA RAMKRISHNA
Director

C.M. VASUDEV
Director

R. JAYAKUMAR
Asst. Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013

(₹ Crores)

PARTICULARS	Note No.	For the year ended 31.03.2013	For the year ended 31.03.2012
Revenue from operations	16	243.02	303.25
Other income	17	106.91	97.59
Total Revenue (I)		349.93	400.84
Expenses			
Employee benefits expenses	18	11.38	10.05
Other expenses	19	48.98	42.69
Depreciation and amortisation expenses	9	2.61	2.26
Total Expenses (II)		62.97	55.00
Profit before prior-period adjustments		286.96	345.84
Add/(Less) : Prior-period adjustments	27	(32.79)	(0.03)
Profit before tax		254.17	345.81
Less : Provision for tax			
Current tax		75.00	105.00
Deferred tax		(0.04)	(0.08)
Total tax expenses		74.96	104.92
Profit after tax		179.21	240.89
Earning per Equity Share (FV ₹ 10)	26		
Basic (₹)		39.82	53.53
Diluted (₹)		39.82	53.53
Summary of significant accounting policies	2		

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

As per our report of even date attached

For HARIBHAKTI & CO.
Chartered Accountants
Firm Regn. No. 103523W

SUMANT SAKHARDANDE
Partner
Membership No.034828

Place : Mumbai
Date : May 23, 2013

For and on behalf of the Board of Directors

RAVI NARAIN
CHAIRMAN

CHITRA RAMKRISHNA
Director

C.M. VASUDEV
Director

R. JAYAKUMAR
Asst. Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

		For the year ended 31.03.2013 ₹ in Crores	For the year ended 31.03.2012 ₹ in Crores
A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax	254.17	345.81
	Add : Adjustments for :		
	Depreciation for current year	2.61	2.26
	Amortisation of Premium on Govt/Debt Securities	0.39	0.16
	Adjustments to the carrying amount of current investments	0.11	0.04
	Less: Adjustments for :		
	(Profit)/Loss on sale of fixed assets	-	(0.02)
	Interest Income on short term Investments	(7.61)	(14.58)
	Interest Income on long term Investments	(9.93)	(8.96)
	Interest income on Bank Deposit	(72.18)	(49.92)
	Profit on sale / redemption of Investments	(2.26)	(3.83)
	Dividend on Investment	(14.45)	(20.03)
	Operating Profit Before Working Capital Changes	150.85	250.93
	Adjustments for :		
	Trade Receivables	(3.65)	(0.00)
	Loans & Advances	1.06	(0.32)
	Interest on operating Income	(8.63)	(5.88)
	Current Liabilities & Provisions	(428.83)	(319.84)
	Cash Generated from Operations	(289.20)	(75.11)
	Direct taxes paid (Net of Refunds)	(73.49)	(99.29)
	Net Cash from (used in) Operating Activities - Total (A)	(362.69)	(174.40)
B)	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets / Capital Work in progress	(5.44)	(0.94)
	Sale of Fixed Assets	0.00	0.02
	Interest Income received	72.62	70.97
	Dividend on Investment	14.45	20.03
	(Increase)/Decrease in Deposits with banks	172.79	(154.78)
	(Increase)/Decrease in Investment	(22.74)	337.18
	Net cash from (used in) Investing activities - Total (B)	231.68	272.48

	For the year ended 31.03.2013 ₹ in Crores	For the year ended 31.03.2012 ₹ in Crores
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceed of deposit from Clearing members / Applicant	83.04	62.27
Refund of deposit to Clearing members / Applicant	(56.42)	(62.33)
Dividend Paid (incl. corporate dividend tax)	(235.35)	(104.60)
Net cash from (used in) financing activities - Total (C)	(208.73)	(104.66)
Net Increase/(Decrease) in Cash & Cash equivalents (A+B+C)	(339.74)	(6.58)
Cash and Cash Equivalents : Opening Balance	2,614.19	2,620.77
(includes fixed deposit with banks of ₹2596.26 Crores (Previous Year : ₹2597.76 Crores)		
Cash and Cash Equivalents : Closing Balance	2,274.45	2,614.19
(includes fixed deposit with banks of ₹2244.00 Crores (Previous Year : ₹2596.25 Crores)		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	(339.74)	(6.58)

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 Accounting Standard-3 on Cash Flow Statements notified under Companies (Accounting Standards) Rules, 2006 (as amended).

As per our report of even date attached

For HARIBHAKTI & CO.
Chartered Accountants
Firm Regn. No. 103523W

SUMANT SAKHARDANDE
Partner
Membership No. 034828

Place : Mumbai
Date : May 23, 2013

For and on behalf of the Board of Directors

RAVI NARAIN
CHAIRMAN

CHITRA RAMKRISHNA
Director

C.M. VASUDEV
Director

R. JAYAKUMAR
Asst. Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

1 Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (India GAAP). The company has prepared these financial statements to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention except in case of assets for which provision for impairment is made and revaluation is carried out.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2 Summary of significant accounting policies :

a) Use of estimates

The preparation of financial statements in conformity with India GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

(i) Clearing and Settlement charges, IT & support charges are recognized on accrual basis as and when the services are rendered.

(ii) In respect of Members who have been declared as defaulters by the company all amounts (dues) remaining to be recovered, net of available security and insurance cover available if any, till the date of being declared as defaulters are written off as bad debts. All subsequent recoveries are accounted when received.

Shortages arising after the date of declaration of default are written off as bad debts in the year in which it arises, after exhausting all remedies including forfeiture of securities and insurance cover available if any.

Other overdue amounts are provided for as doubtful debts or are written off as bad debts, if the same are considered doubtful/irrecoverable in the opinion of the management.

(iii) Penal Charges, in the year of declaration of default, in respect of shortages due from the respective member, are booked to the extent such charges are recoverable.

(iv) Other insurance claims are accounted on accrual basis when the claims become due and payable.

(v) Dividend on investments is recognized when a right to receive the same is established. Income on investments is accounted for on accrual basis.

(vi) Interest is recognized on time proportionate basis taking into consideration the amount outstanding and the rate applicable.

c) Usage charges & Fixed Assets

(i) For the assets commonly used by the Company and National Stock Exchange of India Ltd. (NSEIL) and which are owned by NSEIL, Usage charges are paid to NSEIL at 25 % per annum of the proportionate Capital Cost of such assets.

(ii) Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(iii) Depreciation is provided on the "Straight line method" based on estimated useful life of assets at the following rates which are higher than those prescribed in Schedule XIV (Inserted by the Companies (Amendment) Act, 1988 and Notification GSR No. 756E dated 16th December, 1993) to the Companies Act, 1956.Depreciation on additions / deletions is provided on pro-rata basis from the date of acquisition/ up to the date of deletion.

Assets	Depreciation Rate
Office Equipment	25.00%
Furniture & Fixtures	
- Movable Furniture	20.00%
- Non Movable Furniture	6.33%/10.00%
Computer Systems	33.33%
Clearing and Settlement Systems	25.00%
Telecommunications Systems	25.00%
Dial Based Telecom Network	25.00%

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

(iv) Intangibles :-

Intangibles comprising of software are recorded at acquisition cost and are amortized over the estimated useful life on straight line basis. Depreciation on additions is provided on pro-rata basis from the date of acquisition/ upto the date of deletion.

Assets	Depreciation Rate
Computer Software	25.00%

(v) Impairment of Assets :-

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

d) Investments

(i) Long term investments are considered as held till maturity and are valued at cost. Provision is made for diminution in the value of investment, if any, other than temporary in nature.

(ii) Short term investments are valued at cost or fair value whichever is lower.

(iii) Premium/ Discount at the time of acquisition of Government / Debt securities is amortised / recognised over the residual period of its maturity.

(iv) The cost of investment includes acquisition charges such as brokerage, etc. Front-end discount / incentive earned in respect of direct subscription are adjusted towards the cost of investment.

e) Income Tax

Income tax expense for the year, comprising current tax and deferred tax is included in determining the net profit for the year.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

f) Provisions, contingent liabilities & contingent assets :-

Provisions involving substantial degree of estimations in measurement are recognized when there is present obligation as result of past events and it is probable that there will be outflow of economic resources. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised but are disclosed while, contingent assets are neither recognized nor disclosed in financial statements.

g) Earning Per Share:-

Basic and diluted earning per share is computed by dividing the net profit attributable to equity shareholders for the year, by weighted average number of equity shares outstanding during the year.

h) Cash and cash equivalents

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

3 Share Capital

	As at 31.03.2013 (₹ in Crores)	As at 31.03.2012 (₹ in Crores)
Authorised		
4,50,00,000 (Previous Year :4,50,00,000) Equity Shares of ₹10 each.	45.00	45.00
Issued, Subscribed and Paid-up		
4,50,00,000 (Previous Year :4,50,00,000) Equity Shares of ₹10 each fully paid up.	45.00	45.00
(all the above shares are held by the holding company- National Stock Exchange of India Limited and its nominees)		
Total	45.00	45.00

Aggregrate number of shares issued for payment other than cash, bonus shares, shares bought back during the period of five years immediately preceeding the reporting date :

Particulars	Aggregrate No. of Shares				
Equity Shares	2008-09	2009-10	2010-11	2011-12	2012-13
Shares issued for payment other than cash, bonus shares, shares bought back	-	-	-	-	-

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

The company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

The Board of directors, in their meeting on May 23, 2013, proposed a dividend of ₹32.50 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended March 31, 2013 amounted to ₹146.25 crores excluding Dividend Distribution Tax

During the year ended March 31, 2012, the amount of per share dividend recognized as distribution to equity shareholders was ₹45/-. The dividend appropriation for the year ended March 31, 2012 amounted to ₹202.50 crore excluding Dividend Distribution Tax.

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

	As at 31.03.2013		As at 31.03.2012	
	No.	% holding	No.	% holding
National Stock Exchange of India Limited and its nominees	**45000000**	**100.00%**	45000000	100.00%

4 Reserves and surplus

	As at 31.03.2013 (₹ in Crores)		As at 31.03.2012 (₹ in Crores)	
Capital Redemption Reserve				
As per last balance sheet	10.00		10.00	
Less: Expenses incurred Transferred from statement of profit & loss	-		-	
Add : Transferred from surplus balance in the statement of profit & loss account		**10.00**		10.00
Special Contingency Reserve				
As per last balance sheet	-		220.00	
Less : Transferred to General Reserve account	-		220.00	
Add : Transferred from surplus balance in the statement of profit & loss	-	-	-	-
General reserve				
As per last balance sheet	800.95		555.95	
Add : Transferred from surplus balance in the statement of profit & loss	20.00		25.00	
Add : Transferred from Special Contingency Reserve	-		220.00	
		820.95		800.95
Surplus/(deficit) in the statement of profit and loss				
Balance as per last financial statements	85.87		105.33	
Profit for the year	179.21		240.89	
Less : Appropriations				
Transfer to general reserve	20.00		25.00	
Proposed dividend (refer note 3)	146.25		202.50	
Tax on proposed dividend	24.86		32.85	
		73.97		85.87
Total reserves and surplus		**904.92**		896.82

5 Deposits (Unsecured)

	Non-current		Current	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
	(₹ in Crores)		(₹ in Crores)	
Security Deposit from Clearing Members	**329.05**	328.21	**6.10**	4.15
Security Deposit in lieu of Bank Guarantee/securities	**61.86**	60.13	**0.51**	0.50
Deposits from applicants for membership	-	-	**3.32**	3.72
Deposits from Clearing Banks	**139.00**	116.50	-	-
Total	**529.91**	504.84	**9.93**	8.37

6 Deferred Tax liabilities (net)

	As at 31.03.2013 (₹ in Crores)		As at 31.03.2012 (₹ in Crores)	
Deferred Tax Liabilities				
Related to depreciation and other expenditure	0.29		0.33	
Related to other items	-		-	
Total (A)		0.29		0.33
Less : Deferred Tax Assets				
Related to disallowance u/s 43B	-		-	
Related to other items				
Total (B)		-		-
Net Deferred Tax liabilities (A-B)		0.29		0.33

7 Provision

	Short - Term	
	As at 31.03.2013	As at 31.03.2012
	(₹ in Crores)	
Other Provisions		
Income tax (Net of advance tax and Tds)	0.33	-
Proposed dividend	146.25	202.50
Corporate dividend tax	24.86	32.85
	171.44	235.35
Total	171.44	235.35

8 Curent liabilities

	As at 31.03.2013	As at 31.03.2012
	(₹ in Crores)	
Trade payables (Ref note no.20) (including amount due to holding company ₹ 18.53 crores (previous year ₹.7.14 crores))	22.79	11.51
	22.79	11.51
Other current liabilities		
Margins From Members	641.22	596.46
Settlement Obligations payable	1,625.36	2,115.79
Amount payable to NSEIL IPFT	3.90	1.11
Other liabilities	13.48	10.71
	2,283.96	2,724.07
Total	2,306.75	2,735.58

Note No. 9 Fixed Asset as on 31-MAR-2013 (Refer Note No. 2c)

₹ In Crs.

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01-APR-2012	Addi-tions	Dele-tions	As on 31-MAR-2013	Upto 31-Mar-2012	For the Year	Deduc-tions during the year	Total upto 31-Mar-2013	As on 31-MAR-2013	As on 31-MAR-2012
Tangible Assets										
CLEARING AND SETTLEMENT SYSTEM	21.92	3.87	-	25.79	19.16	1.87	-	21.03	4.76	2.77
FURNITURE AND FIXTURES	0.06	-	-	0.06	0.04	-	-	0.04	0.02	0.02
OFFICE EQUIPMENTS	0.01	-	-	0.01	0.01	-	-	0.01	0.00	0.00
TELECOMMUNICATION SYSTEMS	0.08	-	-	0.08	0.08	-	-	0.08	-	-
COMPUTER SYSTEMS	0.76	-	0.04	0.72	0.71	0.02	0.03	0.70	0.02	0.03
Total A	**22.83**	**3.87**	**0.04**	**26.66**	**20.00**	**1.89**	**0.03**	**21.86**	**4.80**	**2.82**
Intangible Assets										
COMPUTER SOFTWARE	3.86	1.59	-	5.45	3.07	0.72	-	3.79	1.66	0.79
Total B	**3.86**	**1.59**	**-**	**5.45**	**3.07**	**0.72**	**-**	**3.79**	**1.66**	**0.79**
Grand Total (A+B)	26.69	5.46	0.04	32.11	23.07	2.61	0.03	25.65	6.46	3.61
Previous Year	27.14	0.44	0.89	26.69	21.71	2.26	0.90	23.07	3.61	

Note No. 10 NON CURRENT INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE)(Refer Note No. 2d)

	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2013 (₹ in crores) (Figures in bracket indicates amount earmarked towards SGF)		Number of Units	As at 31.3.2012 (₹ in crores)
QUOTED								
GOI SECURITIES								
TAXABLE								
11.50% GOVERNMENT OF INDIA SECURITY	21-May-15	300	100	30,000	-		300	-
				Sub-total(i)	-			-
BONDS								
TAXFREE								
5.25% NUCLEAR POWER CORPORATION OF INDIA LIMITED 2014	23-Mar-14	100	1,000,000	100,000,000	-		100	10.00
6.05% INDIAN RAILWAY FINANCE CORPORATION LIMITED - SERIES 73	20-Dec-15	500	100,000	50,000,000	5.00		500	5.00
6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED - SERIES I	22-Jan-14	6,750	100,000	675,000,000	-		6,750	67.79
6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED - SERIES II	20-Mar-14	2,875	100,000	287,500,000	-		2,875	28.86
8.00 % INDIAN RAILWAY FINANCE CORPN LTD - TRANCHE 1 - SERIES 1	23-Feb-22	32,626	1,000	32,626,000	3.26		32,626	3.26
8.09% - POWER FINANCE CORPORATION - SERIES 80 A	25-Nov-21	500	100,000	50,000,000	5.00		500	5.00
7.93 % RURAL ELECTRIFICATION CORPN LTD - TRANCHE 1 - SERIES 1	27-Mar-22	61,238	1,000	61,238,000	6.12		61,238	6.12
8.20% NATIONAL HIGHWAYS AUTHORITY OF INDIA - TRANCHE 1 - SERIES 1	25-Jan-22	86	1,000	86,000	0.01		37,086	3.71
8.20% POWER FINANCE CORPORATION LIMITED - TRANCHE 1 - SERIES 1	1-Feb-22	42,718	1,000	42,718,000	4.27	(4.27)	42,718	4.27
9.00% INDIAN RAILWAY FINANCE CORPORATION LIMITED	28-Feb-15	90	1,000,000	90,000,000	9.20		90	9.31
7.18 % INDIAN RAILWAY FINANCE CORPN LTD - TRANCHE 1 - SERIES 1	19-Feb-23	150,000	1,000	150,000,000	15.00		-	-
				Sub-total(ii)	47.86	(4.27)		143.32
TAXABLE								

	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2013 (₹ in crores) (Figures in bracket indicates amount earmarked towards SGF)		Number of Units	As at 31.3.2012 (₹ in crores)
5.75% NUCLEAR POWER CORPORATION OF INDIA LTD.2013	14-Aug-13	200	100,000	20,000,000	-		200	2.00
				Sub-total(iii)	0.00	-		2.00
Other Investments								
UNQUOTED								
INVESTMENT IN EQUITY SHARES (VALUED AT COST UNLESS STATED OTHERWISE)								
NSE STRATEGIC INVESTMENT CORPORATION LIMITED		22,550	10	225,500.00	0.02			-
				Sub-total(iv)	0.02	-		0.00
INVESTMENT IN PREFERENCE SHARES								
6% NON-CUMULATIVE COMPULSORILY CONVERTIBLE PREFERENCE SHARES OF NSE STRATEGIC INVESTMENT CORPORATION LIMITED		22,500	10	225,000.00	0.02			-
				Sub-total(v)	0.02	-		0.00
				Total (i+ii+iii+iv+v)	47.90	(4.27)		145.32

Note :

	As at 31.03.2013 (₹in crores)	As at 31.03.2012 (₹in crores)
Aggregate Book Value - Quoted Investments	47.86	145.32
(Aggregate Market Value of the quoted investments is ₹49.46 crores (Previous Year : ₹145.86 crores))		
Aggregate Book Value - Unquoted Investments	0.04	-
	47.90	145.32

Note No. 11 CURRENT INVESTMENTS (valued at lower of cost or fair value)(Refer Note No. 2d)

		Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2013 (₹ in crores) (Figures in bracket indicates amount earmarked towards SGF)		Number of Units	As at 31.3.2012 (₹ in crores)
I	CURRENT PORTION OF LONG TERM INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE)								
A)	TAXFREE BONDS								
	QUOTED								
	5.25% NUCLEAR POWER CORPORATION OF INDIA LIMITED 2014	23-Mar-2014	100	1,000,000	100,000,000.00	9.90			-
	6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED - SERIES I	22-Jan-2014	6,750	100,000	675,000,000.00	67.63	(10.24)		-
	6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED - SERIES II	20-Mar-2014	2,875	100,000	287,500,000.00	28.80			-
					Sub-total(i)	106.33	(10.24)		-
	TAXABLE BONDS								
	5.75% NUCLEAR POWER CORPORATION OF INDIA LTD.2013	14-Aug-2013	200	100,000	20,000,000.00	1.97			-
					Sub-total(ii)	1.97	-		-
B)	MUTUAL FUNDS								
	QUOTED FIXED MATURITY PLANS								
	DWS FIXED TERM FUND - SERIES 80 - GROWTH PLAN	2-May-2012		10	50,000,000	-		5,000,000	5.00
	KOTAK FIXED MATURITY PLAN - SERIES 44 - 370 DAYS - GROWTH	25-Apr-2012		10	50,000,000	-		5,000,000	5.00
	SBI DEBT FUND SERIES - 370 DAYS - 15 - GROWTH	29-May-2012		10	50,000,000	-		5,000,000	5.00
	BIRLA SUN LIFE FIXED TERM PLAN SERIES CY GROWTH	28-Apr-2012		10	50,000,000	-		5,000,000	5.00
					Sub-total(iii)	0.00	-		20.00
					TOTAL (I)	108.30	(10.24)		20.00

	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2013 (₹ in crores) (Figures in bracket indicates amount earmarked towards SGF)	Number of Units	As at 31.3.2012 (₹ in crores)
II CURRENT INVESTMENTS (VALUED AT LOWER OF COST OR FAIR VALUE)							
A) DEBENTURES							
QUOTED							
8.25%SUNDARAM FINANCE LIMITED	26-Jul-2012		1,000,000	100,000,000.00	-	100	9.90
10.47% - MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED	17-Jun-2013	50	1,000,000	50,000,000.00	5.01		-
11.4% POWER FINANCE CORPORATION LTD	28-Nov-2013	150	1,000,000	150,000,000.00	15.20		-
9.5% HOUSING DEVELOPMENT FINANCE CORPORATION LTD	12-Sep-2013	50	1,000,000	50,000,000.00	4.99		-
				Sub-total(i)	25.20 -		9.90
UNQUOTED							
7.45% TATA SONS LIMITED	15-Apr-2012		1,000,000	85,000,000.00	-	85	8.49
				Sub-total(ii)	- -		8.49
B) MUTUAL FUNDS							
UNQUOTED							
AXIS LIQUID FUND - INSTITUTIONAL - DAILY DIVIDEND				65,403,371.10	-	65,402	6.54
BARODA PIONEER TREASURY ADVANTAGE FUND - INSTITUTIONAL DAILY DIVIDEND PLAN				102,298,640.94	-	102,206	10.23
BIRLA SUN LIFE CASH PLUS - INSTL PREM - DAILY DIVIDEND - REINVESTMENT				387,721.75	-	3,870	0.04
DWS ULTRA SHORT TERM FUND - INSTITUTIONAL DAILY DIVIDEND				1,164,242.50	-	116,200	0.12
ICICI PRUDENTIAL FLEXIBLE INCOME PLAN PREMIUM - DAILY DIVIDEND				1,912,520.28	-	18,086	0.19
ICICI PRUDENTIAL ULTRA SHORT TERM PLAN SUPER PREMIUM WEEKLY DIVIDEND				112,444,116.83	-	11,186,353	11.24
IDFC MONEY MANAGER FUND - TP - SUPER INST PLAN C - DAILY DIVIDEND				5,696,828.80	-	569,597	0.57

	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2013 (₹ in crores) (Figures in bracket indicates amount earmarked towards SGF)		Number of Units	As at 31.3.2012 (₹ in crores)
JM HIGH LIQUIDITY FUND - SUPER INSTITUTIONAL PLAN - DAILY DIVIDEND				326,867,797.51	-		32,632,935	32.69
JPMORGAN INDIA LIQUID FUND - SUPER INST DAILY DIVIDEND PLAN - REINVEST				1,190,723.81	-		118,978	0.12
KOTAK FLOATER - SHORT TERM - DAILY DIVIDEND				555,898,809.55	-		54,951,346	55.59
KOTAK FLOATER LONG TERM - DAILY DIVIDEND				1,332,392.67	-		132,184	0.13
RELIANCE LIQUID FUND - TREASURY PLAN-INSTITUTIONAL OPTION - DAILY DIVIDEND				212,107,296.20	-		13,874,648	21.21
RELIANCE MEDIUM TERM FUND - DAILY DIVIDEND PLAN				19,454,247.81	-		1,137,954	1.95
RELIGARE LIQUID FUND - SUPER INSTITUTIONAL DAILY DIVIDEND				23,896.64	-		24	-
TATA FLOATER FUND - DAILY DIVIDEND				2,641,280.71	-		263,191	0.26
TEMPLETON INDIA TREASURY MGMT ACCOUNT SUPER INSTITUTIONAL PLAN - DAILY DIVIDEND				142,460,165.50	-		142,364	14.25
TEMPLETON INDIA ULTRA SHORT BOND FUND SUPER INST PLAN - DAILY DIVIDEND REINVEST				7,895,044.93	-		788,590	0.79
UTI MONEY MARKET FUND - INSTITUTIONAL PLAN - DAILY DIVIDEND				50,688.88	-		51	-
AXIS LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND - REINVEST		66,934		66,941,792.24	6.69	(6.50)	-	-
BARODA PIONEER LIQUID FUND - PLAN B - DAILY DIVIDEND - REINV (DIRECT PLAN)		431		431,080.52	0.04		-	-
BARODA PIONEER TREASURY ADVANTAGE FUND PLAN B DAILY DIVIDEND REINV (DIRECT PLAN)		103,554		103,685,700.89	10.37	(10.00)	-	-
CANARA ROBECO LIQUID FUND - DIRECT DAILY DIVIDEND REINVESTMENT		3,943		3,964,808.19	0.40		-	-
DWS INSTA CASH PLUS FUND - DIRECT - DAILY DIVIDEND		5,041		505,597.69	0.05		-	-
HDFC CASH MANAGEMENT FUND - SAVINGS PLAN - DIRECT PLAN - DAILY DIVIDEND REINVEST		52,126		554,429.66	0.06		-	-
HDFC LIQUID FUND - DIRECT - DAILY DIVIDEND		79,986		815,709.06	0.08		-	-

	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2013 (₹ in crores) (Figures in bracket indicates amount earmarked towards SGF)		Number of Units	As at 31.3.2012 (₹ in crores)
ICICI PRUDENTIAL FLEXIBLE INCOME - DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		1,778		187,960.52	0.02		-	-
ICICI PRUDENTIAL LIQUID FUND - DIRECT - DAILY DIVIDEND		11,698		1,170,016.99	0.12		-	-
ICICI PRUDENTIAL ULTRA SHORT TERM - DIRECT PLAN - WEEKLY DIVIDEND		10,687,942		107,246,737.97	10.73	(10.27)	-	-
IDBI LIQUID FUND - DAILY DIVIDEND - DIRECT PLAN		252,468		252,495,529.67	25.25	(25.00)	-	-
IDFC CASH FUND - DIRECT - DAILY DIVIDEND		731		731,651.04	0.07		-	-
IDFC MONEY MANAGER FUND - TREASURY PLAN - DIRECT PLAN - DAILY DIVIDEND		52,394		527,602.23	0.05		-	-
JM HIGH LIQUIDITY FUND (DIRECT) - DAILY DIVIDEND - REINVESTMENT		2,791,691		29,117,896.28	2.91	(2.56)	-	-
JPMORGAN INDIA LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND REINVEST		5,948,251		59,529,503.39	5.95		-	-
KOTAK FLOATER - SHORT TERM - DAILY DIVIDEND - DIRECT PLAN		246,970		249,839,763.34	24.98	(20.00)	-	-
KOTAK LIQUID SCHEME - PLAN A - DIRECT - DAILY DIVIDEND		235		286,836.87	0.03		-	-
L&T CASH FUND (SUPER INSTITUTIONAL) - DIRECT PLAN - DAILY DIVIDEND		232		237,573.97	0.02		-	-
PRINCIPAL CASH MANAGEMENT - DIRECT PLAN - DAILY DIVIDEND		73		73,004.36	0.01		-	-
RELIANCE LIQUID FUND - TREASURY PLAN - DIRECT DAILY DIVIDEND - REINVESTMENT		1,241		1,896,959.21	0.19		-	-
RELIANCE LIQUIDITY FUND - DIRECT DAILY DIVIDEND REINVESTMENT		896		896,089.48	0.09		-	-
RELIANCE MEDIUM TERM - DAILY DIRECT DIVIDEND PLAN - REINVESTMENT		101,182		1,729,795.19	0.17	(0.15)	-	-
SBI PREMIER LIQUID FUND - DIRECT - DAILY DIVIDEND		445		446,759.47	0.04		-	-
SUNDARAM MONEY FUND - DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		237,907		2,403,452.38	0.25		-	-

		Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2013 (₹ in crores) (Figures in bracket indicates amount earmarked towards SGF)	Number of Units	As at 31.3.2012 (₹ in crores)
	TATA FLOATER FUND DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		144		144,514.58	0.01	-	-
	TATA LIQUID FUND DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		366		407,415.60	0.04	-	-
	TEMPLETON INDIA - TMA - DAILY DIVIDEND - DIRECT PLAN		2,174		2,174,994.58	0.22	-	-
	TEMPLETON INDIA ULTRA SHORT BOND FUND - SUPER IP - DIRECT - DAILY DIVIDEND		737,183		7,384,219.98	0.74	-	-
					Sub-total(iii)	89.58 (74.48)		155.92
C)	COMMERCIAL PAPER							
	ADITYA BIRLA FINANCE LIMITED	12-Nov-2012		500,000	150,000,000.00	-	300	13.63
	IL&FS FINANCIAL SERVICES LIMITED	16-Nov-2012		500,000	150,000,000.00	-	300	13.65
	ADITYA BIRLA FINANCE LIMITED	12-Apr-2012		500,000	150,000,000.00	-	300	14.64
	ADITYA BIRLA FINANCE LIMITED	23-Apr-2012		500,000	150,000,000.00	-	300	14.63
	ADITYA BIRLA FINANCE LIMITED	14-May-2012		500,000	50,000,000.00	-	100	4.87
	TATA CAPITAL LIMITED	25-May-2012		500,000	150,000,000.00	-	300	14.61
	HCL INFOSYSTEMS LIMITED	31-May-2012		500,000	100,000,000.00	-	200	9.74
	ADITYA BIRLA FINANCE LIMITED	7-Jun-2013	100	500,000	50,000,000.00	4.54	-	-
	HCL INFOSYSTEMS LIMITED	27-Jun-2013	100	500,000	50,000,000.00	4.65	-	-
	TATA MOTORS FINANCE LIMITED	6-Aug-2013	100	500,000	50,000,000.00	4.65	-	-
	IL&FS FINANCIAL SERVICES LIMITED	19-Jun-2013	500	500,000	250,000,000.00	23.89	-	-
	ADITYA BIRLA FINANCE LIMITED	30-Jul-2013	100	500,000	50,000,000.00	4.76	-	-
	ADITYA BIRLA FINANCE LIMITED	16-Jul-2013	100	500,000	50,000,000.00	4.78	-	-
	BAJAJ FINANCE LIMITED	16-Jul-2013	100	500,000	50,000,000.00	4.78	-	-
	ADITYA BIRLA FINANCE LIMITED	3-May-2013	200	500,000	100,000,000.00	9.75	-	-
	L&T FINANCE COMPANY LIMITED	16-Sep-2013	100	500,000	50,000,000.00	4.71	-	-
	POWER FINANCE CORPORATION LIMITED	15-Jul-2013	500	500,000	250,000,000.00	24.03	-	-
	EXPORT-IMPORT BANK OF INDIA	5-Jul-2013	200.00	500,000	100,000,000.00	9.66	-	-
	HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED	10-May-2013	300.00	500,000	150,000,000.00	14.71	-	-

	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2013 (₹ in crores) (Figures in bracket indicates amount earmarked towards SGF)		Number of Units	As at 31.3.2012 (₹ in crores)
IL&FS FINANCIAL SERVICES LIMITED	29-Aug-2013	300.00	500,000	150,000,000.00	14.32		-	-
POWER FINANCE CORPORATION LIMITED	15-Apr-2013	1,000.00	500,000	500,000,000.00	49.69		-	-
				Sub-total(iv)	178.92	-		85.77
				TOTAL (II)	293.70	(74.48)		260.08
				GRAND TOTAL (I + II)	402.00	(84.72)		280.08

Note :	As at 31.03.2013 (₹in crores)	As at 31.03.2012 (₹in crores)
Aggregate Book Value - Quoted Investments	133.50	29.90
(Aggregate Market Value of the quoted investments is ₹134.21 crores (Previous Year : ₹31.64 crores))		
Aggregate Book Value - Unquoted Investments	268.50	250.18
	402.00	280.08
Provision for Diminution in Value of Investments	0.11	0.04

12 Loans and advances

	Non-current		Current	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
	(₹ in Crores)		(₹ in Crores)	
Capital advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	1.63	-	-
(A)	-	1.63	-	-
Advances recoverable in cash or kind				
Secured, considered good				
Unsecured, considered good	-	-	3.63	3.06
(B)	-	-	3.63	3.06
Other loans and advances				
Income Tax paid including TDS (Net of Provisions)	-		-	1.17
Other deposits	0.12	0.12		
(C)	0.12	0.12	-	1.17
Total (A+B+C)	0.12	1.75	3.63	4.23

13 Other assets

	Non-current		Current	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
	(₹ in Crores)		(₹ in Crores)	
Unsecured, considered good unless stated otherwise				
Non-current bank balances (note no.15)	374.64	400.55	-	-
	374.64	400.55	-	-
Others				
Interest accured on Investments	1.45	2.04	5.44	2.64
Interest accured on certificate of deposits	-	-	0.16	0.58
Interest accured on Bank deposits	6.42	12.31	78.11	48.28
	7.87	14.35	83.71	51.50
Total	382.51	414.90	83.71	51.50

14 Trade receivables

	Current	
	As at 31.03.2013	As at 31.03.2012
	(₹ in Crores)	
Unsecured, considered good unless stated otherwise		
Outstanding for a period of over six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	0.06	0.08
	0.06	0.08
Other debts		
Secured, considered good	-	-
Unsecured, considered good	8.24	4.57
	8.24	4.57
Total	8.30	4.65

15 Cash and bank balances

	Non-current		Current	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
	(₹ in Crores)		(₹ in Crores)	
Cash and cash equivalents				
Balances with banks :				
On current accounts (earmarked ₹5.31 crores)	-		30.45	17.94
Deposits with original maturity of less than three months	-		1,654.08	2,180.07
Earmarked Deposits with original maturity of less than three months (including ₹44.52 crores towards withheld payouts)	-		589.92	416.18
Cash on hand			-	-
	-	-	2,274.45	2,614.19
Other bank balances				
Deposits with original maturity for more than 12 months	228.97	297.08	379.23	589.93
Earmarked Deposits with original maturity for more than 12 months	145.67	103.47	172.89	274.16
Deposits with original maturity for more than 3 months but upto 12 months	-	-	112.83	14.18
Earmarked Deposits with original maturity for more than 3 months but upto 12 months	-	-	45.20	5.00
Certificate of Deposits			39.23	22.77
Earmarked Certificate of Deposits			9.78	-
	374.64	400.55	759.16	906.04
Amount disclosed under non-current assets (note 13)	374.64	400.55		
Total	-	-	3,033.61	3,520.23

16 Revenue from operations

	For the year ended 31.03.2013 (₹ in Crores)		For the year ended 31.03.2012 (₹ in Crores)	
Sale of Services				
Clearing & Settlement Charges	72.09		115.77	
		72.09		115.77
Other operating revenues				
IT & Process Support Charges		-		0.03
Software Usage Charges		0.50		0.50
Connect to NSE Services		3.37		3.10
Interest received		165.27		172.37
Processing Charges		1.79		2.53
Fines & Penalties		-		8.95
Total		243.02		303.25

17 Other income

	For the year ended 31.03.2013 (₹ in Crores)		For the year ended 31.03.2012 (₹ in Crores)	
Interest Income on				
On Investment				
- Short Term	7.09		5.32	
- Long Term	9.91		8.96	
On Bank Deposits	72.18		49.92	
On Certificate of Deposits	0.53		9.26	
On Others	0.02	89.73	0.07	73.53
Dividend income				
Long Term		-		-
Short Term		14.45		20.03
Net gain / loss on sale of long term Investment		2.26		3.82
Net gain / loss on sale of current Investment		-		0.01
Profit on sale / discard of Fixed Assets (Net)		0.00		0.02
Bad debts written back		-		0.07
WAP Difference		0.02		0.02
Professional Fees (From NCDEX)		0.31		-
Miscellaneous Income		0.14		0.09
Total		106.91		97.59

18 Employee benefits expenses (Refer Note No. 22)

	For the year ended 31.03.2013 (₹ in Crores)	For the year ended 31.03.2012 (₹ in Crores)
Salaries, wages and bonus	10.30	8.86
Contribution to provident and other fund	0.46	0.40
Employees welfare expenses	0.62	0.79
Total	11.38	10.05

19 Other expenses

	For the year ended 31.03.2013 (₹ in Crores)	For the year ended 31.03.2012 (₹ in Crores)
Space & Infrastructure Usage Charges	5.59	5.64
Common Usage Expenses (Refer Note No. 2 c (i))	6.16	4.60
Insurance Premium	0.12	0.10
Printing, Stationery & Consumables	0.52	0.54
Auditors' Remuneration (refer note below)	0.08	0.06
Professional fees	3.13	3.40
Repairs & Maintenance :		
- On Building	0.20	0.15
- On Computer systems	15.50	13.68
- Others	0.27	0.15
IT Management & Consultancy Charges	4.95	5.12
Software Expenses	3.41	2.01
Directors' Sitting fees	.03	0.03
Electricity expenses	2.05	1.72
Rates and Taxes	0.01	0.01
Adjustments to the carrying amount of current investments	0.11	0.04
Amortisation of Premium on Government / Debt Securities	0.39	0.16
Other expenses	6.46	5.28
Total	48.98	42.69
Note :		
Payment to auditor		
As auditor :		
Audit fees	0.06	0.06
Other services	0.02	-
Total	0.08	0.06

20 Trade payables include outstanding amounts of ₹ 1,798/-(Previous Year: NIL) (including interest of ₹ Nil, (Previous Year ₹ Nil) payable to Micro, Small & Medium Enterprises. Total outstanding dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

21 Expenditure in foreign currency :

Travelling Expenses: ₹ 0.03 Crores (Previous Year :₹0.04 Crores)

Others: ₹ 0.05 Crores (Previous Year: ₹ 0.05 Crs)

22 Payments to and provision for employees represents the amount reimbursed by the company to The National Stock Exchange of India Limited (NSEIL) in respect of employees made available to the company. Accordingly, necessary provisions as required for all retirement benefits and other long term employee benefits as per the requirements of Accounting Standard 15-"Employee Benefits" notified under Companies (Accounting Standards) Rules, 2006 (as amended) are carried out by NSEIL.

23 The Company has constituted separate Settlement Guarantee Funds (SGF) in respect of the Capital Market, Futures & Options Market, Retail Debt Market segments and Currency Derivatives Market.

The Clearing members are required to contribute to the respective fund in the form of interest free security deposit and also make additional deposits in the form of cash, securities, fixed deposit receipts or bank guarantees. Besides the same, the Clearing members are also required to deposit margin money which, subject to hair cut, forms part of the SGF. While the interest free security deposit is not refundable during the tenure of a clearing membership, the margin money is refundable, subject to adjustments, if any.

Of this, the interest free security deposit and security deposit in the form of cash collected from members amounting to ₹374.75 Crores are grouped under the head "Unsecured Deposits" whereas the cash margin amounting to ₹641.22 Crores collected from members (₹ 638.48 Crores after applying hair cut) has been grouped under the head "Other Current Liabilities". The non cash portion of the SGF comprising of collaterals such as bank guarantees, securities and fixed deposit receipts received from the members amounting to ₹39,880.98 Crores (₹ 32,023.98 Crores after applying hair cut) does not form part of the Balance Sheet.

(₹ in crore)

Sr. No.	Segment	Total SGF	Cash Component	Non Cash Component		
				Bank Guarantees	Securities	Fixed Deposit Receipts
1	Capital market *	**4,731.76**	233.92	1,092.21	694.67	2,710.96
2	Futures & Options *	**26,140.72**	693.87	4,636.21	3,542.64	17,268.00
3	Retail Debt Market	**3.00**	1.65	0.40	-	0.95
4	Currency Derivatives	**1,807.17**	62.87	481.78	276.76	985.76
5	SLB Segment	**354.30**	20.66	131.40	-	202.24
	Total	**33,036.95**	**1,012.97**	**6,342.00**	**4,514.07**	**21,167.91**

*after adjusting net shortages amounting to ₹ 0.23 Crores for CM segment and ₹0.03 Crores for F & O segment

The breakup of Cash Component in each SGF is as follows:

(₹ in crore)

Sr. No.	Segment	Mar-2013			
		Interest Free Security Deposit	Security Deposit	Margins	Total
1	Capital market	148.51	18.60	67.04	234.15
	Less : Net Shortages				0.23
	Net Amount				233.92
2	Futures & options	121.00	32.02	540.88	693.90
	Less : Net Shortages				0.03
	Net Amount				693.87
3	Retail Debt Market	-	1.65	-	1.65
4	Currency Derivatives	35.50	6.67	20.70	62.87
5	SLB Segment	10.80	-	9.86	20.66
	Total	315.81	58.94	638.48	1,012.97
	Amount not forming part of SGF	19.34	3.43	2.74	25.51
	TOTAL	**335.15**	**62.37**	**641.22**	1,038.48
	(Balance Sheet ref. no)	**Note 5**	**Note 5**	**Note 8**	
	Non Current	329.05	61.86	-	
	Current	6.10	0.51	641.22	
	Total	**335.15**	**62.37**	**641.22**	

The above cash component of SGF has been earmarked as under:

(₹ in crore)

Sr. No.	Particulars	Amount	Balance Sheet Reference No.	Earmarked Amount
1	Non Current Investments	47.90	Note 10	4.27
2	Current Investments	402.00	Note 11	84.72
3	Balances with Banks			
	in Current Account	30.45	Note 15	5.31
	in Deposit Accounts	3,328.80	Note 15	909.17
	in Certificate of Deposits	49.01	Note 15	9.78
	Total (1 to 3)	**3,858.16**		**1,013.25**

A) Capital Market Segment:

I. Cash component in form of Interest Free Security Deposit of ₹ 148.51 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
Mutual Funds	
RELIANCE MEDIUM TERM FUND - DAILY DIVIDEND PLAN	0.15
JM HIGH LIQUIDITY FUND-SUPER INSTITUTIONAL PLAN-DAILY DIVIDEND PLAN	2.56
Total Mutual Funds	**2.71**
Flexi Fixed Deposits	
FLEXI FIXED DEPOSITS WITH HDFC BANK	18.10
FLEXI FIXED DEPOSITS WITH AXIS BANK	21.33
FLEXI FIXED DEPOSITS WITH ICICI BANK	2.05
Total Flexi Fixed Deposits	**41.48**
Fixed Deposits	
FEDERAL BANK LIMITED	46.54
YES BANK LIMITED	12.59
AXIS BANK LIMITED	19.43
BANK OF INDIA	11.71
Total Fixed Deposits	**90.27**
Certificate of Deposit	
HDFC Bank	9.78
Total Certificate of Deposit	**9.78**
Tax Free Bonds	
8.20% POWER FINANCE CORPORATION LIMITED	4.27
Total Tax Free Bonds	**4.27**

II. Cash Component in form of Security Deposit of ₹ 18.60 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
Flexi Fixed Deposits	
Flexi Fixed Deposits with HDFC Bank	18.60
Total Flexi Fixed Deposits	**18.60**

III. Cash component in form of Margins of ₹67.04 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
Flexi Fixed Deposits	
FLEXI FIXED DEPOSITS WITH HDFC BANK	18.02
FLEXI FIXED DEPOSITS WITH AXIS BANK	1.26
FLEXI FIXED DEPOSITS WITH CANARA BANK	2.71
FLEXI FIXED DEPOSITS WITH ICICI BANK	2.63
FLEXI FIXED DEPOSITS WITH STAN CHART BANK	1.75
FLEXI FIXED DEPOSITS WITH BANK OF INDIA	1.45
FLEXI FIXED DEPOSITS WITH CITIBANK	1.09
FLEXI FIXED DEPOSITS WITH KOTAK BANK	1.07
FLEXI FIXED DEPOSITS WITH IDBI BANK	2.71
FLEXI FIXED DEPOSITS WITH INDUSIND BANK	4.63
Total Flexi Fixed Deposits	**37.32**
Fixed Deposits	
STATE BANK OF TRAVANCORE	18.85
BANK OF INDIA	6.64
BANK OF MAHARASHTRA	1.68
ICICI BANK	1.64
FEDERAL BANK LIMITED	0.91
Total Fixed Deposits	**29.72**

B) Futures & Options Segment:

I. Cash component in form of Interest Free Security Deposit of ₹121.00 Crores earmarked as under:

Particulars	Amount (₹ In Crores)
Taxfree Bonds	
6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED - SERIES I - 22 JAN 2014	10.24
Total Taxfree Bonds	**10.24**
Fixed Deposits	
STATE BANK OF TRAVANCORE	10.00
BANK OF BARODA	10.00
ICICI BANK	7.05
CANARA BANK	24.76
CORPORATION BANK	5.00
AXIS BANK LIMITED	9.84
AXIS BANK LIMITED	4.95
KOTAK MAHINDRA BANK	9.30
BANK OF INDIA	0.77
YES BANK	3.67
Total Fixed Deposits	**85.34**

Mutual Funds	
ICICI PRUDENTIAL ULTRA SHORT TERM PLAN SUPER PREMIUM WEEKLY DIVIDEND	0.25
Total Mutual Funds	**0.25**
Flexi Fixed Deposits	
FLEXI FIXED DEPOSIT ICICI BANK	12.01
FLEXI FIXED DEPOSIT CITI BANK	2.94
FLEXI FIXED DEPOSIT AXIS BANK	10.22
Total Flexi Fixed Deposits	**25.17**

II Cash component in form of Security Deposit of ₹ 32.02 Crores earmarked as under:

Particulars	Amount
	(₹ In Crores)
Flexi Fixed Deposits	
FLEXI FIXED DEPOSIT BANK OF INDIA	17.58
FLEXI FIXED DEPOSIT HDFC BANK	8.73
FLEXI FIXED DEPOSIT ICICI BANK	5.71
Total Flexi Fixed Deposits	**32.02**

III Cash component in form of Margins of ₹540.89 Crores is earmarked as under:-

Particulars	Amount
	(₹ In Crores)
Mutual Funds	
KOTAK FLOATER - SHORT TERM - DAILY DIVIDEND	15.00
IDBI LIQUID FUND - DAILY DIVIDEND - DIRECT PLAN	25.00
Total Mutual Funds	**40.00**
Fixed Deposit	
BANK OF INDIA	0.65
UCO BANK	4.72
CORPORATION BANK	15.00
BANK OF MAHARASHTRA	3.00
ALLAHABAD BANK	8.00
ICICI BANK LTD	4.99
HDFC BANK LTD	4.99
STATE BANK OF TRAVANCORE	71.54
CENTRAL BANK OF INDIA	25.00
STATE BANK OF PATIALA	0.55
YES BANK LIMITED	15.00
Total Fixed Deposits	**153.44**
Flexi Fixed Deposits	
FLEXI FIXED DEPOSIT BANK OF INDIA	10.39
FLEXI FIXED DEPOSIT AXIS BANK	9.70
FLEXI FIXED DEPOSIT CANARA BANK	6.03
FLEXI FIXED DEPOSIT HDFC BANK	257.93
FLEXI FIXED DEPOSIT ICICI BANK	21.25
FLEXI FIXED DEPOSIT INDUSIND BANK	5.76

Particulars	Amount
	(₹ In Crores)
FLEXI FIXED DEPOSIT HSBC BANK	2.00
FLEXI FIXED DEPOSIT KOTAK MAHINDRA BANK	11.76
FLEXI FIXED DEPOSIT IDBI BANK	1.45
FLEXI FIXED DEPOSIT CITI BANK LTD.	2.25
FLEXI FIXED DEPOSIT STANDARD CHARTERED BANK	11.76
FLEXI FIXED DEPOSIT UNION BANK	7.17
Total Flexi Fixed Deposits	**347.45**

C) Retail Debt Market Segment :

Cash component in form of Cash Deposit of ₹ 1.65 Crores is earmarked as under:

Particulars	Amount
	(₹ In Crores)
Flexi Fixed Deposits	
FLEXI FIXED DEPOSITS WITH HDFC BANK	1.65
TOTAL RDM DEPOSITS	**1.65**

D) CURRENCY DERIVATIVE SEGMENT :

I. Cash component in form of Interest Free Security Deposit of ₹35.50 Crores is earmarked as under:

Particulars	Amount
	(₹ In Crores)
BARODA PIONEER TREASURY ADVANTAGE FUND - INSTITUTIONAL DAILY DIVIDEND PLAN	10.00
ICICI PRUDENTIAL ULTRA SHORT TERM PLAN SUPER PREMIUM WEEKLY DIVIDEND	10.02
Total Mutual Funds	**20.02**
Fixed Deposit	
State Bank of Mysore	5.00
Total Fixed Deposit	**5.00**
Flexi Fixed Deposits	
HDFC Bank	5.44
Citi Bank	0.91
BANK OF INDIA	1.76
KOTAK MAHINDRA BANK LTD	0.31
AXIS BANK	2.06
Total Flexi Fixed Deposits	**10.48**

II. Cash component in form of CDS Security Deposit of ₹ 6.67 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
Flexi Fixed Deposits	
HDFC BANK LTD	3.15
Total Flexi Fixed Deposits	**3.15**
Bank Balances	
ICICI	3.52
Total SD	**6.67**

III. Cash component in form of CDS Margins of ₹ 20.70 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
KOTAK FLOATER - SHORT TERM - DAILY DIV	5.00
Total Mutual Funds	**5.00**
Flexi Fixed Deposits	
HDFC Bank	8.01
CITI BANK	0.32
KOTAK MAHINDRA BANK LTD	0.01
INDUSIND BANK	3.27
CANARA BANK	0.20
AXIS BANK	3.89
Total Flexi Fixed Deposits	**15.70**

E) Securities Lending & Borrowing

I. Cash component in form of Interest Free Security Deposit of ₹.10.80 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
AXIS LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND - REINVEST	6.50
Total Mutual Funds	**6.50**
Bank Balances	
ICICI Bank	0.80
BANK OF INDIA (BOI)	0.11
HDFC BANK	0.09
Total Bank Balances	**1.00**
Flexi Fixed Deposits	
HONGKONG & SHANGHAI BKG.CO.(HON)	0.10
BANK OF INDIA	0.24
HDFC Bank	2.32
KOTAK MAHINDRA BANK LTD	0.12
AXIS BANK	0.52
Total Flexi Fixed Deposits	**3.30**

II. Cash component in form of SLB Margins of ₹ 9.86 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
Bank Balances	
AXIS BANK LTD	0.10
BANK OF INDIA (BOI)	0.11
IDBI BANK LTD	0.01
STANDARD CHARTERED BANK (CHB)	0.11
CITI BANK (CIT)	0.10
ICICI Bank	0.26
CANARA BANK	0.10
Total Bank Balances	**0.79**
Flexi Fixed Deposits	
HDFC Bank	5.97
CITI BANK	0.20
STANDARD CHARTERED BANK	0.50
BANK OF INDIA	0.53
CANARA BANK	0.41
AXIS BANK	1.46
Total Flexi Fixed Deposits	**9.07**

24 In the opinion of the management, as the Company's operations comprise of only facilitating Clearing & Settlement in securities and the activities incidental thereto within India, the disclosures required in terms of Accounting Standard 17 - "Segment Reporting" notified under Companies (Accounting Standards) Rules, 2006 (as amended) are not applicable.

25 In compliance with Accounting Standard 18 - "Related Party Disclosures" notified under Companies (Accounting Standards) Rules, 2006 (as amended), the required disclosures are given in the table below:

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

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited (NSE)	Holding Company
2	NSE.IT Limited	Fellow Subsidiary
3	DotEx International Limited	Fellow Subsidiary
4	India Index Services & Products Limited	Fellow Subsidiary
5	National Commodity Clearing Limited	Fellow Subsidiary
6	NSE Infotech Services Limited	Fellow Subsidiary
7	NSE.IT (US) Inc.	Fellow Subsidiary
8	NSE Strategic Investment Corporation Limited	Fellow Subsidiary
9	Power Exchange India Limited	Fellow Subsidiary
10	(1) Mr. Ravi Narain – Chairman	Key Management Personnel
	(2) Ms.Chitra Ramkrishna – Managing Director & CEO	

(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 31.03.2013	Year ended 31.03.2012
National Stock Exchange of India Ltd.	• Clearing and Settlement charges received	**81.00**	127.71
	• Usage charges paid	**6.93**	5.07
	• Reimbursement paid for expenses on staff on deputation	**12.19**	10.32
	• Reimbursement paid for other expenses incurred	**25.98**	22.30
	• Space & Infrastructure Usage Charges paid	**6.23**	6.12
	• Dividend paid	**202.50**	90.00
	• Outstanding balance – (Credit) / Debit	**(18.53)**	(7.14)
NSE.IT Ltd.	• Repairs & Maintenance – Clearing & Computer systems	**0.61**	0.93
	• Outstanding balance – (Credit) / Debit	**(0.05)**	(0.25)
National Commodity Clearing Ltd.	• Software usage charges received	**0.56**	0.55
	• Sale of Assets ₹ 18,000/-	**0.00**	
	• Outstanding Balance (Credit)/ Debit	**0.12**	-
NSE Infotech Services Limited	• Repairs & Maintenance – Clearing & Computer systems	**6.27**	5.74
	• Outstanding balance – (Credit) / Debit	**(1.83)**	(1.70)
NSE Strategic Investment Corporation Limited	• Investment in Preference Share Capital	**0.02**	-
	• Investment in Equity Share Capital	**0.02**	-
	• Outstanding balance – (Credit) / Debit	-	-

26 In accordance with Accounting Standard 20 - "Earning per Share" notified under Companies (Accounting Standards) Rules, 2006 (as amended), the required disclosure is given below.

Earning per share

	Year ended 31.03.2013	Year ended 31.03.2012
Net Profit attributable to Shareholders (₹ In Crores)	179.21	240.89
Weighted Average number of equity shares issued (No. in Crores)	4.5	4.5
Basic earnings per share of ₹ 10/- each (in ₹)	39.82	53.53

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

27 **Prior period items includes :**

Particulars	₹ Crores
Fines & penalties of prior years transferred to NSE IPFT	32.76
Others	0.03
Total	**32.79**

28 **Contingent liabilities and Commitments :**

(i) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ NIL (Previous Year : 1.63 Crores)

(ii) Claims against company not acknowledged as debts: ₹6.69 Crores (Previous Year : ₹ 6.69 Crores)

(iii) On account of disputed demand of Income tax ₹ 6.60 Crores (Previous Year : ₹7.69 Crores)

29 In the opinion of the Board, all assets other than fixed assets and non current investments have a value on realisation in the ordinary course of business at least equal to the amount stated.

30 Previous year figures have been regrouped / reclassified whereever necessary.

For and on behalf of the Board of Directors

RAVI NARAIN
CHAIRMAN

CHITRA RAMKRISHNA
Director

C.M. VASUDEV
Director

R. JAYAKUMAR
Asst. Company Secretary

Place : Mumbai
Date : May 23, 2013

NSE.IT LIMITED

(A wholly owned subsidiary of National Stock Exchange of India Limited)

FOURTEENTH ANNUAL REPORT
2012 - 13

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BOARD OF DIRECTORS

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

MANAGEMENT TEAM

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

AUDITORS

: Gokhale & Sathe
Chartered Accountants
302/303, Udyog Mandir No. 1
7-C, Bhagoji Keer Marg,
Mahim, Mumbai – 400 016

REGISTERED OFFICE

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

EXECUTIVE SUMMARY

Dear Shareholders,

The last year has not been very encouraging for the Company due to various political, socio-economic and other related factors, particularly for mid-sized IT companies like ours. Moreover, the political and economic conditions of the US and European markets have also contributed to the slowdown of the Company, the Indian IT industry and the overall economy in general. Despite the above, the Company has managed to achieve a reasonable consolidated turnover of ₹ 117 crores.

In the online examination space, the Company continued to undertake online examinations in its 222 centers all across the country including in the far flung areas such as Imphal and Aizawal in the North-East regions, covering 26 states and 3 Union Territories. The assessments are conducted pan India for the insurance companies and the Company executes the end-to-end process from registration to examination certificates. The high end technology framework along with the robust monitoring system provided by the Company facilitates the conduct of the examinations in a transparent and efficient manner. The Company intends to leverage the same along with state-of-the-art facility by engaging with similar other organizations/ institutions in the current year. During the year the Company conducted 5.25 million assessments upto March 2013 and worked on adding new customers and bid for various tenders and requirements such as GE Shipping, Biotech Consortium India Limited, Ecole Solutions, Chartered Insurance Institute, Gujarat Technological University, Glaxo Smithkline Pharmaceuticals Limited, and many others..

The Company obtained ISO 9001:2008 certification by Bureau Veritas Certification Institute (BVCI) for its online centers and is in process of obtaining CMMi certification in this year. During the year the Company conducted 85 quality audits and 4 IT audits to embark upon its journey for quality in infrastrucuture and processes at all its centers.

In the software technology domain, the Company continued its tie up with a software partner for developing a joint solution for the Indian Capital Markets under the name "TradeGenie". Further, it also continued to develop and market a key low latency technology implementation using In-memory database and Complex Event Processing (CEP) engine for a new Algorithmic Trading solution named AlgoNomics. The Company has been successful in selling the AlgoNomics product to some customers in the BFSI domain and is expected to sell more in the coming year. The product provides various standard algorithmic trading strategies (viz. Cash-Futures arbitrage, Futures-Futures arbitrage, Cash-Cash arbitrage) as well as custom strategies, taken up as be-spoke development.

During the year, the Company has successfully added new Indian clients like BNP Paribas, ICICI Lombard, SBI Life, Cigna Healthcare, Indian Oil Corporation, Gravitas etc.

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

Despite slowdown, the Company has ventured into a new initiative around Mobility and developed a pilot project using native iOS (Objective C) for Apple's iPAD and iPhone for Healthcare staffs for online training (initially targeted to use for American Council on Exercise). Further, the Company also undertook other initiatives to include development for Android and Windows Mobile using JQuery and HTML5 technology frameworks.

On the talent front, the number of employees as on the year end was 712 as compared to 767 in the previous year. The Company took various initiatives towards grooming of the employees by rolling out various training programs in the current year such as Spring & Maven, DB2, Red Hat Linux – 6, QTP, SDLC, Performance Testing, RPT, HTML 5. ISO Awareness, CMMI Awareness etc. on the technical and process side and Leadership by Managing Relationships including Assertive Communication, Presentation skills and soft skills on the non-technical front.. The Company continues to focus on building a pool of talented resources who can deliver world class solutions to the customers depending upon their specific requirements.

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

Sd/-
Ramesh Padmanabhan
MD & CEO

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the Fourteenth Annual Report and the Audited Accounts of NSE. IT Limited for the Financial Year ended March 31, 2013.

I. FINANCIAL RESULTS

The working of the Company during the period has resulted in a profit after tax of **₹ 858.73 lacs** as per particulars given below:

Particulars	2012-13 (₹ in Lacs)	2011-12 (₹ in Lacs)
Income	11,583.15	11,989.40
Expenditure	10,044.79	9,547.53
Profit before tax, amortization, prior period adjustments and extraordinary items	1,538.36	2,441.87
Amortisation	288.03	301.85
Prior period adjustments	-	13.85
Extraordinary items	0.57	6.74
Profit before tax	1,249.77	2,119.43
Provision for taxation	418.14	592.71
Deferred Tax Liability/ (adjustments)	(27.10)	95.84
Profit after tax	858.73	1,430.88
Balance brought forward from previous year	635.62	534.77
Amount available for appropriation	1,494.35	1,965.65
Appropriations		
General Reserve	700.00	900.00
Proposed Dividend	210.00	370.00
Corporate Dividend Tax	35.69	60.02
Balance carried to Balance Sheet	548.66	635.62

II. OPERATIONS AND MAJOR EVENTS DURING THE YEAR

For the year ended March 31, 2013, the Company earned a total income of ₹ 11,583.15 lacs as compared to previous year's total income of ₹ 11,989.40 lacs. The net profit before tax of the Company for the year was ₹ 1,249.77 lacs (10.79% of the total income) as compared to ₹ 2,119.43 Lacs (17.68% of total income) in the previous year. The profit after tax of the Company for year was ₹ 858.73 lacs (7.41% of total income) as compared to ₹ 1,430.88 lacs (11.93% of total income) of the previous year.

Major Milestones

The following milestones were achieved during the year:

- Rolling out of a new chart-based automated trading solution named TradeGenie; key low latency technology implementation using In-memory database and Complex Event Processing (CEP) engine for a new Algorithmic Trading solution named AlgoNomics.
- Implementation of various new technologies in the area of low latency (Ultra Low latency messaging bus, in-memory database), Complex Event Processing (CEP) and Rich Internet applications (RIA) like ExtJS 4, Silverlight for building in-house products and delivering projects for various clients in India and the US
- Launch of Algorithmic Trading solution in the market; key technology implementation for latency improvement. Created a new Arbitrage system with lower latency of less than 80-100 micro-sec
- New Logos for software services during this year include BNP Paribas, ICICI Lombard, SBI Life, Cigna Healthcare, Indian Oil Corporation, Gravitas, Innosoft, and Order Flow Analytics (OFA)
- New initiative around Mobility – developed a pilot project using native iOS (Objective C) for Apple's iPAD and iPhone for Healthcare staffs for online training (initially targeted to use for American Council on Exercise). Other initiatives include development for Android and Windows Mobile using JQuery and HTML5 technology frameworks
- Initial steps have been taken this year to foray into BigData and BI space using Informatica partnership. Skill development process is in progress to develop expertise in Hadoop framework and BI products from Informatica
- Continuous growth of US operations, and won several contracts from US clients through the US subsidiary of the Company such as Nastel, Selec Transportation Resources (STR), SSI Healthcare, AQS (now Insurity) and Order Flow Analytics (OFA)
- Continuing to roll out two significant initiatives of NCDEX in the area of eAuction of Cotton and e-Mandi SPOT solution for automation of various mandi operations in the country. Signed Teaming Agreement MOU with NCDEX for jointly offering e-Auction solution for Indian market
- Enhancing of our testing engagement with NSDL for multiple systems and completing a business critical project Inspection Automation
- Rolling out Web-based NDS OM system for RBI's Fixed Income instruments for Clearing Corporation of India Ltd
- Stabilization and performance improvement of IRDA Agency licensing portal with helpdesk for nationwide users rolling out Health Insurance portability solution and completed a business process POC for re-insurance and co-insurance platform with submission of detailed plan and proposal for the target system for ETASS IRDA
- Going live with Declined Risk Pool Portal system for the Indian insurance market which was executed for General Insurance Company
- Conducted "Nilgiris Planters Association –Specialty Tea Auction". This specialty auction saw specialty teas from South India with participation of buyers from all the Seven auction centers. This auction fetched a highest price of ₹ 11,600 per Kilogram of tea
- Conducted "Coonoor Golden Jubilee–Premium Tea Auction". This auction saw premium teas from South India with participation of buyers from all the Seven auction centers

- Built a new application Tea Council System for Quality Control of Tea Exports and Imports
- Delivery of Centralized Arbitrator Appointed Process (CAAP), revamped NSE Website, Arbitration and SCORES projects, and assisting to deliver Risk management system for CSE
- Providing Co location services to NSE members
- ISO 27001 re-certification achieved for system compliance.
- Software Products & Services certified with ISO 9001:2008 by BSI UK. Process for migration to CMMI model has been initiated with the help of consulting services from KPMG.

Highlights of various activities during the year 2012-2013

⇒ Services

1. Algorithmic Trading

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

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

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

2. IRDA Agency Licensing Portal

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

The objective of the system is:

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

The portal is live since Jan 2010 and has already processed more than 21.12 Lakh fresh applications. In the process, the portal has issued 13.79 Lakh new licenses, and renewed 15.19 Lakh licenses. The portal also interfaces with our Online Exam Scheduling and Examination portal, thus supporting an end to end business process flow. The portal has further added newer de-duplication methods to ensure uniqueness of applicants.

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

3. MSE - Stock Exchange Solution

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

The scope of the project was to build a trading solution for Equities Market which includes Front Office, Exchange Order management System. With the successful completion of software delivery by us and UAT completion by the client, the system is expected to go live soon on receiving the regulators' approval. Various features have been added during this year which include Pre-Open Sessions, Pre-trade Risks and SMS alert.

There are some enhancements, defects and SEBI specific observations raised by MSE which are getting handled by our team and under closing stages of completion.

4. Power Exchange of India (PXIL)

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

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

- Any day, Intraday, Four Week power trading products went live in last financial year
- Delivered crucial REC requirement in crunch time which has helped PXIL in increasing business **1000%** as compared to last financial year 2011-2012

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

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

  Currently the team has been reduced to 5 developers for providing the BAU support to the Power Exchange.

5. Citi group

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

Citigroup is a Trading Member cum Clearing Member on the National Stock Exchange of India's (NSE), Futures and Options segment. Citigroup does trading and clearing on behalf of their clients(participants). Currently 3 EnSettle instances running at Citigroup – CCSIL, Treasury and CGM for different exchange and segments.

- EnSettle has been configured as a comprehensive modular application platform for Exchange Intermediaries (Brokers, Clearing Members and Custodians)

- Support for different market segments - Equity, Equity Derivatives, Forex and SLBS
- Following activities were performed for Citi during this year
  - Addition of BSE segment
  - Addition of MCX segment
  - Enhancement of client reporting, MIS and regulatory changes.
  - Support and maintenance of Treasury applications Enhancements in integrating EnSettle with existing legacy systems.

6. CCIL

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

Intranet Portal

NSE.IT created Intranet Portal, web application, which is Intranet /portal for CCIL (Clearing Corporation of India Ltd.) which is live.

The objective of the application is:

- To facilitate market information dissemination for various business.
- Allow market information to be displayed / downloaded by specific registered members (registered through portal).
- Provide user authentication (external user, member user, employee). User authentication should adhere to Client's password policy.
- Have search facilities at the web content and document level
- Support tagging and labeling for all documents / information
- Functionality for uploading statistical data (form of files such as pdf, xls, doc, zip) so that it is available in a query-able format by end users based on their access level
- Able to setup / alter different business workflows as and when desired.

CCIL has carried out the soft launch of Intranet Portal on first week of Apr 2012.

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

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

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

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

7. Tea Board

The most important achievement for the Tea Board project this year was the quantity offered since inception crossed 2 billion kg of tea through the e-auction platform. Also during the year, an additional auction centre for **Jalpaiguri** was made Live. The company continued to provide end to end support for running the Tea e-auctions at all 7 centres.

The following were also achieved during the year:

- Conducted "Nilgiris Planters Association –Specialty Tea Auction". This specialty auction saw specialty teas from South India with participation of buyers from all the Seven auction centers. This auction fetched a highest price of ₹ 11,600 per Kilogram of tea.
- Conducted "Coonoor Golden Jubilee–Premium Tea Auction". This auction saw premium teas from South India with participation of buyers from all the Seven auction centers.
- Built a new application, Tea Council System for Quality Control of Tea Exports and Imports
- Periodical inclusion of enhancements in existing e-Auction system.
- Introduced new category (Kangra Tea) in Auction Process

Over the next year, we plan to achieve the following:

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

New product readied for roll outs:

- e-Settlement and post auction processes
- Sales of Packaged tea through non-auction route
- Sales of tea in bulk packages through non-auction route
- Warehouse Inventory Management

New product under testing:

- Tea Council System

8. NSE

I Development Projects

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

A. NSE WEBSITE:

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

- The existing NSE India website (www.nseindia.com) was revamped to give a new look & feel, and continued with maintenance / enhancement work
- GI – Virtual Game: Developed a Virtual Game for site users which provides simulation of trading on Global Indices.

- Volume Spurts: Strengthening its analytic information, developed Volume Spurts information to be computed
- Implied Volatility In Derivatives – Computing of IV value in derivatives
- 52 Week Hi-Low Adjustment- Computing the 52 week Hi/Low values of security and also adjusting it according to any corporate action such as Bonuses, Splits Or Rights. Also displaying the particular information in the quote.
- A module was developed to display the Corporate Homepage
- ReCaptcha implementation on the Website forms – An enhanced SPAM PROTECTION was implemented for entire Website
- EMERGE – (SME Website) – Website for helping SME listings on the exchange & showing SME related information.

B. IISL:

This is a managed project handled by NSE.IT with the complete responsibility of delivery including process compliance.

- MICE

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

Regular activities carried out include:

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

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

- IISL/DotEx Billing

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

- DotEx Historical Data Online

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

- Impact Cost

Calculates impact for an index/stock

- DotEx Post Trade

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

Key achievements in IISL:

- Team size has grown from 3 to 7 resources on T&M basis in the last eight months.
- New project DotEx Historical has been taken up since February 2012. Phase I released to LIVE in July2012, phase II released to LIVE in January 2013.
- IISL Billing was used for live data this financial year, i.e. 2012-13
- DotEx Post Trade was released to LIVE in February 2013

C. SCORES:

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

Key achievements in SCORES:

- Initial development was done as a fixed price product and subsequent changes were taken up as CMR.
- Further to the initial development, this year the process of capturing complaints and responding to the same has been automated.
- A new user interface has been built, which enables the users of the system to garner more information about complaints, actions taken and reminder/clarifications.
- Manual updation for complaints as well as reminders/clarifications
- Holiday master has been built into the system
- Files saved as per member ID for integration with NICE

D. Arbitration

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

Key Highlights:

- Centralized Arbitrator Appointed Process (CAAP)
  Centralized Arbitrator Appointment application was developed for automated appointment of the arbitrator from across all the Exchanges to process an Arbitration. Some of the major features are as mentioned below:
  - Login with user management
  - New Arbitration Case Entry Screen with Re-appointment and status Update
  - Arbitrator Selection Algorithm batch process Scheduled.
  - Post Arbitrator selection email to all stakeholders of the Arbitration Matter
  - Case Search based on selected parameters
  - Reminder mail facility to all the exchanges for case closure.
  - Arbitrator Update facility
  - User update facility

- Verification Work-flow
- Leave Master of Arbitrators
- Holiday Master of the System.

- Addition of New Region (Enhancement) :- Successful completion of addition of new region (Ahmadabad, Hyderabad, Indore, Kanpur) which had major impact on NFA Process, Reports, Letters & Arbitration process.
- Development of following major task :- 1) T- Arbit Report Automation 2) Regulator letter master 3) Arbitrator training master 4) Extension of IOM Recording 5) Petition letter master 6) Addition of 14 New letters. 7)Arbitrator Case details Report for weekly MIS

E. NICE

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

Key Highlights:

- Addition of New Region :- Successful completion of addition of new region (Ahmadabad, Hyderabad, Indore, Kanpur) which had major impact on Scores ATR's, NICE Complaint process, Reports, Letters, Alerts & Reminder .
- Complaint Against NSE (New Requirement) :- The purpose of this requirement is to record complaints received through SCORES against 'National Stock Exchange Of India Ltd' and easy retrieval of the details for the same from NICE database.
- Nature-wise Documents-List for Initial Letter (Enhancement) :-Addition of Nature wise document list in the initial letter of the TM Complaint.
- Completion of Automation Task : 1) 1A & 2A Report 2) Daily EOD Data .
- NICE DMS (Data Management System) Enhancement : 1) DMS upload and date handling in 1A and 2A reports upload file. 2) Non-SCORES upload documents naming convention validation on the DMS upload screen 3) Displaying upload date on the DMS download screen 4) Validation for checking blank-spaces while insertion and updation of registration number.

F. DCS

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

Key Highlights:

- Inward and Outward Recording tracking :-Created Inward and Outward module to track the same. Reducing the manual work of storing it in Excel. Linking between the records.
- Speedier intimation Phase II :- Changes in the flow of intimating the claimant so as the processing gets easier and less time consuming.
- Indemnity and IOM Generation :-Recording the Indemnities sent to the claimants and also tracking if it is returned. IOM generation when the Indemnity is approved. Cheque Covering letter generated to be sent to the claimant.

- Changes in System to accommodate old Data Migration :-Changes in the existing system so as old data can be imported into the system such that validations and check would not affect with the old data.

G. NFA

This project deals with the Financial & Account System for NSE

Key Highlights:

- E-Payment to Vendor - Automated process to identify vendor in Payment Register and make payment via bank interface using banks API.
- Comprehensive Billing -A common platform where user will be able to generate non-transaction charge bills.
- Tax Module - Workflow for Notices and Hearing in Tax Module.
- Optimization of Bill Generation - Process improvement in bill printing process. Timing improved from 1.5 hr to 15 mins.

H. NEAT Plus:

NSEiT team with NSETECH is involved in the project to deliver on NEATPlus TWS which is trading workstation for CM &FO markets, NEAT-CDS TWS which is trading work station for currency markets and for Security Land-Borrow and Mutual Funds (SLBM and MFSS).

NSEiT team is also involved in several Key initiatives like IVB with our BAT and UXD team working together for a successful rollout, continuous support for Talisma for CRM team and CSE OPMS implementation.

NSE.IT's testing team has been consistent in providing testing support to NSE's business and has worked on various key projects during the year.

- Pre-open in Cash market
- 3-4 machine split in Cash market
- F&O re-tooling, 2-3 machine split, User-ID increase, NeatPro, SMFS, Bulk Order and Option Chain
- Utility testing for backend
- Capital Market Segment – release testing of TWAP, VWAP, SME and Limit Order Change
- SLBM revamp project , token increase and net position
- MF trading system – SIP system testing, Allotment date change testing, NFO change testing
- IPO - Reverse book building & Follow-on Public Offer, release testing of ASBA, Offer of Sale, Client Code and EoD report change
- CDS Support – Automation Testing
- Dotex Support – Automation Testing
- ENIT and NOTIS – Testing
- Trading and Clearing system – Functional and user acceptance testing

9. eMandi:

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

- The applications will be centrally deployed and hosted by NSPOT and all participants would connect to it through internet in the normal course.
- There will be 3 types of interfaces –A browser based interface, Mobile application and a SMS based interface. SMS based interface is used for bidding in auctions, e-Tender Results, Permit and various APMC activities.
- The application can be deployed for a specific language based on the requirement of the particular APMC.
- This system supports multiple trading models including auctions, quote based trading, Over The Counter trades and order based trading.
- Each APMC market will be treated as an independent market with its own rules. Access to the market will be as per the rules of the concerned APMC.
- This application has been rolled out successfully for Karnataka Circle (starting with Gulbarga APMC).
- Plan is to make this application live for 50 Mandis (Maharashtra, Karnataka, Andrapradhesh and Chatishgarh) in FY 2013-14.
- There is a business potential for 3000 Mandis in India.
- Till Date 21 APMCs are Using eMandi Application.
- More than 25 APMCs would be embracing the new technology led transformation in next four months.
- Statistics for Gulbarga APMC.
    - o Daily Arrivals: 12000 Quintal (TUR,CHANA..) with 2000 Lots.
    - o Daily Trades : 10000 Quintal (15000 Bids)

Unique Features:

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

10. eAuction – Cotton Corporation of India:

NSPOT and NSE.IT has entered into a Teaming Agreement to jointly offer solution to the Auction market-place, whereby NSE.IT will be the implementation partner for e-Auction solution to the

clients bringing in vast domain experience of NCDEX in Commodities space, and proven technology solution expertise of NSE.IT in this domain.

Following are the list of Salient Features of the Solution

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

11. NCDEX SPOT Trading Front End:

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

- ✓ Auction market
- ✓ Discrete Market
- ✓ Continuous Market

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

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

Following are the list of Salient Features of the Solution

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

12. NCDEX Web site:

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

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

13. NCDEX Settlement:

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

Unique Features:

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

14. NCDEX Testing Projects:

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

15. NSDL

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

Development Project:

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

Testing Projects:

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

1) SEZ Online

Brief description of the project: As a part of the e-Governance initiative, Ministry of Commerce (MOC) intends to automate SEZ transactions. Ministry of Commerce has entered into a formal agreement with NSDL Database Management Limited (NDML) for establishing and managing a nationwide integrated solution for administration of Special Economic Zones (SEZ) of India.

Testing Activities:

a) NSE-IT has been involved in this project for more than 2 years

b) The testing activities mainly involve functional manual end to end web based testing (UAT). The tasks cover most of the phases of STLC right from Requirements analysis phase till defect tracking and closure.

2) TIN

Brief Description on the project:

Tax Information Network (TIN) is an initiative by Income Tax Department of India (ITD) for the modernization of the current system for collection, processing, monitoring and accounting of direct taxes using information technology.

Testing Activities:

a) NSE-IT has been involved in testing activities for this project for around 2 years.
b) The testing activities mainly involve functional manual end to end web based testing (UAT), database level testing, data posting and extraction.
c) Recently in this financial year, we got an opportunity for Performance testing in this project.

3) PAN

Brief Description on the project:

Tax Information Network (TIN) is a repository of nationwide Tax related information, and has been established by National Securities Depository Limited on behalf of Income Tax Department of India (ITD). Some of the services offered by TIN are Facility to apply for PAN, TAN & AIR online & offline via TIN-FC's, Reprint of PAN card & TAN with existing/revised details, Status enquiry of the applications etc.

Testing Activities:

a) NSE-IT is involved in this project for around 2 years.
b) Testing activities mainly include testing of modules PAN, TAN and AIR process flows.
c) Participation in each phase of the STLC
d) Involvement in the reviews & walkthrough of the QC process.

4) Speed-e

Brief Description on the project:

Any Participant of NSDL can subscribe to SPEED-e, the common infrastructure of NSDL. SPEED-e enables demat account holders (including Clearing Members) to submit delivery instructions directly on the Internet through SPEED-e.

Testing Activities

a) NSE-IT is involved in this project for more than 2 years.
b) The testing activities mainly involve functional manual end to end web based testing (UAT), database level testing, volume testing (bulk instruction posting and analysing the response time and memory utilization).

5) KRA

Brief Description on the project:

With a view to bring uniformity in the KYC requirements for the securities markets, SEBI has initiated usage of uniform KYC by all SEBI registered intermediaries. In this regard SEBI has issued the SEBI {KYC (Know Your Client) Registration Agency (KRA)}, Regulations, 2011.

Testing Activities:

a) NSE-IT received testing opportunities in this project in the financial year 2012-13.

b) The testing activities mainly involve functional manual end to end web based testing and file upload [specific format] based testing.

c) We have also managed to get a performance testing opportunity in this project.

16. BNP Paribas:

BNP Paribas is a leader in banking and financial services in Europe. They are having their presence in 80 countries. The three main activities of BNP Paribas are complementary, providing strategic strength and assuring the bank financial solidity: Retail Banking, Investment Solutions and Corporate & Investment Banking. It also has India presence in Fixed Income, CLM, Equity, Derivatives and Corporate Banking APAC region. BNP Paribas India provides support to global IT and business operations.

We have partnered with them to provide services in areas of development, business analysis and Testing. We are looking to grow this account to cover additional services and want to become a partner of choice in multiple areas.

17. IOCL:

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

Centralized Indsoft Application:

NSE.IT worked with the IOCL team to develop a centralized LPG distribution management software, which is a light weight windows application being used by all the Distributors, Business Partners, Sales Officers and Area officers for various business critical functions. The challenge was to provide near real time data to the users having intermittent access to internet or intranet. A hybrid data integration mechanism was implemented to cater to this problem.

The objectives of this application were:

- Gather and consolidate real-time data for better understanding of business.
- Version Changes centrally to avoid complexity at the distributor end for system upgradation.
- Elimination of availability of standalone systems for fraudulent practices.
- Control and Monitoring of the system by Field Officers and Administrators.
- Improvisation in Customer Service Levels by real time availability of information regarding customers.
- Technology upgradation from a legacy system to newer technologies.

Centralized Inspection & Auditing data capturing Application:

NSE.IT worked with the IOCL team to develop a centralized Inspection & Audit management software, which is a web application used by all the Sales Officers and Area officers and higher authorities in IOCL to get clear visibility of the audit activities carried out by officers.

The objectives of this application were:

- To capture the inspection related real time data from a system which can be accessed by the officers any where they want if internet is available.
- Elimination of availability of standalone systems for fraudulent practices.
- Control and Monitoring of the system by Field Officers and administrative officers.
- Alert to the officers regarding the mandatory inspections to be carried out in advance.
- Integration with other business applications for data integrity.

Both the systems are now in production at IOCL.

Over the next year, we plan to achieve the following:

- Staff augmentation in the form of production support for IOCL applications in the following areas:
  - Java/J2EE
  - Oracle
  - Sybase
  - Informatica
  - Help Desk

18. **A V Ganapathy / JB Boda:**

A V Ganapathy is an actuary who along with a leading re-insurance group is engaged in rendering services pertaining to Actuarial Valuation of Employee Benefit Schemes.

With close to 800 customers the organization provides the actuarial valuation services for Gratuity, Leave encashment, Pension, Sick leave, Incentive valuation, Provident Fund Interest Shortfall and Post retirement medical benefit.

We have helped the client to fully automate the current manual process. The new web based application was developed to provide a robust platform in terms of data management, close and quick interactions between the various stake holders, thereby reducing the load on the users.

The application is currently being tested and is expected to go live soon.

19. **GIC:**

General Insurance Corporation (GIC) of India is the sole designated Indian Reinsurer. GIC provides reinsurance to the direct general insurance companies in the Indian and foreign market. GIC is managing the existing Indian Motor Third Party Insurance Pool (IMTPIP), under the reformation of the pool, as per the directive of IRDA; Indian Motor Third Party Declined Risk Pool was setup collectively by all General Insurers in India to service Commercial Vehicle Standalone Third Party Liability Insurance policies.

The system allows the member companies to upload the decline risk policies in the system which will help in distribution of premium within member companies on the basis of their market share. DR Pool Application allows all Member Companies to upload Policy, Endorsement, Cancellation and Claims data for vehicles.

The application was designed, developed within 3 months. All modules of the application are now live and being used by all the insurance companies for the last few months.

20. Gravitas

This is a testing assignment for Gravitas. The Company has augmented the Gravitas testing team by providing skilled resources for testing of an order management system.

OVERSEAS PROJECTS

A. Nastel

This is an outsourcing engagement for Nastel running successfully over the past 2+ years. Over this period, NSE.IT has managed to successfully transition from being just an offshore development team to an equal partner in their next generation product development, APODWeb (AutoPilot On-Demand Web) product line. As a result of this, NSE.IT is now an integral part of their long term strategy. Additionally, the development stream has now been extended with an opportunity in the mobility space for building a tablet application based on HTML5. Likewise, the testing stream has been extended with opportunities on the other products in the suite like M6 Web Console, APODWMQ, etc.

Over the next year, we plan to mine this account further in the following areas:

- Extension of the mobility assignment
- Overall transformation of the entire product to HTML5
- Big Data
- Testing of other products in the overall suite

B. SSi

This is an outsourcing engagement for SSi. The Company has provided an offshore development team to help SSi develop, maintain and support its products and services in the telecom and healthcare domains. The Company was able to expand services into UXD and ETL technologies such as Pentaho. The Company plans to add onsite team members to expand services.

C. Avalon

This is an outsourcing engagement for Avalon which started of with a testing assignment on Vignette portal for their end client, Mckesson. The portal deals with online ordering and tracking for Mckesson. With the ongoing success on this assignment, the engagement progressed to include a development assignment for the same portal. The engagement, as a whole, has been running successfully since inception and there is a lot of trust and partnership between the client team and the offshore team.

Over the next year, we plan to achieve the following:

- Off-shoring of Application Support for Vignette and MarkLogic applications for Avalon's end customers
- Mobile based application development for Avalon

D. Wirevibe

This is an outsourcing engagement for Wirevibe. The assignment comprised of various development tasks on the Drupal based content management application for Genghis chain of restaurants which deals with the promotional campaigns for various schemes across the chain. It includes various abilities like generating reports containing list of customers for various schemes based on selected parameters. The specific tasks assigned so far range from creating various reports on demand basis. The project was completed successfully and we are waiting the next set of projects/assignments from the client.

E. Innosoft

This is a mobile application built for emergency health services. The mobile application is created for Android phones and tablets, and allows end-users of the service to request for emergency health services, along with routine health services.

F. AQS – Insurity

AQS (which was recently acquired by Insurity) is a market leader in providing core processing software and services to the property and casualty insurance market. AQS solutions process billions of premium dollars each month which enable customers to accelerate growth and stay ahead of the competition.

We are providing AQS by testing services for their Advantage product.

We are looking to grow this account from manual testing to cover automation and regression testing and also to cover Business Analysis and implementation services.

G. STR (SelecTransportation Resources)

STR- SelecTransportation Resources LLC is a premiere network of heavy and medium duty truck dealerships across the Gulf Coast area since past 13 years. With locations in Houston, Beaumont, and Corpus Christi, SelecTransportation Resources provide various services towards the customer's trucking needs.

For ease of the day to day operations, STR is developing a comprehensive Dealership Management System(DMS), which provides for smooth processing of Procurement, Sales, Inventory Management, Accounting while automating activities involved in the various modules.

We are managing the entire development of the DMS using latest .Net technology stack using Agile methodology. Highly friendly user interface and ease of use for users are some of the key aspects of this system.

Once the implementation is completed at STR, we are looking for multiple implementations at similar dealerships in the US market along with STR.

H. OrderFlow Analytics

This is a development of proprietary indicators for the NinjaTrader platform. The Company has helped develop features of OrderFlow Analytics' product into a NinjaTrader plugin. The plugin provides for a unique data classification of volumes, and provides custom indicators such as Volume Cluster, Exhaustion, Momentum and Stop Run Analysis.

21. Software Products

1. AlgoNomics & TradeGenie

During the year, Company has added to its product portfolio with the introduction of an Algorithmic Trading solution, called AlgoNomics and a Chart-based Automated Trading solution named TradeGenie.

AlgoNomics:

These products uses cutting edge technology stacks using low latency technology like In-memory Database XtremeDB, Complex Event Processing (CEP) Engine Espertech and Syncfusion's dyanamic Grid for a robust market-watch.

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

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

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

TradeGenie:

TradeGenie is a unique solution that integrates one of the best state-of-the-art Charting Tools in India with an established Order Routing and Risk Management engine. TradeGenie is a solution that allows users to create Technical Indicator based strategies for almost all possible market situations for all the Market Segments in the country viz., Equities, Equity Derivatives and Currency Derivatives across the NSE & BSE. The Automated Order Routing capabilities puts it ahead of all the other Programmed Trading Solutions available currently by providing more than 300 Indicators which can be used in custom made strategies that can be developed at run time and executed real time.

Product Summary

- Professional Charting Tool with Real Time and historical charts
- Hundreds of ready to use automated strategies
- User Defined Entry and Exit conditions for Long and Short positions
- High-speed execution using Low Latency Order Routing System
- Back testing and Live testing tools to ensure good historical and current performance
- Fine tune your strategies with Simulator before executing in Live market
- Customizable daily profit and loss limits and position size limits
- Incorporate advanced risk control concepts

Exchange Simulator

The Company continues to maintain and provide support for its Exchange Simulator.

Back office – Ensettle

Ensettle is a product for post trade settlement for Trading and Clearing Member back office operations. The product has capabilities to address Risk Management and Reconciliation for Equity F&O, and currency derivatives market.

During the year, company has added one installation at Federal Bank and supported several key installations like Citi, Kotak, IndusInd, Deutsche bank and IDBI.

XpressSTP

It is a messaging Hub, facilitating brokerage firms, investors, & custodians, to exchange post trade transactions based messages. This is used for Institutional Trades. XpressSTP eases the work of user by combining all the process of conversion, signing and uploading of ISO file in one process. This saves time of the user. It also includes several audit reports that can give an overview of the activities performed by the user.

During the year continuous support was provided to approx. 180 clients.

22. Online Examinations

During the year , the Company continued its foray in the online examination space and set up 222 examination centers across 220 cities/towns/districts which went live covering 26 states and 3 Union Territories. 100% online exam centers objective achieved since April 2011.

- Conducting 5.52 million assessments upto March 2013 with approximately 1,50,000 assessments per month
- More language modules were added - 11 Languages in Life insurance & 12 Languages in Non-Life insurance
  - ❖ India's largest self owned testing center infrastructure
  - ❖ Self developed and maintained exam software to meet testing and assessment
  - ❖ Auditable processes and systems, Continual improvement Focus, Credibility
- 320+ dedicated resources

The company took various initiatives during the year which are highlighted below:

- During the year the OES team continued to add value to its existing customers such as NCFM, ITB, CCIL, IBPS etc and added new customers to its kitty such as GE Shiping, Biotech Consortium India Ltd., British Council of India, Ecole Solutions, Chartered Insurance Institute, Gujrat Technological University, Glaxo Smithkline Pharma Ltd. etc. During the year, the Company has successfully handled online test delivery for 489 candidates in the fourth quarter.
- NCFM – exams conducted at 150+ centeres covering 47 modules. More than 2,98,000 exams were conducted till March 2013 ITB - 16,100+ candidates appeared till March 2013 at 19 locations IBPS - 11,804 exams were conducted covering 7 banks covering 186 venues, chiefly among them being successfully conducting 5800 exams on a single day covering 14 cities and 35 locations.

  IRDA – 3,46,404 candidate registration were received Ecole Online exams which is a certification exams of Test Administrators from Castle Worldwide– started in May 2012, 173 candidates appeared till March 2013 at 7 test centers covering Bangalore, Chennai, Pune, Hyderabad, Delhi, Kolkata and Mumbai.

- Ecole Offline Exams – Pen Paper exams are being conducted for:

National Examination Board in Occupational Safety and Health

American Council on Exercise

Exams are conducted in 6 cities.

CII Pen Paper exams conducted in 4 cities viz., Mumbai, Bangalore, Thiruvananthapuran and Delhi) for different modules of international certification in Insurance. Total Exams conducted from December 2012 to March 2013 – 5.

Quality Initiative

During the year the Company continued its foray for embarking on quality journey to certify its online examination centers and accordingly conducted 85 quality audits and 4 IT audits.

Project 2x/ Gateway

In order to cater to new customers across major cities, the Company continued its foray in Project 2X adding capacities and rooms in top cities in existing centers. The Company added 47 modules including NSEIL – 30 modules, NISM – 9 modules, FPSB – 2 modules, FLIP – 3 modules, IMS Pre-school – 2 modules, NSDL – 1 module and NIFM – 1 module.

Future Road Map

- To add more locations across the country and enhance capacity in the big cities
- Project 2X and Gateway
- To implement Six Sigma/ Quality Certification of all 220 centers and adding more processes in ISO certification
- Work on cost management across centers – Project 1/2X and Rx
- Corporate Assessments
    - Freshers - Campus Recruitments
    - Employee Assessments
    - Lateral Recruitment Assessments
- Government and PSU's
    - Recruitments
    - Employee Assessments
- Education
    - Entrance Exams
    - Semester Exams
    - Distance Education
- IT
- Setup network monitoring solution for all 300+ ISP connections across country with tools like WhatsApp
- Visitor Management System
- Managed Switch & MacAfee Endpoint Solution for all/select Centers

- Operations management software
- Scheduling Engine to manage multiple client/ Multi center scenarios
- Examination through Secure Browser application
- Easy deployment of decentralization application using Image copy technology
- Offering/ Moving the examination/registration portal to cloud platform for new clients
- New Registration Portal & Examination Portal with next gen features
- Vigilance
    - Create IT rooms at each center with access control
    - End Point Security rollout for all locations
    - Access control at Centers – Visitor management system
    - Biometrics implementation for additional security.

Infrastructure Management Services

NSE Stratus CAC support

- Continued to Maintain 100% uptime of all FT6210/6310 & V400/6308 servers
- Hardware contingency drill of Trading systems Stratus servers conducted
- FT 6310 server setup for NGPT application
- FT6310 server setup at BCP for New MKT & NGPT application
- Two FT6310 servers setup as Passive new MKT servers
- Shifted new production FT server to Kohinoor location
- Stratus FT6210 systems (9) from Kohinoor DC to BCP location
- RHEL OS upgrade to 5.8 done on FT server
- TBTCOLO PDC application made live on FT6300 server

NSE Colo DC support

- Added 40 VLANSs for phase 2 extension racks.
- Connected 5th floor DC with colo network switch via LIU
- Initiated VAPT for colo D C
- 10 to 20 IP upgradation for members completed
- FO – server Bucket movement for 13 Members .
- Phase II TTML MUX up gradation
- Additional 24 ISP ports have been installed in Phase II for 12 Members.
- Firmware upgraded for IBM IDS

NCDEX Stratus support

- New VOS version 17.1.1.aa upgraded on DR-Server
- HBA cards implemented in production system
- New Broadcast code movement done on 310 D R

Tea Board IMS support

- Started e-auction at Jalpaiguri successfully
- Seamless MPLS failover configured successfully for all the auction centers.
- RAM upgrade for production Database server done successfully
- Rolled out of release version 1.0.5.48 catering majority of post auction Enhancements
- Worked on release version 1.0.5.49 catering auto bid and post auction Enhancements
- Completed PAN India users training sessions for new e-Auction for Tea waste
- Provided Helpdesk support for PAN India e-waste Tea auction
- Conducted Training to Tea board officials on Tea Waste Auction

PXIL IMS support

- Optimized the IDC network design
- Successfully configured Juniper firewall firmware for seamless failover
- Completed the RIM support for the IDC network
- Shifted the DR setup from NSEiT TG location

NSDL

- Initiated Database support for speed-e , Ideas, Smile, dan and e-voting applications
- Completed POC for FM support project
- Continued to support SEZ-e application at 5 locations

Managed Services

- BCP live drills conducted for STCIL and SBI
- DR drill conducted for CCIL
- AUL service contract terminated for CCIL

IRDA

Continued to support the IRDA portal infrastructure at IDC and DR site

23. HUMAN RESOURCE DEVELOPMENT

The employee count for the Company at the end of the year was 712 as compared to 767 in the previous year, a net nominal dip of around 7%. The Training department got its processes ISO 9001:2008 certified. A number of training programs were conducted both externally and internally for the skill and process enhancement of the employees during the year.

These included Spring & Maven, DB2, Red Hat Linux – 6, QTP, SDLC, Performance Testing, RPT, HTML 5. ISO Awareness, CMMI Awareness etc. on the technical and process side and Leadership by Managing Relationships including Assertive Communication, Presentation skills and soft skills on the non-technical front. In the ensuing year the Company will roll out more such programs for its employees. The first set of L1B approvals were received and the resources are now ready for deployment in the US.

24. Directors

Retirement by rotation

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Dileep Choksi and Mr. J Ravichandran are liable to retire by rotation and are eligible for re-appointment.

25. Dividend

Based on the Company's performance, the Directors are pleased to recommend, for approval of the Members a Final Dividend of ₹ 2.10/- per share on Equity Shares of ₹ 10/- each of the Company for the financial year 2012-13. The Final Dividend on the Equity Shares, if declared as above, would involve an outflow of ₹ 21,000,021 /- towards dividend.

Transfer to Reserves

The Company proposes to transfer ₹ 70,000,000/- to the General Reserve out of the amount available for appropriations.

26. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' report;

i. that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss account of the company for that period;

iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting standards in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv. that the directors had prepared the annual accounts on a going concern basis.

27. AUDIT COMMITTEE

The Audit Committee appointed by the Board currently comprises of the following members:

1. Mr. Dileep Choksi, Chairman of the Committee and an Independent Director
2. Mr. V.Babuji, an Independent Director and
3. Mr. J. Ravichandran, Non-Executive Director.

During the course of the financial year 2012 – 13, the Audit Committee met on 24th April 2012, 8th August 2012, 26th October 2012 and 6th February 2013. The composition of the current Audit Committee is in compliance with Section 292A of the Companies Act, 1956.

28. EMPLOYEES' STOCK OPTION

The Company has not offered any shares under the Stock Option Plans to any of its employees.

29. AUDITORS

M/s Gokhale & Sathe, Chartered Accountants, Auditors of the Company, retire at the forthcoming Annual General Meeting of the Company and are eligible for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

30. DEPOSITS

During the period the Company has not accepted any deposits from the public.

31. BUY BACK OF SHARES

The Company has not offered for buy back any its shares from the shareholders. As such the reasons for failure to complete the buy back within the time specified as is required to be disclosed in terms of the requirements under Sub-section (4) of Section 77A of the Companies Act, 1956 is not applicable to the Company.

32. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING/ OUTGO

1. **Conservation of energy, technology absorption:**

   As the Company does not have any manufacturing activities, particulars required to be disclosed with respect to conservation of energy and technology absorption in terms of Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, are not applicable.

2. **Foreign Exchange earnings/outgo during the year under review:**

   During the period foreign exchange earnings were ₹ 606.42/- lacs and outgo was ₹ 1869.09/- lacs.

33. PARTICULARS OF EMPLOYEES

Pursuant to the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, a statement relating to particulars of employees forming part of this report has been given in the annexure attached herewith.

34. NOTE ON SUBSIDIARY

USA SUBSIDIARY

During the year, the Company's wholly owned subsidiary in USA continued its foray for servicing its clients namely, Nastel, S & P, AQS, STR and have tied up with several US companies for alliance/ reselling such as Informatica, Atlantic Crossing LLC and is planning many new initiatives in the current year.

UK SUBSIDIARY

The Company has closed down itswholly owned subsidiary at UK, namely, NSE.IT (UK) Limited incorporated under the Companies Act of England & Wales. Necessary forms with the Companies House have already been filed and the name of the Company has already been struck off from the records of the Registrar.

35. APPRECIATION

Your Directors would like to place on record their sincere appreciation for the confidence support and co-operation received from the holding company, its employees, Banks, Reserve Bank of India, Registrar of Companies (ROC), Government Authorities, suppliers, customers, shareholders and all other stakeholders

For and on behalf of the Board of Directors

Sd/-

Place: Mumbai

RAVI NARAIN

Date: 16th May 2013

CHAIRMAN

ANNEXURE TO DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975, AS AMENDED :

Sr. No.	Name and Qualification	Age in years	Designation / Nature of Duties	Gross (₹)	Net (₹)	Exper-ience (no. of yrs)	Date of Commencement of employment	Last employment
1.	Mr. Ramesh Padmanabhan B.Sc and Post Graduate in Software Technology	51	Managing Director and Chief Executive Officer	1,54,70,778	93,70,953	24	May 15,2008	Chief Delivery Officer of Mphasis Ltd
2.	Mr. Shailesh Chitre, B.Sc and DCST	48	Vice President	67,24,169	45,32,994	24	November 17, 2008	Head Sales- Asian CERC Information Technology Limited

NOTES

Gross remuneration includes Salary and other allowances, Company's contribution to Provident Fund, Superannuation Fund, Gratuity Fund and taxable value of perquisites etc. Net remuneration has been arrived at by deducting from gross remuneration, Company's contribution to provident fund, superannuation fund, taxable value of perquisite, amount deducted as profession tax and income tax.

The nature of employment is contractual in all above cases.

None of the employees mentioned above is a relative of any Director.

None of the employees owns more than 2% of the outstanding shares of the Company as on 31st March 2013.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NSE.IT LIMITED

Report on the financial statements

We have audited the accompanying financial statements of **NSE.IT LIMITED** (the company), which comprise the balance sheet as at 31 March 2013, and the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

a. In the case of the balance sheet, of the state of affairs of the company as at 31 March 2013

b. In the case of the statement of profit and loss, of the **profit** for the year ended on that date, and

c. In the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b. In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.

   c. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.

   d. In our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

   e. On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **Gokhale & Sathe**
Chartered Accountants
Firm Reg. No.: 103264W

Kedar A Mehendale
Partner
Membership No 116065

Place: Mumbai
Date: 16th May 2013

FINANCIAL YEAR ENDED 31ST MARCH 2013

ANNEXURE TO THE AUDITOR'S REPORT AS REQUIRED BY THE COMPANIES (AUDITOR'S REPORT) ORDER, 2003

(Referred to in Paragraph 1 of the section 'Other legal & regulatory requirements' of our Report of even date on accounts of NSE.IT Ltd. as at 31st March 2013.)

As required by the Companies (Auditors Report) Order 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act 1956, on the basis of the checks, as we considered appropriate, we report on the matters specified in paragraph 4 and 5 of the said order to the extent applicable to the company.

(i) a) The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets.

b) We have been informed that the physical verification of fixed assets was carried out by the management during the year, which in our opinion is reasonable having regard to the size of the company and nature of the assets. We have been informed that no material discrepancy was noted on such verification.

c) The fixed assets disposed of during the year, in our opinion; do not constitute a substantial part of the fixed assets of the company so as to affect its going concern status.

(ii) Considering the nature of the business and services rendered by the company, clause 4 (ii) is not applicable.

(iii) a) The Company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in register maintained u/s 301 of the Companies Act, 1956 and accordingly provision of clause 4 (iii) (b), (c), (d) are not applicable.

e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) (f) and (g) are not applicable.

(iv) On the basis of selective checks carried out during the course of audit and according to the information and explanation given to us, in our opinion there is an adequate internal control system commensurate with the size of the Company and the nature of business with regard to the purchase of fixed assets and with regard to the service rendered. During the course of our audit we have not observed any continuing failure to correct major weakness in internal controls system.

(v) a) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into a register in pursuance of section 301 of the Companies Act 1956. Therefore, clause 4 (v) (b) is not applicable

(vi) The Company has not accepted any deposits from public and accordingly the provisions of section 58A, 58AA of the Act, and Rules framed there under and any directive issued by the Reserve Bank of India are not applicable.

(vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

(viii) As informed to us, maintenance of Cost Records by the Company has not been prescribed by the Central Government u/s 209 (1) (d) of the Companies Act.

(ix) a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues as applicable to it.

According to the information and explanations given to us, no undisputed amounts payables in respect of income tax, sales tax, wealth tax, service tax, customs duty and excise duty were in arrears, as at 31st March 2013 for a period of more than six months from the date they became payable

b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute.

(x) There are no accumulated losses. Further the Company has not incurred cash losses during the year covered by our audit report and the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not taken any loan and no amounts were due towards principal or interest to any financial institution, bank, or debenture holders during the year covered by our audit report.

(xii) As per information given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) are not applicable.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments.

(xv) According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) According to the information and explanations given to us, the company has not taken any term loan.

(xvii) According to the information and explanations given to us, the company has not raised any funds.

(xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares.

(xix) According to the information and explanation given to us, the company has not issued any debentures during the year covered by our audit report.

(xx) During the year covered by our audit report, the Company has not raised any money by public issues.

(xxi) According to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Gokhale & Sathe**
Chartered Accountants
Firm's Reg. No. 103264W

Kedar A. Mehendale
Partner
Membership No.: 116065

Place: Mumbai.
Date: 16th May 2013.

BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note No.	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
I. Equity and Liabilities			
(1) Shareholders' Funds			
(a) Share Capital	2	100,000,100	100,000,100
(b) Reserves and surplus	3	453,371,940	392,068,396
(2) Share application money pending allotment		-	-
(3) Non-current liabilities			
(a) Deferred tax liabilities (Net)	4	10,396,111	13,105,809
(b) Long-term provisions	5	5,380,565	4,767,148
(4) Current liabilities			
(a) Trade payables	6	21,929,839	17,932,216
(b) Other current liabilities	6	99,452,978	34,288,496
(c) Short-term provisions	5	79,975,883	99,143,560
Total		**770,507,416**	**661,305,725**
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	119,201,461	135,589,560
(ii) Intangible assets	7	3,156,733	8,725,669
(iii) Capital work-in-progress	22	1,438,596	643,659
(b) Non-current investments	8	45,334,854	45,334,933
(c) Long-term loans and advances	9	132,243,661	102,972,506
(d) Other non-current assets	12	253,230	25,684
(2) Current Assets			
(a) Inventories	10	129,249	253,578
(b) Trade receivables	11	287,562,249	212,429,083
(c) Cash and bank balances	13	164,833,812	131,858,141
(d) Short-term loans and advances	9	4,063,421	5,253,132
(e) Other current assets	12	12,290,150	18,219,780
Total		**770,507,416**	**661,305,725**
Significant Accounting Policies	1		

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

As per our report of even date attached

For Gokhale & Sathe.
Chartered Accountants
(Reg No : 103264W)

KEDAR MEHENDALE
Partner
Membership No.116065

Place : Mumbai
Date : 16th May 2013

For and on behalf of Board of Directors

RAVI NARAIN
Chairman

RAMESH PADMANABHAN
Managing Director & CEO

DILEEP CHOKSI
Director

J. RAVICHANDRAN
Director

KANKESH KAMATH
Chief Financial Officer

CHIRAG SHAH
Company Secretary

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH 2013

S. No	Particulars	Note No.	For the year ended 31-Mar-2013 ₹	For the year ended 31-Mar-2012 ₹
I.	Revenue from operations	14	1,125,939,639	1,166,243,121
II.	Other income	15	32,375,554	32,697,179
III.	Total Revenue (I + II)		**1,158,315,193**	**1,198,940,300**
IV.	Expenses:			
	Purchases of Stock-in-Trade	16	453,144	4,410,103
	Changes in inventories of Stock-in-Trade	17	124,329	(74,389)
	Employee benefits expense	18	448,997,786	418,144,229
	Depreciation and amortisation expense	7	28,802,648	30,185,054
	Other expenses	19	554,903,556	532,273,471
	Prior Period Expenses		-	1,384,987
	Total expenses		**1,033,281,463**	**986,323,455**
V.	Profit before exceptional and extraordinary items and tax (III-IV)		**125,033,730**	**212,616,845**
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		**125,033,730**	**212,616,845**
VIII.	Extraordinary Items	32	56,869	673,810
IX.	Profit before tax (VII - VIII)		**124,976,861**	**211,943,035**
X.	Tax expenses:	20		
	(1) Current tax		41,814,040	59,271,307
	(2) Deferred tax		(2,709,698)	9,583,814
XI.	Profit/(Loss) for the period from continuing operations (IX - X)		**85,872,519**	**143,087,914**
XII.	Profit/(Loss) from discontinuing operations		-	-
XIII.	Profit/(Loss) for the year (XI + XII)		**85,872,519**	**143,087,914**
XIV.	Earnings per equity share:			
	(1) Basic		8.59	14.31
	(2) Diluted		8.59	14.31
	Significant Accounting Policies	1		
	The accompanying notes are an intergal part of the financial statements.			

As per our report of even date attached

For Gokhale & Sathe.
Chartered Accountants
(Reg No : 103264W)

KEDAR MEHENDALE
Partner
Membership No.116065

Place : Mumbai
Date : 16th May 2013

For and on behalf of Board of Directors

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Director

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Director

KANKESH KAMATH
Chief Financial Officer

CHIRAG SHAH
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

		2012-2013 (₹)	2011-2012 (₹)
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax, & Prior Period Adjustments	125,033,730	211,231,858
	Add : Adjustments for		
	Depreciation	28,802,648	30,185,054
	Loss on Disposal / Sale of Fixed Assets	(117,658)	(76,066)
	Prior period adjustment	-	1,384,987
	Less :Adjustments for		
	Interest from Fixed Deposits	(12,167,837)	(13,502,342)
	Operating profit before working Capital Change	**141,550,883**	**229,223,491**
	Change in Working Capital		
	Decrease / (Increase) in Sundry Debtors	(75,133,166)	(80,180,779)
	Decrease / (Increase) in Inventory	124,329	(74,389)
	Decrease / (Increase) in Loans & Advances	3,225,733	(8,797,504)
	Decrease / (Increase) in Interest accrued	(948,345)	(2,272,435)
	(Decrease) / Increase in Long Term Provisions	613,417	3,652,657
	(Decrease) / Increase in Current Liabilities & Prov	68,427,821	(48,885,579)
	Cash Generated from Operations	**137,860,672**	**92,665,462**
	Direct Taxes Paid (Net of Refunds)	(66,470,788)	(66,042,979)
	Net Cash from Operating Activities (before extraordinary activities)	**71,389,884**	**26,622,483**
	CASH FLOW FROM EXTRAORDINARY ACTIVITIES		
	Expense of subsidiary written off	(56,869)	-
	Net Cash from Operating Activities-(after extraordinary activities)	**71,333,015**	**26,622,483**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Interest from Fixed Deposits	12,167,837	13,502,342
	(Additions) / Deductions in Investments	79	(22,542,455)
	Addition to fixed assets (net)	(6,727,955)	(39,621,813)
	Addition to CWIP	(794,937)	(620,796)
	Cash flow from investing activity - Total (B)	**4,645,024**	**(49,282,722)**

	2012-2013 (₹)	2011-2012 (₹)
C CASH FROM FINANCING ACTIVITY		
Dividend Paid	(37,000,037)	(40,000,040)
Dividend distribution tax	(6,002,331)	(6,489,007)
	(43,002,368)	**(46,489,047)**
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENT	**32,975,671**	**(69,149,286)**
Opening balance of Cash & Cash Equivalent	131,858,141	201,007,427
Closing balances of Cash & Cash Equivalent	164,833,812	131,858,141
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENT	**32,975,671**	**(69,149,286)**

Notes to Cash flow statement

Cash and cash equivalent represent cash, bank balances and balances in fixed deposits

The above cash flow has been prepared under the "Indirect method" as set out in the Accounting Standard -3

As per our report of even date attached

For Gokhale & Sathe.
Chartered Accountants
(Reg No : 103264W)

KEDAR MEHENDALE
Partner
Membership No.116065

Place : Mumbai
Date : 16th May 2013

For and on behalf of Board of Directors

RAVI NARAIN
Chairman

RAMESH PADMANABHAN
Managing Director & CEO

DILEEP CHOKSI
Director

J. RAVICHANDRAN
Director

KANKESH KAMATH
Chief Financial Officer

CHIRAG SHAH
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 1 : Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared under the historical cost convention on accrual system and in accordance with the generally accepted accounting principles.

b. Revenue recognition

Revenue from sale of software product licenses and sale of digital certificates is recognised on dispatch.

Revenue from resale of hardware and software is recognised on dispatch.

Revenue from fixed price contracts is recognised on the basis of the deliverables provided.

Revenues from maintenance contracts and technical support agreements are recognised on a pro-rata basis over the period in which such services are rendered under the terms of the contracts and agreements.

Revenues from software development and maintenance on time and material basis and consultancy charges are recognised based on the terms agreed with the customers.

Revenue from e-learning activity is recognised on the basis of enrollment.

Revenue from online examination services are recognized on the basis of exams conducted.

Interest on deployment of funds is recognised using the time proportion method, based on interest rates implicit in the transaction.

Income excludes applicable taxes and other levies

c. Expenditure

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

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

d. Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairments, if any. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.

Individual low cost assets (acquired for less than ₹ 5000/-) are depreciated at the rate of 100% in the year of acquisition.

Fixed Furniture and fixtures, electrical installation and office equipment including civil improvements at lease hold premises are depreciated over the lease period.

Expenditure incurred during the year for acquiring software copyright, source code and other deliverables along with the in-house development cost is capitalised and depreciated @ 33 1/3 % on Straight Line Method, which is higher than the rates prescribed in the aforesaid schedule.

Software products/ licenses purchased/ acquired for internal use of the Company which have expected longer life are capitalised and depreciated @ 33 1/3 % on Straight Line Method, which is higher than the rates prescribed in the aforesaid schedule. Depreciation on fixed assets other than above is provided using straight line method at the rates specified in schedule XIV to Companies Act, 1956.

e. Inventory

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

f. Forward Exchange Contract

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

g. Foreign currency transactions

Transactions in foreign exchange are accounted at the exchange rates prevailing on the date on which transactions have taken place. Outstanding if any, at the end of the year are converted at the year end rates.

h. Employee Retirement Benefits

Gratuity

The Company has maintained a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India towards which it annually contributes a sum determined by Life Insurance Corporation of India. The Company has made provision for gratuity liability estimated as per actuarial report as on the balance sheet date to comply with the Accounting Standard 15 for employee benefits.

Superannuation

Superannuation benefit for employees designated as managers and above is covered by Group Superannuation Scheme with the Life Insurance Corporation of India towards which it annually contributes a sum based on a specified percentage of each covered employees' salary. The contribution paid for the year on the Group Superannuation Scheme is charged to revenue.

Provident Fund

W.e.f. 1st August 2010. the company had transferred the corpus balance of the NSE.IT Ltd. Employees Provident Fund Trust to the Regional Provident Fund Office, Kandivali, Mumbai. As per the applicable rule the company contributes 12% of the employee's basic salary to the said recognized provident fund and the same is charged to revenue.

Leave Encashment

Leave encashment paid to the employees while in service is charged to revenue as the same is considered as a short term benefit. Provision for leave encashment on retirement is made on the basis of actuarial valuation at the end of the year.

i. Investments

Long-term investments are carried at cost. Provision for diminution is made to recognize a decline, other than temporary, in their value.

j. Income Tax

Provision for Income Tax is made on the basis of the prevailing rates under the Income Tax Act, 1961. Company has accounted deferred tax liability/asset in accordance with the Accounting Standard 22 – Accounting for Taxes on Income.

NOTE 2 : SHARE CAPITAL

	31-Mar-13	31-Mar-12
	₹	₹
Authorised		
15,000,000 (15,000,000) Equity Shares of ₹ 10/- each	**150,000,000**	**150,000,000**
Issued, Subscribed and Paid-up		
10,000,010 (10,000,010) Equity shares of ₹ 10/- each fully paid up	100,000,100	100,000,100
TOTAL	**100,000,100**	**100,000,100**

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

	31-Mar-13		31-Mar-12	
	Nos.	₹	Nos.	₹
At the beginning of the period	10,000,010	100,000,100	10,000,010	100,000,100
Issued during the period	-	-	-	-
Outstanding at the end of the period	**10,000,010**	**100,000,100**	**10,000,010**	**100,000,100**

b. Terms / rights attached to equity shares

The Comany has only one class of equity shares having a par value of ₹ 10 /- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates.

	31-Mar-13	31-Mar-12
	₹	₹
National Stock Exchange of India Ltd, the holding company		
10000010 (31 March 2013 : ₹ 10000010) equity shares of Rs. 10/- each fully paid	100,000,100	100,000,100

d. Details of shareholders holding more than 5% in the Company

	31-Mar-13		31-Mar-12	
	Nos.	%	Nos.	%
Equity shares of ₹ 10/- each fully paid National Stock Exchange of India Ltd. (the holding company)	10,000,010	100%	10,000,010	100%

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e. Shares reserved for issue under options

In terms of the authority granted by the General Meeting held on September 25th, 2006, the Company has formulated an Employee Stock Option Plan 2006 (ESOP). Under the said ESOP, 3,47,350 Options for equivalent number of Equity Shares of the company have been granted as an incentive scheme to the employees covered under the scheme. The Scheme provides that the Options shall vest in a graded manner over a period of 4 years in the ratio of 25%, 30%, 35% and 10% respectively. The exercise period shall be three years from the vesting of each tranche of the aforesaid options. Each option entitles the holder of the option to 1 Equity Share of the Company at an exercise price of ₹ 53/- per share, which is also the Fair Market Value (FMV) of the share on the date of the grant as determined by a valuation report obtained from an independent valuer.

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

Particulars	F.Y. 2012 – 13 Quantity (Nos.)	F.Y. 2011 – 12 Quantity (Nos.)
Options at the beginning of the year	62,031	144,840
Options granted during the period	Nil	Nil
Options lapsed during the period	48,594	82,809
Options Exercised during the period	Nil	Nil
Options expired during the period	Nil	Nil
Balance Options in force	13,437	62,031

NOTE 3 : RESERVES & SURPLUS

	31-Mar-13	31-Mar-12
	₹	₹
General Reserve		
Balance as per the last financial statements	328,506,069	238,506,069
Add : amount transferred from the surplus balance in the statement of profit & loss	70,000,000	90,000,000
Closing Balance	**398,506,069**	**328,506,069**

Surplus / (deficit) in the statement of profit & Loss		
Balance as per the last financial statements	63,562,327	53,476,781
Add : Profit / (Loss) for the year	85,872,519	143,087,914
Less : Transfer to General Reserve	70,000,000	90,000,000
Less : Proposed Equity Dividend (per share ₹ 2.10/-(31 March 2012: ₹ 3.70/-)	21,000,021	37,000,037
Less : Tax on proposed equity dividend	3,568,954	6,002,331
Net Surplus in the statement of profit and loss.	**54,865,871**	**63,562,327**
TOTAL	**453,371,940**	**392,068,396**

NOTE 4 : DEFERRED TAX LIABILITY (NET)

	31-Mar-13	31-Mar-12
Deferred tax liability		
Fixed assets: Impact of difference between depreciation /amortization charged for the financial reporting and tax depreciation	12,342,452	13,129,360
Impact of expenditure charged to the statement of profit and loss but adjusted for tax purpose u/s 40 (a)(ia)	-	1,967,020
Gross Deferred Tax Liability	**12,342,452**	**15,096,380**
Deferred tax Asset		
Fixed Assets : Impact of difference arising on account of impairment of intangible asset and tax depreciation	1,946,341	1,990,571
Impact of expenditure charged to the statement of profit and loss but adjusted for tax purpose u/s 40 (a)(ia)	-	-
Gross Deferred Tax Asset	**1,946,341**	**1,990,571**
Net Deferred Tax Liability	**10,396,111**	**13,105,809**

NOTE 5 : PROVISIONS

	Long Term		Short Term	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Provision for Employee benefits				
Provision for Gratuity (Funded Assets/ Non Funded Obligation)	1,486,543	1,428,549	257,868	512,142
Provision for Leave Benefits	3,894,022	3,338,599	1,977,345	600,866
Provision for other Employee Benefits	-	-	33,205,310	35,241,414
	5,380,565	**4,767,148**	**35,440,523**	**36,354,422**
Other Provisions				
Provision for outstanding expenses	-	-	19,966,385	19,734,432
Provision for loss of subsidiary (net)	-	-	-	52,338
Provision for Proposed Dividend	-	-	21,000,021	37,000,037
Provision for Dividend Distribution Tax	-	-	3,568,954	6,002,331
	-	**-**	**44,535,360**	**62,789,138**
	5,380,565	**4,767,148**	**79,975,883**	**99,143,560**

NOTE 6 : TRADE PAYABLE AND OTHER CURRENT LIABILITIES

	31-Mar-13	31-Mar-12
Trade payables		
(refer note 33 for details of dues to micro and small enterprises)	21,929,839	17,932,216
	21,929,839	**17,932,216**
Other Current Liabilities		
(a) Income received in advance (deferred revenue)	6,918,341	3,007,348
(b) Advance received from customers	84,948,172	26,905,648
(c) Other Payables		
Liability for Expenses	-	-
Government Dues (Sales Tax, Service Tax, TDS etc.)	7,586,465	4,275,500
Security Deposit Recd	-	100,000
	99,452,978	**34,288,496**

NOTE 7 : FIXED ASSETS

Sl No.	Category	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 1-Apr-12	Additions	Deductions	As on 31-Mar-13	As on 1-Apr-12	For the year	Deductions	As on 31-Mar-13	As on 31-Mar-13	As on 31-Mar-12
A	Tangible Assets										
1	Computer Hardware & Server	130,608,134	6,415,208	22,597,080	114,426,262	73,587,785	14,222,201	22,394,206	65,415,780	49,010,482	57,020,349
2	Office Equipment	57,954,180	2,938,434	3,678,052	57,214,562	11,992,280	3,908,714	1,739,693	14,161,301	43,053,261	45,961,900
3	Furniture & Fixtures	35,984,367	133,895	1,709,979	34,408,283	9,619,688	3,560,224	668,004	12,511,908	21,896,375	26,364,679
4	Building - Civil Work	7,821,074	–	217,524	7,603,550	1,578,442	879,634	95,869	2,362,207	5,241,343	6,242,632
		232,367,755	9,487,537	28,202,635	213,652,657	96,778,195	22,570,773	24,897,772	94,451,196	119,201,461	135,589,560
B	Intangible Assets										
1	Computer Software	46,357,229	662,939	–	47,020,168	37,631,561	6,231,875	–	43,863,436	3,156,732	8,725,668
2	Software copyrights	25,906,099	–	–	25,906,099	25,906,098	–	–	25,906,098	1	1
		72,263,328	662,939	–	72,926,267	63,537,659	6,231,875	–	69,769,534	3,156,733	8,725,669
	GRAND TOTAL	304,631,083	10,150,476	28,202,635	286,578,924	160,315,854	28,802,648	24,897,772	164,220,730	122,358,194	144,315,229
	PREVIOUS YEAR	264,933,204	39,697,908	29	304,631,083	130,130,800	30,185,054	–	160,315,854	144,315,229	134,802,404

NOTE 8 : NON CURRENT INVESTMENTS

	31-Mar-13	31-Mar-12
Trade Investments (Valued at cost)		
Unquoted Equity Instruments		
Investments in wholly owned subsidiaries		
NSE.IT(US) Inc. [500000 (1) Equity share of $ 1 each fully paid]	22,542,495	22,542,495
NSE.IT(UK) Ltd. [1 Equity share of £ 1 each fully paid]	-	79
Non-trade Investments (Valued at cost)		
Quoted Mutual Funds (at cost)	22,792,359	22,792,359
[Market Value as on 31-Mar-13 ₹ 40053354/- (₹ 36731812/-)]		
	45,334,854	**45,334,933**

NOTE 9 : LOANS AND ADVANCES

		Non-current		Current	
		31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
a.	**Security Deposits**	50,989,859	46,057,345	-	-
	(Unsecured, considered good)				
b.	**Loans and advances to related parties**				
	Uunsecured, considered doubtful				
	NSE.IT (UK) Ltd	-	-	-	621,472
	Less Provision for loss of subsidiary	-	-	-	621,472
		-	-	-	-
c.	**Other loans and advances**				
	(unsecured, considered good)				
	Income Tax Refund (Net of Provision)	80,469,555	55,812,807	-	-
	Sales Tax Refund	784,247	1,102,354	-	-
	Advance for Expenses (Staff)	-	-	1,327,407	3,936,515
	Advance to creditors	-	-	2,277,909	862,448
	Salary Advance	-	-	32,096	18,160
	Other Advances	-	-	426,009	436,009
		81,253,802	56,915,161	4,063,421	5,253,132
	(a + b + c)	**132,243,661**	**102,972,506**	**4,063,421**	**5,253,132**

NOTE 10 : INVENTORIES

	31-Mar-13	31-Mar-12
Traded goods		
Stock of Digital Certificates	129,249	253,578
(Valued at lower of cost and net realizable value)		
	129,249	**253,578**

NOTE 11 : TRADE RECEIVABLES

	Current	
Trade receivables	31-Mar-13	31-Mar-12
Unsecured, Considered good		
Outstanding for a period exceeding six months from the date they are due for payment	80,924,178	34,870,846
Other receivables	206,638,071	177,558,237
	287,562,249	**212,429,083**

NOTE 12 : OTHER ASSETS

	Non-current		Current	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Funded Assets/ Non Funded Obligation (Gratuity)	-	-	-	-
Interest Accrued but not due	-	-	3,226,642	2,278,297
Service Tax Input Credit	-	-	504,278	2,710,905
Prepaid Expenses	253,230	25,684	8,559,230	8,430,578
Unbilled Revenue	-	-	-	4,800,000
	253,230	**25,684**	**12,290,150**	**18,219,780**

NOTE 13 : CASH AND BANK BALANCES

	Current	
	31-Mar-13	31-Mar-12
Cash and Cash Equivalent		
Cheques/Drafts in hand	4,751,612	101,252
Cash in hand	-	-
Balances with banks in current Accounts including auto FD	158,420,096	130,222,936
	163,171,708	**130,324,188**
Other Bank Balances		
Term Deposits having remaining maturity of 12 months or less	1,662,104	1,533,953
	164,833,812	**131,858,141**

NOTE 14 : REVENUE FROM OPERATIONS

		31-Mar-13	31-Mar-12
Sale of Products			
Software Products		8,568,582	3,592,194
Traded Goods		2,877,139	8,928,151
	(A)	**11,445,721**	**12,520,345**
Sale of Services			
Software Product Revenues		11,034,885	12,569,454
Application Development & Maintenance Services		272,242,660	230,227,629
Infrastructure Management Services		294,321,362	273,311,793
E-Learning Solutions		501,701,469	598,302,926
Customer Care Services		35,193,542	39,310,974
	(B)	**1,114,493,918**	**1,153,722,776**
	(A + B)	**1,125,939,639**	**1,166,243,121**

NOTE 15 : OTHER INCOME

	31-Mar-13	31-Mar-12
Interest income		
Interest on Short Term Deposits & Auto Fixed Deposits with Bank	12,167,837	13,502,342
Other non-operating income		
Excess Provision Written Back	11,465,159	11,190,238
Gain from Foreign Exchange Fluctuations (Net)	7,224,060	3,382,194
Profit on sale of assets	117,658	76,066
Miscellaneous Income	1,400,840	4,546,339
	32,375,554	**32,697,179**

NOTE 16 : PURCHASES OF STOCK-IN-TRADE

	31-Mar-13	31-Mar-12
Purchase of Digital Certificates	453,144	700,647
Purchase of Licenses (Algo Products)	-	3,709,456
	453,144	**4,410,103**

NOTE 17: CHANGES IN INVENTORIES OF STOCK-IN-TRADE

	31-Mar-13	31-Mar-12
Opening Inventories of Digital Certificates	253,578	179,189
Closing Inventories of Digital Certificates	129,249	253,578
	124,329	**(74,389)**

NOTE 18 : EMPLOYEE BENEFITS EXPENSES

	31-Mar-13	31-Mar-12
Salaries & Allowances	423,318,658	392,490,742
Contribution to Provident Fund	12,271,635	11,690,570
Contribution to Group Gratutity Scheme	4,716,696	4,820,997
Contribution to Superannuation Scheme	1,249,742	1,162,270
Staff Welfare Expenses	7,441,055	7,979,650
	448,997,786	**418,144,229**

NOTE 19 : OTHER EXPENSES

	31-Mar-13	31-Mar-12
Power and fuel	26,174,582	25,295,696
Rent	128,539,841	119,972,541
Repairs to machinery	8,131,261	6,607,696
Insurance	7,558,863	8,742,584
Rates and taxes, excluding taxes on income	501,137	1,286,067
Travelling expenses	22,637,235	24,671,424
Professional Fees	10,437,176	6,487,984
Conveyance	5,374,662	6,079,112
Telephone & Internet Expenses	26,987,859	24,711,972
Security Services Charges	18,952,798	17,034,636
Fees & Subscription	64,846,951	78,131,728
Technical & Sub Contract Charges	200,642,463	179,152,557
Auditors Remunerations		
--- Audit fees	233,497	224,720
--- Other Matter	33,708	33,708
Office Expenses	9,298,310	8,941,305
Miscellaneous expenses	24,553,213	24,899,741
	554,903,556	**532,273,471**

NOTE 20 : Tax expense

	31-Mar-13	31-Mar-12
(a) Current Tax	40,000,000	61,000,000
Short / Excess Provision for taxes (net)	1,814,040	(1,728,693)
	41,814,040	**59,271,307**
(b) Deferred tax	**(2,709,698)**	9,583,814
	39,104,342	**68,855,121**

NOTE 21 : Contingent Liabilities:

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 1,86,856/- (Previous Year: 41,03,461/-).

(ii) On account of bank guarantees: ₹ 1,00,000/- (Previous Year: ₹ Nil).

(iii) On account of corporate guarantee: ₹ Nil (Previous Year: ₹ Nil)

(iv) On account of disputed demand of income tax Nil (Previous Year: ₹ Nil)

(v) On account of disputed demand of sales tax: ₹ Nil (Previous year ₹ Nil)

NOTE 22 : Capital Work in Progress includes following assets purchased during the Year but not installed:

Particulars	For the year ended	
	31-Mar-13	31-Mar-12
HRMS Software - Claim Management Module	1,415,736	620,796
HRMS Software - Shift Management Module	22,860	22,863
Total	1,438,596	643,659

NOTE 23 : Expenditure in foreign exchange:

Particulars	For the year ended	
	31-Mar-13	31-Mar-12
Travelling	979,445	1,066,934
Direct Fees & Subscription	8,087	477,245
Subcontract/ Technical Fees	185,851,988	163,376,408
Software Licenses	69,250	131,146
Total	186,908,770	165,051,733

C.I.F. Value of imports in respect of capital goods : Nil (Previous year : Nil)

NOTE 24 : Earnings in foreign exchange:

Particulars	For the year ended	
	31-Mar-13	31-Mar-12
Application Development and Maintenance Services	59,423,539	26,631,434
E-Learning	1,218,806	-
Total	60,642,345	26,631,434

NOTE 25 : Details of exchange fluctuation:

Particulars	For the year ended	
	31-Mar-13	31-Mar-12
(Loss) on Foreign Exchange transactions	(4,045,413)	(1,042,742)
Gain on Foreign Exchange Transactions	11,269,473	4,424,936
Net Gain / (Loss)	7,224,060	3,382,194

NOTE 26 : Segment Reporting

In the opinion of the management, the company has two reportable business segment viz. offering "End to End solutions" which includes revenues from sale and maintenance of software products, software consultancy services, custom software development, information technology infrastructure services provided predominantly to market participants in the securities and commodity markets and "E-learning Solutions" which includes sale and maintenance of e-learning software products, online education and examination services and other incidental services as its primary segments. This takes into consideration the commonality in the risks and rewards of the products/ solutions and related services offered nature of services, type / class of customers for the products / services, management structure and system of financial reporting. Accordingly, the results of the said segments have been disclosed hereunder. Further, the company has no reportable geographical segments and on that basis, no secondary segment information is furnished.

Primary Business Segments

Year ended March 31, 2013

Particulars	End to End Solutions	E-learning Solutions	Total
Revenues	**624,238,170**	**501,701,469**	**1,125,939,639**
	567,940,199	*598,302,922*	*1,166,243,121*
Identifiable operating expenses	**204,900,809**	**251,368,919**	**456,269,728**
	192,824,405	*247,460,215*	*440,284,620*
Allocated expenses	**401,306,521**	**175,762,083**	**577,068,604**
	392,432,030	*152,895,627*	*545,327,657*
Segmental operating income / (loss)	**18,030,839**	**74,570,468**	**92,601,307**
	(17,316,236)	*197,947,080*	*180,630,844*
Other income			**32,375,554**
			32,697,179
Prior period adjustment			-
			1,384,987
Net profit before taxes			**124,976,861**
			211,943,036
Income taxes			**39,104,342**
			68,855,121
Net profit after taxes			**85,872,519**
			143,087,915

(Figures in *Italics* are for Previous Year)

Fixed assets used in the Company's business or liabilities contracted have not been indentified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. Accordingly no disclosure relating to total segment assets and liabilities are made.

NOTE 27 : Related Party Discloser

In compliance with Accounting Standard 18 "Related Party Disclosures", the required disclosures are given in the table below:

A) Names of the related parties and relationship:

SN	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	Holding Company
2	National Securities Clearing Corporation Limited	Fellow Subsidiary
3	DotEx International Limited	Fellow Subsidiary
4	NSE Infotech Services Limited	Fellow Subsidiary
5	NSE.IT (UK) Limited	Wholly owned Subsidiary Company
6	NSE.IT (US) Inc.	Wholly owned Subsidiary Company
7	India Index Services & Products Limited	Joint Venture of Holding Company
8	Power Exchange India Limited	Joint Venture of Holding Company
9	Mr. Ramesh Padmanabhan – Managing Director & CEO	Key Management Personnel

B) Details of transactions with related parties as follows:

Name of the related party	Nature of transactions	Year ended 31/03/13	Year ended 31/03/2012
National Stock Exchange of India Limited	Infrastructure Management Services	227,869,816	199,460,407
	Application Development and Maintenance Services	63,617,916	47,431,800
	Software Product Revenues	Nil	15,750
	E- Learning	66,558,820	54,692,020
	Applicable taxes recovered	49,814,630	35,513,320
	Reimbursement of expenses received	Nil	90,074
	CTCL empanelment fee paid	Nil	386,050
	Rent Paid	10,297,279	2,004,762
	Usage Charges paid – STP Central HUB & other	75,272	45,757
	Reimbursement paid for other expenses incurred	859,669	270,474
	Purchase of fixed assets	Nil	Nil
	Dividend paid	37,000,037	40,000,040
	Loan Taken during the Year	Nil	Nil
	Loan Repaid during the Year	Nil	Nil
	Interest on Loan paid during the Year	Nil	Nil
	Closing Balance - Dr./ (Cr.)	41,984,165	53,447,992

National Securities Clearing Corporation Limited	Application Development and Maintenance Services	5,730,573	8,464,415
	Applicable taxes recovered	708,318	871,835
	Closing Balance - Dr./ (Cr.)	522,942	2,677,100
NSE Infotech Services Limited	Software Product Revenues	5,117	Nil
	Reimbursement of expenses received	Nil	Nil
	Reimbursement paid for expenses incurred	Nil	Nil
	Closing Balance - Dr./ (Cr.)	Nil	Nil
DotEx International Limited	Reimbursement of Expenses received	Nil	372,295
	Reimbursement for Expenses recoverable	269,712	Nil
	Application Development and Maintenance Services	595,560	786,990
	Customer Care Services	26,598,015	31,630,974
	Infrastructure Management Services	4,859,777	4,052,637
	Applicable taxes recovered	3,977,438	3,770,792
	Closing Balance - Dr./ (Cr.)	4,965,640	6,060,285
Power Exchange India Limited	Application Development and Maintenance Services	28,005,041	32,253,519
	Software Product Revenues	2,000	Nil
	Reimbursement of expenses received	3,650	5,135
	Infrastructure Management Services	6,432,777	7,499,658
	Applicable taxes recovered	4,256,871	4,094,577
	Closing Balance - Dr./ (Cr.)	38,808,692	41,590,368
NSE.IT US Inc	Application Development and Maintenance Services	58,655,210	24,407,833
	Closing Balance - Dr./ (Cr.)	74,862,776	37,893,419
NSE.IT (UK) Ltd	Expenses incurred on behalf of Co.	Nil	128,487
	Closing Balance - Dr./ (Cr.)	Nil	621,472
Key Management Personnel - Ramesh Padmanabhan – MD &CEO	Gross remuneration including allowances, perquisites and contribution to Provident Fund and Superannuation Fund etc.	15,470,778	13,805,832

The income figures are excluding applicable taxes recovered.

NOTE 28 : Future Lease Rent Obligations

The Company has taken following assets on non-cancelable renewable operating lease basis:

Office Premises : Leave & License Agreement for maximum of 108 months

The maximum future rent obligations as per the respective agreements are as follows:-

Future Lease Rent obligations	For the Year ended	
	31-Mar-2013	31-Mar-2012
Office & Residential Premises		
not later than 1 year	159,383,246	92,415,883
later than 1 year not later than 5 years	295,804,454	238,104,608
later than 5 years	40,924,692	80,935,778
Total	496,112,392	411,456,269

NOTE 29: Earnings Per Share

In accordance with Accounting Standard – 20 "Earning per Share", the required disclosure is given below:

Particulars	For the Year ended	
	31-Mar-2013	31-Mar-2012
Net Profit attributable to Shareholders (₹)	85,872,519	143,087,914
Weighted Average number of equity shares issues (in ₹).	10,000,010	10,000,010
Basic/diluted earnings per share of ₹ 10 each (₹)	8.59	14.31

The dilutive impact of ESOPs granted as mentioned in Note 2 e on the EPS mentioned below is considered nominal and not material and therefore, no separate diluted EPS has been computed.

NOTE 30 : Provision for Employees benefits

In accordance with Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets", the company has made provision for "Performance Pay" payable to the employees and "Leave Encashment". The particulars of these provisions are as under:

Particulars	F.Y. 2012 - 13		F.Y. 2011 - 12	
	Performance Pay (₹)	Leave Encashment (₹)	Performance Pay (₹)	Leave Encashment (₹)
Carrying amount at the beginning of the year	32,282,519	3,939,465	29,141,135	3,682,533
Amounts used during the year	37,887,037	1,818,740	36,408,613	2,568,042
Amounts unused reversed during the year	10,593,691	-	5,073,081	-
Provisions made during the year	48,128,829	3,750,642	44,623,078	2,824,974
Carrying amount at the end of the year	31,930,620	5,871,367	32,282,519	3,939,465

In case of provision for performance pay, it is expected that these obligation will be met in the next financial year

NOTE 31 : Gratuity Expenses

Effective April 1, 2007 the company adopted the Accounting Standard 15 "Employee Benefits". Company has charged the gratuity expenses to revenue based on gratuity liability estimated as per actuarial report furnished by independent actuarial valuer. The report which uses projected unit credit method shows the position as at March 31, 2013 as under.

Particulars	FY 2012-13	FY 2011-12
Obligation at period beginning	11,612,151	7,491,774
Service Cost	4,179,239	2,221,907
Interest Cost	987,033	618,071
Actuarial (gain)/loss	481,252	2,791,649
(Benefits paid)	(1,176,000)	(1,511,250)
Obligation at period end	**16,083,675**	**11,612,151**
Change in plan assets		
Plan assets at period beginning, at fair value	9,671,460	9,446,265
Expected return on plan assets	831,746	755,701
Acturial gain / (Loss)	99,082	54,929
Contributions	4,912,976	925,815
(Benefits paid)	(1,176,000)	(1,511,250)
Plan assets at period end, at fair value	**14,339,264**	**9,671,460**

Reconciliation of present value of the obligation and the fair value of the plan assets:

Particulars	FY 2012-13	FY 2011-12
Fair value of the plan assets at the end of the period	14,339,264	9,671,460
Present Value of the defined obligations at the end of the period	16,083,675	11,612,151
Funded Status	(1,744,411)	(1,940,691)
Asset / (liability) recognised in Balance Sheet	**(1,744,411)**	**(1,940,691)**
Assumptions		
Interest Rate	8.00%	8.50%
Gratuity Cost for the period		
Service Cost	4,179,239	2,221,907
Interest Cost	987,033	618,071
Expected return on plan assets	(831,746)	(755,701)
Net Actuarial (gain) / loss recognised in the year	382,170	2,736,720
Expenses recognised in statement of Profit & loss	**4,716,696**	**4,820,997**

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

NOTE 32 : Extra ordinary item

The company has woundup its subsidiary NSE.IT (UK) Limited, as of 31st March 2013 and consequently losses / expenses relating thereto has been written-off in the books of the company.

Particulars	For the Year ended	
	31-Mar-2013	31-Mar-2012
Losses of Subsidiary Company	56,869	673,810

NOTE 33 : Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	31-Mar-13	31-Mar-12
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
-- Principal amount due to micro and small enterprises	-	30,060
-- Interest due on above	-	-
	-	30,060
The amount of interest u/s 16 of the MSMED Act 2006		
-- Interest paid along with payments made beyond the appointed day	-	-
-- Interest due and payable for payments made beyond the appointed day	-	-
-- Interest accrued and unpaid at the end of each accounting year	-	-
-- Interest due and payable in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as deductible u/s 23 of the MSMED Act 2006	-	-

NOTE 34: Regrouping

The previous year figures are regrouped, reclassified and rearranged, wherever necessary

As per our report of even date attached

For Gokhale & Sathe.
Chartered Accountants
(Reg No : 103264W)

KEDAR MEHENDALE
Partner
Membership No.116065

Place : Mumbai
Date : 16th May 2013

For and on behalf of Board of Directors

RAVI NARAIN
Chairman

RAMESH PADMANABHAN
Managing Director & CEO

DILEEP CHOKSI
Director

J. RAVICHANDRAN
Director

KANKESH KAMATH
Chief Financial Officer

CHIRAG SHAH
Company Secretary

NSE.IT LIMITED

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

SN	Particulars	Name of the Subsidiary
		NSE.IT (US) Inc.
1	Financial Period ended	31-Mar-13
2	Holding Company's interest	100%
3	Shares held by the Holding Company in the Subsidiary	500000 Equity Shares
4	Aggregate of profits or losses of the subsidiary for the current period so far as it concerns the Members of the holding company	
(a)	dealt with or provided for in the accounts of the holding company	NIL
(b)	not dealt with or provided for in the accounts of the holding company	(17,244,360)
5	The net aggregate of profits or losses of previous financial years of the subsidiary so far it concerns the members of the holding Company	
(a)	dealt with or provided for in the accounts of the holding company	NIL
(b)	not dealt with or provided for in the accounts of the holding company	(32,737,122)
	Issued, Subscribed & Paid-up Share Capital	27,000,000
	Reserves	(49,981,482)
	Loans	-
	Total Assets	54,427,086
	Total Liabilities	54,427,086
	Investments	-
	Turnover	75,220,974
	Profit	(17,244,360)

Note : Figures are valued at Exchange rates prevailing as on 31st March 2013.

For and on behalf of Board of Directors

RAVI NARAIN
Chairman

RAMESH PADMANABHAN
Managing Director & CEO

DILEEP CHOKSI
Director

J. RAVICHANDRAN
Director

Place : Mumbai
Date : 16th May 2013

KANKESH KAMATH
Chief Financial Officer

CHIRAG SHAH
Company Secretary

NSE.IT (US) INC.

(A wholly owned subsidiary of NSE.IT Limited)

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BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note No.	As at 31-Mar-2013 US $	As at 31-Mar-2012 US $
I. Equity and Liabilities			
(1) Shareholders' Funds			
(a) Share Capital	5	500,000	500,000
(b) Reserves and surplus	6	(925,583)	(606,243)
(2) Share application money pending allotment		-	-
(3) Non-current liabilities			
(a) Long-term provisions		-	-
(4) Current liabilities			
(a) Trade payables	7	1,386,346	733,232
(b) Other current liabilities	7	10,837	20,516
(c) Short-term provisions	8	36,309	68,552
Total		1,007,909	716,057
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	-	-
(ii) Intangible assets		-	-
(b) Long-term loans and advances	9	3,500	3,500
(c) Other non-current assets		-	-
(2) Current Assets			
(a) Trade receivables	10	300,791	158,769
(b) Cash and bank balances	11	703,228	545,148
(c) Short-term loans and advances	9	390	8,640
(d) Other current assets		-	-
Total		1,007,909	716,057
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

For NSE.IT (US) Inc.

RAMESH PADMANABHAN
Director

Date : 25th April 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

S. No	Particulars	Note No.	For the year ended 31-Mar-2013	For the period (15 months) ended 31-Mar-2012
			US $	US $
I.	Revenue from operations	13	1,392,953	615,927
II.	Other income	14	28	9,574
III.	Total Revenue (I + II)		**1,392,981**	**625,501**
IV.	Expenses:			
	Employee benefits expense	15	481,643	510,929
	Depreciation and amortisation expense	12	-	4,236
	Other expenses	16	1,230,678	662,998
	Total expenses		**1,712,321**	**1,178,163**
V.	Profit before exceptional and extraordinary items and tax (III-IV)		**(319,340)**	**(552,662)**
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		**(319,340)**	**(552,662)**
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII - VIII)		**(319,340)**	**(552,662)**
X.	Tax expenses:	17		
	(1) Current tax		-	4,884
	(2) Deferred tax		-	-
XI.	Profit/(Loss) for the period from continuing operations (IX - X)		**(319,340)**	**(557,546)**
XII.	Profit/(Loss) from discontinuing operations		-	-
XIII.	Profit/(Loss) for the year (XI + XII)		**(319,340)**	**(557,546)**
XIV.	Earnings per equity share:			
	(1) Basic		(0.64)	(1.12)
	(2) Diluted		(0.64)	(1.12)
	Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

For NSE.IT (US) Inc.

RAMESH PADMANABHAN
Director

Date : 25th April 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

		Year ended 31-Mar-2013 (US $)	Period ended (15 months) 31-Mar-2012 (US $)
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax	(319,340)	(552,662)
	Add : Adjustments for		
	Depreciation	-	4,236
	Operating profit before working Capital Change	**(319,340)**	**(548,426)**
	Change in Working Capital		
	Decrease / (Increase) in Sundry Debtors	(142,022)	(145,340)
	Decrease / (Increase) in Loans & Advances	8,250	(9,350)
	(Decrease) / Increase in Current Liabilities & Prov	611,192	557,797
	Cash Generated from Operations	**158,080**	**(145,319)**
	Direct Taxes Paid (Net of Refunds)	-	(2,024)
	Net Cash from Operating Activities- Total (A)	**158,080**	**(147,343)**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Addition to Equity Share Capital	-	499,999
	Addition to fixed assets (net)	-	(4,236)
	Cash flow from investing activity - Total (B)	**-**	**495,763**
C	CASH FROM FINANCING ACTIVITY		
	Dividend Paid	-	-
		-	-
	NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENT	**158,080**	**348,420**
	Opening balance of Cash & Cash Equivalent	545,148	196,728
	Closing balances of Cash & Cash Equivalent	703,228	545,148
	NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENT	**158,080**	**348,420**

Notes to Cash flow statement

Cash and cash equivalent represent bank balances.

The above cash flow has been prepared under the "Indirect method" as set out in the Accounting Standard -3

For NSE.IT (US) Inc.

RAMESH PADMANABHAN
Director

Date : 25th April 2013

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 1: COMPANY PROFILE

The following is a brief profile of the business:

A: The business is a corporation.

B: The business's main source of revenue is from software development and maintenance services.

C: In the previous year, the business's year end, had been changed from 31st December to 31st March. Consequently the previous business year comprises of 15 months vis-a -vis 12 months comprised in the current business year.

NOTE 2: ACCOUNTING POLICY

The corporation uses the accrual method of accounting, which is the method of recording transactions, by which revenue and expenses are reflected in the accounts in the period which they are considered to be earned and incurred, respectively,whether or not such transactions have been finally settled by receipt or payment of cash or its equivalent. Also, depreciation expense is computed and recorded in the business's financial statements in accordance with the Internal Revenue Code, which may result in material differences from depreciation computed using useful lives.

NOTE 3: METHOD OF DEPRECIATION

The business uses the methods prescribed by the Internal Revenue Code to calculate the current year's depreciation expense.

NOTE 4: FEDERAL INCOME TAX

No provision for Federal income taxes has been made in business's financial statement on account of the net loss incurred during the year.

NOTE 5 : SHARE CAPITAL

	31-Mar-13 US $	31-Mar-12 US $
Authorised		
10,00,000 (10,00,000) Equity shares of $ 1/- each fully paid up	1,000,000	1,000,000
Issued, Subscribed and Paid-up		
500,000 (500,000) Equity shares of $ 1/- each fully paid up	500,000	500,000
TOTAL	500,000	500,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

	31-Mar-13		31-Mar-12	
	Nos.	US $	Nos.	US $
At the beginning of the period	500,000	500,000	1	1
Issued during the period	-	-	499,999	499,999
Outstanding at the end of the period	**500,000**	**500,000**	**500,000**	**500,000**

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of $ 1/- per share. Each holder of equity shares is entitled to one vote per share.

During the year ended 31st March 2013, the amount of per share dividend recognized as distributions to equity shareholders is $ NIL (31st March 2012 : $ NIL)

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

c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates.

	31-Mar-13	31-Mar-12
	US $	US $
NSE.IT Limited, the holding company		
500000 (31 March 2012 : 500000) equity shares of $ 1/- each fully paid	500,000	500,000

d. Details of shareholders holding more than 5% in the Company

	31-Mar-13		31-Mar-12	
	Nos.	%	Nos.	%
Equity shares of $ 1/- each fully paid				
NSE.IT Limited	500,000	100%	500,000	100%
(the holding company)				

As per records of the company, the above shareholding represents both legal and beneficial ownership of shares.

NOTE 6: RESERVES & SURPLUS

	31-Mar-13 US $	31-Mar-12 US $
General Reserve		
Balance as per last financial statement	(606,243)	(48,697)
Add : amount transferred from the surplus balance in the statement of profit & loss	(319,340)	(557,546)
TOTAL	(925,583)	(606,243)

NOTE 7 : TRADE PAYABLE AND OTHER CURRENT LIABILITIES

	31-Mar-13 US $	31-Mar-12 US $
Trade payables	1,386,346	733,232
	1,386,346	733,232
Other Current Liabilities		
Liability for Expenses	10,837	20,516
	10,837	20,516

NOTE 8 : PROVISIONS

	Short Term	
	31-Mar-13 US $	31-Mar-12 US $
Provision for Employee benefits	24,586	4,379
	24,586	4,379
Other Provisions		
Provision for outstanding expenses	8,473	60,923
Provision for taxes	3,250	3,250
	11,723	64,173
	36,309	68,552

NOTE 9 : LOANS AND ADVANCES

	Non-current		Current	
	31-Mar-13 US $	31-Mar-12 US $	31-Mar-13 US $	31-Mar-12 US $
a. **Security Deposits** (Unsecured, considered good)	3,500	3,500	-	-
b. **Loans and advances to related parties**	-	-	-	-
c. **Other loans and advances (unsecured, considered good)**				
Advance Income Tax	-	-	390	390
Advance to creditors	-	-	-	8,250
	-	-	390	8,640
(a + b + c)	3,500	3,500	390	8,640

NOTE 10 : TRADE RECEIVABLES

Trade receivables	Current	
	31-Mar-13 US $	31-Mar-12 US $
Unsecured, Considered good		
Outstanding for a period exceeding six months from the date they are due for payment	3,764	-
Other receivables	297,027	158,769
	300,791	158,769

NOTE 11 : CASH AND BANK BALANCES

	Current	
	31-Mar-13 US $	31-Mar-12 US $
Cash and Cash Equivalent		
Balances with banks	703,228	545,148
	703,228	545,148

NOTE 12 : FIXED ASSETS

(All figures in US $)

Sl No.	Category	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
		As on 1-Apr-12	Additions	Deductions	As on 31-Mar-13	As on 1-Apr-12	For the Period	Deductions	As on 31-Mar-13	As on 31-Mar-13	As on 31-Mar-12
	Tangible Assets										
1	Computer Hardware	4,561.10	-	-	4,561.10	4,561.10	-	-	4,561.10	-	-
2	Office Equipment	244.61	-	-	244.61	244.61	-	-	244.61	-	-
3	Furniture & Fixtures	775.00	-	-	775.00	775.00	-	-	775.00	-	-
	GRAND TOTAL	5,580.71	-	-	5,580.71	5,580.71	-	-	5,580.71	-	-
	PREVIOUS YEAR	1,344.98	4,235.73	-	5,580.71	1,344.98	4,235.73	-	5,580.71	-	-

NOTE 13 : REVENUE FROM OPERATIONS

	31-Mar-13 US $	31-Mar-12 US $
Software Application Development	1,392,953	615,927
	1,392,953	615,927

NOTE 14 : OTHER INCOME

	31-Mar-13 US $	31-Mar-12 US $
Other non-operating income		
Miscellaneous Income	28	9,574
	28	9,574

NOTE 15 : EMPLOYEE BENEFITS EXPENSES

	31-Mar-13 US $	31-Mar-12 US $
Salaries & Allowances	426,408	473,334
Company's contribution to Employee's retirement plan	13,531	11,275
Company's Contribution to Payroll Tax	41,704	26,294
Staff Welfare Expenses	-	26
	481,643	510,929

NOTE 16 : OTHER EXPENSES

	31-Mar-13 US $	31-Mar-12 US $
Technical & Sub Contract Charges	1,110,954	522,207
Professional Fees	30,633	28,622
Insurance	12,082	18,720
Travelling expenses	12,756	16,881
Bad Debts Written Off	-	15,829
Rent	18,841	14,501
Miscellaneous expenses	22,003	11,732
Conveyance	9,466	10,336

	31-Mar-13 US $	31-Mar-12 US $
Fess & Subscription	-	7,930
Entertainment Expenses	5,132	7,853
Telephone & Internet Expenses	7,693	7,549
Power and fuel	1,118	838
	1,230,678	662,998

NOTE 17 : TAX EXPENSE

	31-Mar-13 US $	31-Mar-12 US $
Current Tax	-	3,250
Short / Excess Provision for taxes (net)	-	1,634
	-	4,884

For NSE.IT (US) Inc.

RAMESH PADMANABHAN
Director

Date : 25th April 2013

DotEx International Limited

(A Wholly owned Subsidiary of National Stock Exchange of India Limited)

First with the next

THIRTEENTH ANNUAL REPORT
2012 – 13

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BOARD OF DIRECTORS*

Ms. Chitra Ramkrishna	:	Chairperson
Mr. Ravi Narain		
Mr. J. Ravichandran		
Mr. R. Sundararaman	:	Director in-charge

SECRETARY

Mr. Shatrughan Singh	:	Asst. Company Secretary

AUDITORS

: M/s. K. S. Aiyar & Co.
Chartered Accountants
F 7, Laxmi Mills
Shakti Mills Lane
(Off. Dr. E. Moses Road)
Mahalaxmi
Mumbai - 400 011

REGISTERED OFFICE

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

* As on April 25, 2013

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the Thirteenth Annual Report and the Audited Accounts of DotEx International Limited for the financial year ended March 31, 2013.

I. OPERATIONS AND MAJOR EVENTS DURING THE YEAR

A. Datafeed business

DotEx disseminates the data feed of NSEIL and supplies the same to its clients. Currently, the following products are offered by DotEx:-

1) Real Time Data (Level 1, 2, 3 & Tick by Tick)
2) Snapshot Data (1, 2 & 5 mins.)
3) End of Day Data
4) End of Day Post-Trade Data
5) End of Day 20-deep CSV file
6) Historical Trade Data
7) Historical Order Data
8) Corporate Data
9) 15 Minutes Delayed Data
10) Real Time Stock Product
11) Real Time Index Product

DotEx provides the data in various segments mentioned as follows:

(i) Capital Market [CM] segment
(ii) Futures and Options Market [F&O] segment
(iii) Wholesale Debt Market [WDM] segment
(iv) Securities Lending & Borrowing Market [SLBM] segment
(v) Currency Derivatives Market segment

Currently, real time feed is being subscribed by 36 clients, snapshot feed by 45 clients, end of day data by 32 clients, 15 minutes delayed data by 3 clients and corporate data by 4 clients.

During the year, DotEx has launched several new products and also enhanced features of the existing products & services considering the interest of the market participants.

Launch of new products:

1. Historical order Level data product
2. Level 3 (20-deep) real time products for Capital Market and Futures and Options segments
3. Real time tick by tick Currency Derivatives data product
4. 20-depth EOD CSV file
5. End of day post –trade data

6. Real-time index product
7. Real time stock product
8. 15-minutes delayed data product

Enhancement in existing products/ services:

1. Enhancement in the real time Level 1 & Level 2 data for Capital Market: Operating system upgraded to Linux for better performance, reduce latency and cater large client base. Addition of fields in price bands, timestamps data field in real time product offering as a value add feature.
2. A new off-line recovery feature has been introduced for recovery of real time data in case a client missed during the day.
3. Additional fields have been added in snapshot product that included open, high, low, close, quantity during the interval of 5 minutes in the snapshot product.
4. Facility of downloading attachments and providing quick results through the real-time feed in the corporate data feed.

Facility of downloading historical trade data through internet has been introduced as against the practice of providing data on the DVDs.

B. NOW (NEAT on Web) Platform

DotEx also provides a shared platform called NEAT on Web (NOW) which is a shared CTCL and risk management tool for the trading members.

During the year, DotEx started providing the following additional facilities through NOW platform viz., access to USE markets, additional banks integrated for payment gateway, advanced Web trading platform "NOW Touch" for Windows 8 and Touch screen monitors in addition to the value added services like advanced charting, technical analysis, third party news, etc. provided by Nest Plus platform of Omnesys.

The above initiatives have resulted in NOW maintaining the user base and trading turnover through NOW platform during the financial year 2012-13.

It was decided to levy usage charges in respect of NOW terminals for accessing exchanges other than NSE with effect from 1st November 2012 on monthly basis.

C. Know Your Client (KYC) Registration Agency [KRA]

As an initiative to serve investors, SEBI has simplified client registration process and introduced uniform KYC in securities market. Further, SEBI introduced mechanism for centralisation of the KYC records in order to serve investors better and to avoid duplication of KYC process with every intermediary. Accordingly, SEBI formulated the KYC Registration Authority (KRA) regulations and notified the same on December 02, 2011. As per the above Regulations, a wholly owned subsidiary of stock exchange is permitted to apply for getting certificate from SEBI to provide KRA services as an intermediary.

DotEx got SEBI registration on February 28, 2012 to act as a KRA intermediary. DotEx started its

operations as KRA with effect from March 06, 2012. DotEx also launched its website www.nsekra.com and its KRA operations are fully functional.

On April 13, 2013, SEBI released a circular detailing the process of upload of existing clients' KYC record (where account activation date was before Jan 1, 2012) on the KRA system. Subsequently around 12 Lakh existing KYC records and 83,000 new records have been uploaded with DotEx KRA. Features such as Bulk KYC record upload, Bulk KYC download, Image upload, MIS report have been provided to the intermediaries. An interface with the Registrars and Transfer agents has also been established to enable KYC data download in a prescribed format.

As on April 23, 2013, 742 SEBI registered intermediaries are recognised by DotEx and approximate 4.45 Lakh KYC records have been processed in the DotEx KRA system consisting of both existing as well as new KYC records.

DotEx, being a SEBI registered KRA, was also awarded the project for Central KYC Registry initiated by Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI). The project aims to consolidate and validate personal identity data and generate Unique KYC ID for clients and make it available to the complete Financial Services industry.

II. FINANCIAL RESULTS

During the year 2012-13, DotEx earned a profit after tax of Rs. 990.50 lakhs as compared to a profit of Rs. 1,456.71 lakhs during 2011-12. The financial results for the financial years 2012-13 and 2011-12 are summarised hereunder :-

Particulars	2012-13 (Rs. In Lacs)	2011-12 (Rs. In Lacs)
Income	5,380.34	5,474.44
Expenditure (other than depreciation)	2,870.77	2,972.51
Profit before depreciation and tax	2,509.57	2,501.93
Depreciation	291.60	378.54
Profit before exception item, prior period adjustments & tax	2,217.97	2,123.39
Less: Loss on sale of strategic investment	529.38	-
Less: Prior period adjustment	1.00	-
Profit before tax	1,687.59	2,123.39
Less :Provision for taxation	697.09	666.68
Profit after tax	990.50	1,456.71
Profit / Loss bought forward from previous year	311.02	233.25
Profit available for appropriation	1,301.52	1,689.96
General Reserve	75.00	1,100.00
Proposed Dividend	240.00	240.00
Corporate Dividend Tax	40.79	38.94
Balance carried to Balance Sheet	945.73	311.02

During the year under review, the Company transferred its investment in the equity shares (45,05,175 equity shares of Rs.10/- each) in Market Simplified India Limited to NSE Strategic Investment Corporation Limited (NSICL), an investment subsidiary company of National Stock Exchange of India Limited established

inter alia to make or hold strategic investments in the equity shares of and /or securities of NSE group companies.

III. DIVIDEND

In view of the above results, your Directors recommend payment of dividend of ₹ 2/- per share for the year 2012-13.

IV. DIRECTORS

During the year, Mr. Suresh Narayan ceased to be Director in-charge w.e.f. July 2, 2012. Mr. R. Sundararaman was appointed as Director in-charge of the Company w.e.f. August 2, 2012.

Mr. Ravi Narain stepped down as Chairman of the Company on April 25, 2013. Ms. Chitra Ramkrishna was then elected as Chairperson of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. J. Ravichandran retires by rotation at the ensuing Annual General Meeting and being eligible seeks re-appointment. The Board recommends the appointment of Mr. J. Ravichandran as a Director on the Board of DotEx by the members.

V. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:-

i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year i.e., 31st March 2013 and of the profit of the company for that year;

iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv. the Directors had prepared the annual accounts on a going concern basis.

VI AUDIT COMMITTEE

The Audit Committee comprises of three Directors viz., Mr. Ravi Narain, Ms. Chitra Ramkrishna and Mr. J. Ravichandran as its members. During the year under review, the Committee met four times i.e., on April 25, 2012, August 08, 2012, November 01, 2012 and January 29. 2013. The details of the attendance of the members of Audit Committee are presented in the following table:-

Names	Number of meetings held during the year	Number of meetings attended during the year
Mr. Ravi Narain	4	4
Ms. Chitra Ramkrishna	4	3
Mr. J. Ravichandran	4	4

VII AUDITORS

M/s. K. S. Aiyar and Co., Chartered Accountants, Auditors of the Company, retire at the forthcoming Annual General Meeting of the Company and are eligible for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

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

a) **Conservation of Energy and Technology Absorption:**

As the Company does not fall under any of the industries listed out in the Schedule appended to Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the requirements of disclosure of particulars with respect to conservation of energy and technology absorption in terms of Section 217 (1) (e) of the Companies Act, 1956 read with the aforesaid Rules are not applicable to the Company.

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

During the year, the foreign exchange earnings were ₹ 1417.31 lakhs. However, there was no foreign exchange outgo during the year.

IX. PARTICULARS OF EMPLOYEES

A statement prepared pursuant to requirements of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is attached herewith.

X. APPRECIATION

Your Directors are grateful for the support and co-operation extended by NSEIL and NSE Infotech Services Limited and the valued clients and looks forward to their continued support and co-operation. Your Directors would like to place on record their deep appreciation of the contribution made by the employees at all levels to the continued growth of the Company.

For and on behalf of the Board of Directors

Ravi Narain
Chairman

Place : Mumbai
Date : April 25, 2013

ANNEXURE TO DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975

Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (₹)		Experience (No.of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
1	Mr. Suresh Narayan B.Com, Grad. CWA *	43	Director in-charge	853272	637416	23	January 24, 2005	Manager, National Securities Depository Limited
2	Mr. R. Sundararaman B. Sc., CAIIB, AICWA	50	Director in-charge	1724267	791188	30	March 13, 1995	Grade 'B' Officer, Industrial Development Bank of India

Notes:

1 Gross Remuneration includes Salary and other benefits, Company's contribution to Provident Fund, Superannuation Fund, taxable value of perquisites, etc. Net remuneration represents gross remuneration less Company's contribution to provident and superannuation funds, taxable value of perquisites, profession tax and income tax. Where applicable, the amount also includes certain allowances accrued during previous year(s) but claimed in the current year.

2 Besides the above, variable pay pertaining to FY 2011-12 amounting to ₹ 924067 and leave encashment amounting to ₹ 167545 was paid to Mr. Suresh Narayan during FY 2012-13.

3 The above mentioned employees are not relative of any Director.

4 The above employees were on deputation basis from the Company's holding company i.e. National Stock Exchange of India Limited (NSEIL) and the remuneration mentioned above in respect of them has been reimbursed to NSEIL by the Company except for one employee against whose name an * has been marked, was on deputation for part of the year and his remuneration mentioned above has been shared amongst two subsidiary companies and the holding company during the year.

5 None of the employees is holding equity shares in the Company within the meaning of sub-clause (iii) of clause (a) of sub-section (2A) of Section 217 of the Companies Act, 1956.

6 The Company does not have any Employees Stock Option Plan (ESOP) Scheme for its employees.

INDEPENDENT AUDITORS' REPORT

To the Members of Dotex International Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Dotex International Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. As required by section 227(3) of the Act, we report that:

   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.

   e) on the basis of the written representations received from the directors, as on March 31, 2013, and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2013 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

For K. S. Aiyar & Co,
Chartered Accountants
Registration No: 100186W

Raghuvir M. Aiyar
Partner
Membership No.: 38128

Place: Mumbai
Date: April 25, 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2013, of **Dotex International Limited)**

In our opinion, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us during the normal course of audit, which were necessary to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) A substantial portion of the fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year were not substantial. According to the information and explanation given to us; we are of the opinion that the disposal of the fixed assets has not affected the going concern status of the Company.

(ii) The Company is a service Company and therefore does not maintain any inventory; the directions in this regard are therefore not applicable.

(iii) (a) The Company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (b), (c) and (d) of clause (iii) are not applicable.

(e) As informed, the Company has not taken any loans, secured or unsecured from the companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (f) and (g) of clause (iii) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.

(v) (a) In our opinion and according to the information and explanations given to us, there are no transactions or arrangements as referred to in section 301 of the Companies Act, 1956 that have to be required to be maintained under that section. Sub clause (b) of clause (v) is not applicable.

(vi) The Company has not accepted any deposit from the public and consequently the directives issued by the Reserve Bank of India, provisions of section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the Company. No order has been passed by the Company Law Board, National Law Tribunal or Reserve Bank of India or any other court or any other tribunal.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of services carried out by the Company.

(ix) (a) During the year there were no employees in the employment of the Company. Accordingly the directions relating to Provident Fund and Employee's State Insurance are not applicable to the Company. Further, based on our examination of the records maintained during the year, the Company is not liable to make any payments towards Investor Education Protection Fund, Wealth Tax, Customs Duty, Excise Duty and Cess. The Company has been generally regular in depositing Income Tax, Sales Tax/VAT and Service Tax dues along with cess thereon with the appropriate authority.

(b) According to the records of the Company, Sales tax, Income-tax, Customs duty, Wealth tax, Service tax, Excise duty and Cess which have not been deposited on account of any dispute, are as follows:

Name of Statute (Nature of dues)	Year to which the amount relates	Forum where the dispute is pending	Amount (₹)
Income Tax Act, 1961. (Tax/ Interest)	2008-09	Income Tax Appellate Tribunal - Mumbai	5,22,473

(x) The Company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xi) The Company has neither taken any loans from any bank or financial institution nor issued any debentures.

(xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.

(xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) The Company has not raised any term loans.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money by way of public issue during the period. Therefore, the provisions of clause (xx) of the order are not applicable to the Company.

(xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.

For K. S. Aiyar & Co,
Chartered Accountants
Registration No: 100186W

Raghuvir M. Aiyar
Partner
Membership No.: 38128

Place: Mumbai
Date : April 25, 2013

BALANCE SHEET AS AT 31.03.2013

		NOTE	As at 31.03.2013 (₹)		As at 31.03.2012 (₹)	
I	**Equity and liabilities**					
1	**Shareholders' funds**					
a	Share Capital	2		120,000,000.00		120,000,000.00
b	Reserves and surplus	3		537,073,226.40		466,101,742.61
				657,073,226.40		586,101,742.61
2	**Current liabilities**					
a	Trade payables	4		11,867,354.75		20,475,304.89
b	Other liabilities	5		10,750,232.00		9,332,771.00
c	Short-term provisions	6		30,422,705.34		28,477,666.20
				53,040,292.09		58,285,742.09
	TOTAL			710,113,518.49		644,387,484.70
II	**Assets**					
1	**Non-current assets**					
a	Fixed assets	7				
	Tangible assets		20,798,610.40		46,939,351.71	
	Intangible assets		1,733,986.25	22,532,596.65	2,709,940.30	49,649,292.01
b	Non-current investments	8		56,800,000.00		154,899,827.64
c	Deferred tax Assets (net)	10		12,456,100.00		7,165,343.00
d	Long Term Loans & Advances	11		88,863.00		88,863.00
e	Other Non-current assets	13		13,300,000.00		38,590,000.00
				105,177,559.65		250,393,325.65
2	**Current assets**					
a	Current investments	9		335,446,341.13		20,000,000.00
b	Short-term loans and advances	11		1,710,760.00		2,879,500.00
c	Trade receivable	12		32,177,280.37		145,951,565.68
d	Cash and bank balances	14		166,749,643.03		165,382,556.44
e	Other Current assets	13		68,851,934.31		59,780,536.93
				604,935,958.84		393,994,159.05
	TOTAL			710,113,518.49		644,387,484.70

Summary of significant accounting policies (Note 1)

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

As per our report of even date attached

For K. S. AIYAR & CO.
Chartered Accountants
Registration No: 100186W

RAGHUVIR M. AIYAR
Partner
Membership Number: 38128

Place : Mumbai
Date : April 25, 2013

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

J. RAVICHANDRAN
Director

R. SUNDARARAMAN
Director-in-charge

SHATRUGHAN SINGH
Asst. Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013.

		Notes	For the year ended 31.03.2013 (₹)	For the year ended 31.03.2012 (₹)
(I)	INCOME			
	Revenue from operations	15	508,506,472.04	525,554,648.45
	Other Income	16	29,528,046.03	21,889,009.02
	Total Revenue (I)		538,034,518.07	547,443,657.47
(II)	EXPENDITURE			
	Deputed Personnel Cost		26,641,797.53	23,121,687.00
	Other Expenses	17	189,288,905.59	202,390,355.42
	Revenue sharing		71,146,416.00	71,739,324.00
	Depreciation	7	29,159,685.91	37,854,045.20
	Total Expenses (II)		316,236,805.03	335,105,411.62
Profit before exceptional item, prior period adjustments & tax			221,797,713.04	212,338,245.85
(Less):	Exceptional items			
	Loss on Sale of Strategic Investment		52,938,186.25	-
Profit before prior period adjustments & tax			168,859,526.79	212,338,245.85
	Prior Period Adjustments		100,000.00	-
Profit before Tax			168,759,526.79	212,338,245.85
Less :	Provision for Tax			
-	Current Tax		75,000,000.00	72,000,000.00
-	Deferred Tax		(5,290,757.00)	(5,689,793.00)
-	Short Provision of Tax		-	357,965.00
Total tax expenses			69,709,243.00	66,668,172.00
Profit after Tax			99,050,283.79	145,670,073.85
	Basic		8.25	12.14
	Diluted		8.25	12.14
	Basic (excluding exceptional item)		12.67	12.14
	Diluted (excluding exceptional item)		12.67	12.14

Summary of significant accounting policies (Note 1)

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

As per our report of even date attached

For K. S. AIYAR & CO.
Chartered Accountants
Registration No: 100186W

RAGHUVIR M. AIYAR
Partner
Membership Number: 38128

Place : Mumbai
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SHATRUGHAN SINGH
Asst. Company Secretary

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

		2012-2013 (₹)	2011-2012 (₹)
A)	CASHFLOW FROM OPERATING ACTIVITIES		
	Net Profit Before Tax	168,759,526.79	212,338,245.85
	Add : Adjustments for :		
	- Depreciation	29,159,685.91	37,854,045.20
	- Bad debts / Sundry Balances Written Off	-	2.16
	- Amortisation of premium on Govt/debt Securities	61,996.00	62,165.61
	- Loss on sale / discard of assets (Net)	460,979.14	883,364.09
	Less : Adjustments for :		
	- Interest on Investments	(685,000.00)	(807,170.86)
	- Interest income on Bank & Inter-corporate deposits	(21,467,623.00)	(11,839,262.83)
	- Dividend on Investment	(4,743,768.38)	(7,991,172.24)
	- Profit on sale of redemption of Investments	(1,946,100.92)	(842,848.59)
	- Profit on sale of assets	(3,144.10)	-
	- Sundry Balances Written Back	(3.88)	-
	Oprating Profit Before Working Capital Changes	169,596,547.56	229,657,368.39
	Adjustments for :		
	Sundry Debtors	113,774,289.19	28,371,068.01
	Loans & Advances	(5,056,882.60)	(17,050,712.15)
	Current Liabilities & Provisions	(7,190,489.14)	(9,005,770.26)
	Cash Genrated From Oprations	271,123,465.01	231,971,953.99
	Direct Taxes paid (Net of Refunds)	(73,240,360.86)	(74,704,149.91)
	NET CASH FROM OPERATING ACTIVITIES - Total (A)	197,883,104.15	157,267,804.08
B)	CASHFLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(2,602,888.00)	(8,210,891.00)
	Sale of Fixed Assets	102,062.41	415,194.82
	(Increase)/Decrease in Investment	(146,930,628.74)	(149,066,487.49)
	Interest received on deposits	18,621,848.22	9,296,123.80
	Dividend on Investment	4,743,768.38	7,991,172.24
	Interest on Investments	685,000.00	896,176.00
	NET CASH FROM INVESTING ACTIVITIES - Total (B)	(125,380,837.73)	(138,678,711.63)

		2012-2013 (₹)	2011-2012 (₹)
C)	CASHFLOW FROM FINANCING ACTIVITIES		
	Dividend Paid	(24,000,000.00)	(18,000,000.00)
	Dividend Distribution Tax	(3,893,400.00)	(2,920,050.00)
	NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)	(27,893,400.00)	(20,920,050.00)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	44,608,866.42	(2,330,957.55)
	CASH AND CASH EQUIVALENTS : OPENING BALANCE (Note 14)	2,620,776.61	4,951,734.16
	CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE (Note 14)	47,229,643.03	2,620,776.61
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	44,608,866.42	(2,330,957.55)

Notes to Cash Flow Statement :

1 Cash and cash equivalent represent cash, bank balances and balance in fixed deposit account as per balance sheet

2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of india

3 All figures in brackets are outflows

4 Previous Years figures have been regrouped/restated wherever necessary

5 Direct taxes Paid/ Refunded are treated as arising from operating Activities and not bifurcated between investing and financing activities.

As per our report of even date attached

For K. S. AIYAR & CO.
Chartered Accountants
Registration No: 100186W

RAGHUVIR M. AIYAR
Partner
Membership Number: 38128

Place : Mumbai
Date : April 25, 2013

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

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Director

J. RAVICHANDRAN
Director

R. SUNDARARAMAN
Director-in-charge

SHATRUGHAN SINGH
Asst. Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31 MARCH 2013.

1 Significant Accounting Policies :

A. Basis of Accounting

The accounts are maintained on a mercantile basis in accordance with generally accepted accounting principles. The financial statements comply in all material respect with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.

B. Revenue Recognition

Revenue from subscription received for dissemination of data (data feed) is recognised on time proportion method.

C. Expenditure

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

D. Fixed Assets

Fixed Assets are stated at cost of acquisition / development less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.

Depreciation is provided on prorata basis for the period of use.

Depreciation on Office Equipment is provided using Straight Line Method considering the estimated useful life of the asset ranging between 4 years to 21 years.

Depreciation on Computer Software is provided at the rate of 33 1/3 % on Straight Line Method, which is higher than the rate prescribed in the aforesaid schedule

Depreciation on Computer Hardware and Servers is provided at the rate of 25% on Straight Line Method, which is higher than the rate prescribed in the aforesaid schedule.

Depreciation on Telecom Installations is provided at the rate of 25% on Straight Line Method, which is higher than the rate prescribed in the aforesaid schedule.

E. Investments

(i) Long term investments are considered as held till maturity and are valued at cost.

(ii) Current investments are valued at cost or fair value whichever is lower.

(iii) Premium paid/discount received at the time of acquisition of Government / Debt securities is amortised over the residual period of its maturity.

F. Taxation

Tax expense for the year, comprising current tax and deferred tax is included in determining the net profit / (loss) for the year.

A provision is made for the current tax based on tax liability computed in accordance with prevailing tax rates and tax laws. A provision / accrual is made for deferred tax for all timing differences arising

between taxable income and accounting income at the Balance Sheet Date based on prevailing enacted or substantively enacted tax rates.

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

2 Share Capital

	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
Authorised 1,30,00,000 (Previous Year 1,30,00,000) Equity Shares of ₹10 Each.	130,000,000.00	130,000,000.00
Issued, Subscribed and Paid-up 1,20,00,000 (Previous year 1,20,00,000) Equity shares of ₹10 each fully paid up.	120,000,000.00	120,000,000.00
Total	120,000,000.00	120,000,000.00

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

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of directors, in their meeting of April 25, 2013, proposed a dividend of ₹ 2/- per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended March 31, 2013 amounted to ₹ 2,40,00,000/- excluding Dividend Distribution Tax.

During the year ended March 31, 2012 , the amount of per share dividend recognised as distribution to equity shareholders was ₹ 2/- per share. The dividend appropriation for the year ended March 31, 2012 amounted to ₹ 2,40,00,000/- excluding Dividend Distribution Tax.

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

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

	31 March, 13		31 March, 12	
	No.	% holding	No.	% holding
National Stock Exchange of India Limited	12,000,000.00	100	12,000,000.00	100

3 Reserve and surplus

	As at 31.03.2013 (₹)		As at 31.03.2012 (₹)	
General reserve				
As per last balance sheet	435,000,000.00		325,000,000.00	
Add : Transferred from profit & loss account	7,500,000.00	442,500,000.00	110,000,000.00	435,000,000.00
Surplus/(deficit) in the statement of profit and loss				
Balance as per last financial statements	31,101,742.61		23,325,068.76	
profit for the year	99,050,283.79		145,670,073.85	
Less : Appropriations				
Transfer to general reserve	7,500,000.00		110,000,000.00	
Proposed dividend	24,000,000.00		24,000,000.00	
Tax on proposed dividend	4,078,800.00	94,573,226.40	3,893,400.00	31,101,742.61
Total reserves and surplus		537,073,226.40		466,101,742.61

4 Trade payables

	Long - term		Short - Term	
	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
Sundry creditors	-	-	11,478,042.00	18,961,433.67
Provision For Expenses	-	-	389,312.75	1,513,871.22
Total	-	-	11,867,354.75	20,475,304.89

5 Other liabilities

	Long - term		Short - Term	
	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
Tax deducted at source - payable	-	-	6,163,082.00	5,991,740.00
Service Tax - payable	-	-	4,482,650.00	3,326,927.00
Other liabilities	-	-	104,500.00	14,104.00
Total	-	-	10,750,232.00	9,332,771.00

6 Provision

	Long - term		Short - Term	
	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
Proposed dividend	-	-	24,000,000.00	24,000,000.00
Corporate dividend tax	-	-	4,078,800.00	3,893,400.00
Provision for Tax (Net of Advance Taxes paid)	-	-	2,343,905.34	584,266.20
Total	-	-	30,422,705.34	28,477,666.20

NOTES FORMING PART OF THE BALANCE SHEET

NOTE 7: FIXED ASSETS

(₹)

Description	Gross Block				Depreciation				Net Block	
	As on 01/04/2012	Additions during the Year	Deduction during the Year	As on 31/03/2013	As on 01/04/2012	For the year	Deletion	Total upto 31/03/2013	As on 31/03/2013	As on 31/03/2012
TANGIBLE ASSETS										
Computer Hardware	3,107,000.07	2,069,325.00	-	5,176,325.07	2,716,288.84	424,712.57	-	3,141,001.41	2,035,323.66	390,711.23
Computer Sys-Others	58,711,268.37	44,374.00	658,380.00	58,097,262.37	40,309,351.65	10,427,130.80	363,913.97	50,372,568.48	7,724,693.89	18,401,916.72
Office Equipments	200,872.00	-	-	200,872.00	148,548.30	22,812.68	-	171,360.98	29,511.02	52,323.70
Telecom Installations	95,854,167.75	489,189.00	579,805.00	95,763,551.75	67,759,767.69	17,309,075.81	314,373.58	84,754,469.92	11,009,081.83	28,094,400.06
TOTAL (A)	157,873,308.19	2,602,888.00	1,238,185.00	159,238,011.19	110,933,956.48	28183731.86	678,287.55	138439400.79	20,798,610.40	46,939,351.71
INTANGIBLE ASSETS										
Computer Software	11,502,467.00	-	-	11,502,467.00	8,792,526.70	975,954.05	-	9,768,480.75	1,733,986.25	2,709,940.30
TOTAL (B)	11,502,467.00	-	-	11,502,467.00	8,792,526.70	975,954.05	-	9,768,480.75	1,733,986.25	2,709,940.30
TOTAL (A+B)	169,375,775.19	2,602,888.00	1,238,185.00	170,740,478.19	119726483.18	29,159,685.91	678,287.55	148,207,881.54	22,532,596.65	49,649,292.01
Previous Year	166,841,543.91	8,210,891.00	5,676,659.72	169,375,775.19	86,250,538.79	37,854,045.20	4,378,100.81	119,726,483.18	49,649,292.01	80,591,005.12

NOTES FORMING PART OF THE BALANCE SHEET

NOTE- 8: NON CURRENT INVESTMENTS

Particulars	Maturity Date	Number of Units As at 31.3.13	Number of Units As at 31.3.12	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹)	As at 31.3.2012 (₹)
QUOTED							
BONDS							
Taxfree							
6.85 % India Infrastructure Finance Company Limited - 2014	22/Jan/14	-	100.00	100,000.00	10,000,000.00	-	10,112,271.39
MUTUAL FUNDS							
Sundaram Fixed Term Plan - DI - 375 Days Growth	4/Apr/14	1,000,000.00	-	10.00	10,000,000.00	10,000,000.00	-
UNQUOTED							
EQUITY SHARES							
In Associate Companies							
Omnesys Technologies Pvt. Ltd. (Extent of holding 26%)		833,990.00	833,990.00	10.00	8,339,900.00	46,800,000.00	46,800,000.00
Market Simplified India Limited (Extent of holding 30%)		-	4,505,175.00	10.00	45,051,750.00	-	97,987,556.25
TOTAL		5,339,265.00	5,339,265.00		73,391,650.00	56,800,000.00	154,899,827.64

Note : Aggregate Market Value of the quoted investments is ₹ 1,00,09,400.00 (Previous Year : ₹ 98,54,290.00)

NOTES FORMING PART OF THE BALANCE SHEET

NOTE - 9 : CURRENT INVESTMENT

Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹)	As at 31.3.2012 (₹)
QUOTED						
BONDS						
Taxfree						
6.85 % India Infrastructure Finance Company Limited - 2014	22-Jan-14	100.00	100,000.00	10,000,000.00	10,050,275.39	-
QUOTED						
MUTUAL FUNDS						
Fixed Maturity Plans						
BIRLA SUN LIFE FIXED TERM PLAN SERIES DT GROWTH	29-Nov-12	1,000,000.00	10.00	10,000,000.00	-	10,000,000.00
RELIGARE FIXED MATURITY PLAN - SERIES X - PLAN F (371 DAYS) - GROWTH	3-Dec-12	1,000,000.00	10.00	10,000,000.00	-	10,000,000.00
Liquid Dividend						
AXIS LIQUID FUND - DAILY DIVIDEND - DIRECT PLAN		2,886.69	1,000.1107	2,887,011.31	2,887,011.31	-
JM HIGH LIQUIDITY - DAILY DIVIDEND - DIRECT PLAN		289,362.86	10.4302	3,018,112.46	3,018,112.46	-
JM HIGH LIQUIDITY - REGULAR PLAN - DAILY DIVIDEND		888,733.78	10.4302	9,269,671.07	9,269,671.07	-
KOTAK FLOATER - SHORT TERM - DAILY DIVIDEND		3,422.19	1,011.6198	3,461,951.34	3,461,951.34	-
RELIANCE LIQUID FUND - TREASURY PLAN - DAILY DIVIDEND OPTION - REINVEST		3,449.73	1,528.7400	5,273,733.14	5,273,733.14	-
RELIGARE LIQUID FUND - INSTITUTIONAL DAILY DIVIDEND		528.67	1,000.2226	528,784.96	528,784.96	-
RELIGARE LIQUID FUND - SUPER INSTITUTIONAL DAILY DIVIDEND		63.45	1,000.7838	63,495.13	63,495.13	-
TATA LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND		3,846.26	1,114.5200	4,286,737.74	4,286,737.74	-
TEMPLETON INDIA TR MGT ACCOUNT- SUPER INST PLAN-DAILY DIV		3.80	1,000.4630	3,802.76	3,802.76	-
TEMPLETON INDIA TREASURY MANAGEMENT ACCOUNT- INSTITUTIONAL PLAN-DAILY DIVIDEND -		148.90	1,000.6718	148,995.83	148,995.83	-
Ultra Short Term Debt Schemes - Growth						
AXIS TREASURY ADVANTAGE FUND - GROWTH - DIRECT PLAN		6,740.46	1,281.8111	8,640,000.00	8,640,000.00	-
AXIS TREASURY ADVANTAGE FUND - IP - GROWTH		34,046.37	1,246.0359	42,423,000.00	42,423,000.00	-
BARODA PIONEER TREASURY ADVANTAGE FUND - DIRECT PLAN - GROWTH		7,639.69	1,308.9540	10,000,000.00	10,000,000.00	-
BARODA PIONEER TREASURY ADVANTAGE FUND - INSTITUTIONAL GROWTH PLAN		15,796.18	1,259.7979	19,900,000.00	19,900,000.00	-
ICICI PRUDENTIAL FLEXIBLE INCOME PLAN - GROWTH		96,880.53	212.3750	20,575,000.00	20,575,000.00	-
ICICI PRUDENTIAL FLEXIBLE INCOME PLAN PREMIUM - GROWTH		143,509.20	206.9554	29,700,000.00	29,700,000.00	-
JP MORGAN INDIA TREASURY FUND - SUPER IP - GROWTH		1,561,432.19	14.5539	22,725,000.00	22,725,000.00	-

Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹)	As at 31.3.2012 (₹)
JPMORGAN INDIA TREASURY FUND - GROWTH		1,999,024.38	14.9073	29,800,000.00	29,800,000.00	-
SBI SHDF - ULTRA SHORT TERM - GROWTH		8,519.89	1,469.0455	12,516,100.00	12,516,100.00	-
SBI SHDF - ULTRA SHORT TERM - GROWTH - DIRECT PLAN		12,474.28	1,483.0519	18,500,000.00	18,500,000.00	-
SBI SHDF - ULTRA SHORT TERM - IP - GROWTH		15,444.35	1,448.8792	22,377,000.00	22,377,000.00	-
SUNDARAM ULTRA SHORT TERM - DIRECT PLAN - GROWTH		228,701.87	26.6621	6,097,670.00	6,097,670.00	-
UTI TREASURY ADVANTAGE FUND - GROWTH		28,025.88	1,541.4326	43,200,000.00	43,200,000.00	-
UTI TREASURY ADVANTAGE FUND GROWTH - DIRECT PLAN		6,421.42	1,557.2892	10,000,000.00	10,000,000.00	-
TOTAL		7,357,203.00		355,396,065.74	335,446,341.13	20,000,000.00

Note : Aggregate Market Value of the quoted investments is ₹ 98,88,000.00 (Previous Year : ₹ 2,05,22,300.00)

10 Deferred Tax Assets

	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
Related to depreciation and other expenditure	11,677,670.93	6,298,212.41
Related to disallowance u/s 43B	155,132.00	272,165.21
Related to other items	623,297.06	594,965.38
Total	12,456,100.00	7,165,343.00

11 loans and advances

	Long - term		Short - Term	
	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
Security deposit				
Unsecured, considered good	88,863.00	88,863.00	1,435,000.00	35,000.00
(A)	88,863.00	88,863.00	1,435,000.00	35,000.00
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	275,760.00	2,844,500.00
(B)	-	-	275,760.00	2,844,500.00
Total (A+B)	88,863.00	88,863.00	1,710,760.00	2,879,500.00

12 Trade receivables

	Non-current		Current	
	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
Outstanding for a period of over six months				
Unsecured, considered good	-	-	2,722,490.99	544,681.99
Doubtful	-	-	1,833,766.00	1,833,766.00
	-	-	4,556,256.99	2,378,447.99
Provision for doubtful receivables	-	-	(1,833,766.00)	(1,833,766.00)
	-	-	2,722,490.99	544,681.99
Other debts				
Unsecured, considered good	-	-	29,454,789.38	145,406,883.69
	-	-	29,454,789.38	145,406,883.69
Total	-	-	32,177,280.37	145,951,565.68

13 Other assets

	Non-current		Current	
	As at 31.03.2013 (₹)	As at 31 .03.2012 (₹)	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
Non-current bank balances	13,300,000.00	38,590,000.00	-	-
Other receivable	-	-	57,483,471.25	51,257,848.65
	13,300,000.00	38,590,000.00	57,483,471.25	51,257,848.65
Other				
Interest accrued on Investments	-	-	129,493.15	129,493.15
Interest accrued on Bank deposits	-	-	11,238,969.91	8,393,195.13
	-	-	11,368,463.06	8,522,688.28
Total	13,300,000.00	38,590,000.00	68,851,934.31	59,780,536.93

14 Cash and bank balances

	Non-current		Current	
	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
Cash and cash equivalents				
Balances with banks :				
On current accounts	-	-	47,211,977.03	2,614,045.61
Deposits with original maturity of less than three months	-	-	-	-
Cash on hand	-	-	17,666.00	6,731.00
	-	-	47,229,643.03	2,620,776.61

	Non-current		Current	
	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
Other bank balances				
Deposits with original maturity for more than 12 months	13,300,000.00	38,590,000.00	79,320,000.00	144,841,779.83
Deposits with original maturity for more than 3 months but less than 12 months	-	-	40,200,000.00	17,920,000.00
	13,300,000.00	38,590,000.00	119,520,000.00	162,761,779.83
Amount disclosed under non-current assets	(13,300,000.00)	(38,590,000.00)		
Total	-	-	166,749,643.03	165,382,556.44

NOTE	PARTICULARS	For the year ended 31.03.2013 (₹)	For the year ended 31.03.2012 (₹)
15	**Revenue from operations**		
	Sale of services		
	Online Datafeed Service Fees	280,835,910.00	284,923,130.00
	Sale of Data	3,749,755.00	2,034,167.00
	Recovery of expenses from NSEIL	218,166,529.04	236,097,351.45
	Dealer / Access Charges	4,026,706.00	2,500,000.00
	KRA fees	1,727,572.00	-
	TOTAL	508,506,472.04	525,554,648.45
16	**Other income**		
	Interest Income on current Investments	685,000.00	807,170.86
	Interest Income on Bank Deposits	21,467,623.00	11,839,262.83
	Dividend income	4,743,768.38	7,991,172.24
	Net gain / loss on sale of current Investment	1,946,100.92	842,848.59
	Miscellaneous Receipt	871.08	208,554.50
	Profit on Sale of Fixed Assets	3,144.10	-
	Profit/Loss on Exchange fluctuation (Net)	676,828.55	-
	Interest on Dealer / Access Charges	4,710.00	-
	Provision for Doubtful Debts. (recovery)	-	200,000.00
	TOTAL	29,528,046.03	21,889,009.02
17	**Other Expenses**		
	Licence Fees	85,637,226.00	84,843,751.00
	Repairs & Maintanence - Computers	27,400,417.45	19,394,076.96
	Repairs & Maintenance - Others	27,909,578.00	36,388,360.00
	Internet Charges	26,785,249.02	27,628,453.92
	Space and Infrastructure usage charges	8,509,536.00	8,951,040.00

NOTE	PARTICULARS	For the year ended 31.03.2013 (₹)	For the year ended 31.03.2012 (₹)
	Professional Charges	5,414,027.80	15,227,211.52
	Data Subscription Fees	1,629,039.00	1,514,140.00
	Telecom - Co-location charges	1,550,270.00	1,810,972.07
	Electricity Charges	849,825.33	806,542.58
	Empanellement Charges	879,452.00	1,875,000.00
	Telephone Expenses	836,191.42	613,788.01
	Software Expenses	220,833.30	638,640.56
	Insurance	240,046.00	123,756.00
	Travelling Expenses	94,122.00	265,374.00
	Profession tax	2,000.00	2,000.00
	Auditors' Remuneration		
	Audit Fees	100,000.00	100,000.00
	Out of Pocket Expense	2,567.00	1,371.00
	For Other Services	25,000.00	25,000.00
	Amortisation of Premium on Govt/Debt Securities	61,996.00	62,165.61
	Other Expenses	1,141,529.27	2,118,712.19
	TOTAL	189,288,905.59	202,390,355.42

18 **Contingent Liability:**

On account of disputed matters of Income Tax ₹ 16,92,139/- (Previous Year ₹ 39,44,825/-).

19 The Company is primarily engaged in the business of dissemination of data. Additionally it provides a facility to the members of various Stock Exchanges / Commodity Exchanges to access respective markets and also acts as a KYC Registration Agency appointed by SEBI. Segmental information on the basis of above mentioned operations as per Accounting Standard 17 '**Segment Reporting**' is as below :

Particulars	DataFeed (₹)	Others (₹)	Unallocated (₹)	Total (₹)
Segment Revenue.	284,585,665.00	223,925,517.04	29,523,336.03	538,034,518.07
	(286,957,297.00)	(238,597,351.45)	(21,889,009.02)	(547,443,657.47)
Segment Result.	199,551,046.10	-7,314,673.09	-23,476,846.22	168,759,526.79
	(190,449,236.83)	-	(21,889,009.02)	(212,338,245.85)
Taxes	-	-	-	69,709,243.00
	-	-	-	(66,668,172.00)
Net Profit After Taxes	-	-	-	99,050,283.79
	-	-	-	(145,670,073.85)
Segment assets.	50,051,550.02	40,849,315.95	619,212,652.52	710,113,518.49
	(5,953,083.17)	(189,647,774.52)	(448,786,627.01)	(644,387,484.70)
Segment liabilities.	2,158,020.15	9,709,334.60	698,246,163.74	710,113,518.49
	(4,806,910.00)	(18,995,321.89)	(592,691,852.81)	(616,494,084.70)
Capital Expenditure	2,046,894.00	555,994.00	-	2,602,888.00
	-	(8,210,891.00)	-	(8,210,891.00)

Particulars	DataFeed (₹)	Others (₹)	Unallocated (₹)	Total (₹)
Depreciation	2,968,287.84	26,191,398.07	-	29,159,685.91
	(2,347,974.97)	(35,506,070.23)	-	(37,854,045.20)

Note: Previous year figures are given in bracket.

20 In compliance with Accounting Standard 18 - "Related Party Disclosures", the required disclosures are given in the table below:

(a) Names of the related parties and relationship

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	Holding Company
2	National Securities Clearing Corporation Limited	Fellow Subsidiary
3	NSE Strategic Investment Corporation Ltd.	Fellow Subsidiary
4	NSE.IT Limited	Fellow Subsidiary
5	NSE.IT (US) Limited	Subsidiary of Fellow Subsidiary
6	India Index Services & Products Limited	Subsidiary of Fellow Subsidiary
7	NSE Infotech Services Limited	Subsidiary of Fellow Subsidiary
8	National Commodity Clearing Limited	Fellow Subsidiary
9	Power Exchange India Limited	Associate Company
10	National Securities Depository Limited	Associate Company
11	Mr Suresh Narayan - Director (till 2nd July 2012)	Key Management Personnel
12	Mr R Sundararaman- Director (from 08th August 2012)	Key Management Personnel
13	Omnesys Technologies Pvt. Ltd.	Associate Company
14	Market Simplied India Limited	Associate Company

(b) Names of the related parties and relationship

Name of the Related Party	Nature of Transactions	Year ended 31.03.2013 (₹)	Year ended 31.03.2012 (₹)
National Stock Exchange of India Limited	Reimbursement paid for expenses for staff on deputation	30,086,903.53	25,503,224.00
	Space and Infrastructure usage charges paid	9,561,315.00	9,872,996.00
	Capital Items sold	96,000.00	-
	Capital Items purchased	28,732.00	-
	Amount paid towards revenue sharing	79,940,111.00	79,128,475.00
	Reimbursement paid for other expenses incurred	96,624,657.05	104,048,357.91
	Dividend Paid	24,000,000.00	18,000,000.00
	Amount received towards Historical / Tick by Tick Data	1,298,599.00	-
	Recovery of expenses	245,131,911.04	260,415,378.45
	Outstanding balance included in Current Assets. (Net)	16,916,645.22	141,897,031.59

Name of the Related Party	Nature of Transactions	Year ended 31.03.2013 (₹)	Year ended 31.03.2012 (₹)
NSE.IT Limited	Amount payable towards Sale & Technical Support charges, Scripting support for NOW testing automation products and reimbursement of expenses.	36,328,793.00	40,616,089.00
	Outstanding balance included in Current liabilities	4,469,070.00	6,073,145.00
India Index Services & Products Limited	Receipt of fees for right to create indices	2,902,203.00	2,470,169.00
	Data Subscription Fees Paid	1,830,389.00	1,667,281.00
	Reimbursement of Conveyance Expenses	5,148.50	-
	Outstanding balance included in Current Liabilities	1,647,349.00	1,550,551.00
National Commodity Clearing Limited	Sale of Capital Item	-	337,594.82
	Outstanding balance included in Current Assets	-	30,232.10
Omnesys Technologies Pvt. Ltd.	License Fees Paid	88,981,882.00	83,025,563.00
	Receipt of fees for Online Data Feed Services	1,776,212.00	641,910.00
	Investment in Equity Shares (Closing Balance)	46,800,000.00	46,800,000.00
	Outstanding balance included in Current Liabilities	640,692.00	6,485,620.00
Market Simplied India Limited	License Fees Paid	6,741,600.01	6,287,100.00
	Investment in Equity Shares (Closing Balance)	-	97,987,556.25
	Outstanding balance included in Current Liabilities	539,320.00	508,900.00
NSE Strategic Investment Corporation Ltd.	Sale of Strategic Investment. (Equity Shares of Market Simplied India Limited)	45,054,090.00	-
Key Management Personnel	Gross Remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	2,714,495.00	2,460,651.00

21 In accordance with Accounting Standard 20 - "Earning per Share", the required disclosure is given below.

	Year ended 31.03.2013	Year ended 31.03.2012
Net Profit attributable to Shareholders (₹)	99,050,283.79	145,670,073.85
Weighted Average number of equity shares issued	12,000,000.00	12,000,000.00
Basic earnings per share of ₹ 10/- each (₹)	8.25	12.14
Basic earnings (excluding exceptional item) per share of ₹ 10/- each (₹)	12.67	12.14

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.

22

Particulars	(₹)	
	Current Year	Previous Year
Expenditure in foreign currency:	-	73,234.00
Earnings in foreign exchange :	141,730,771.00	138,054,526.00

23 There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. This information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

24 The Company is in the business of dissemination of data and has a Revenue sharing agreement with National Stock Exchange of India Limited (NSEIL).

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

As per our report of even date attached

For K. S. AIYAR & CO.
Chartered Accountants
Registration No: 100186W

RAGHUVIR M. AIYAR
Partner
Membership Number: 38128

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

J. RAVICHANDRAN
Director

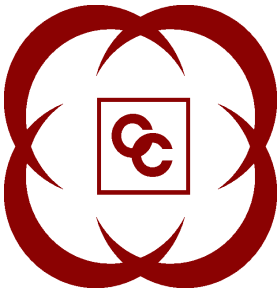
R. SUNDARARAMAN
Director-in-charge

Place : Mumbai
Date : April 25, 2013

SHATRUGHAN SINGH
Asst. Company Secretary

National Commodity Clearing Limited

(Subsidiary of National Stock Exchange of India Limited)



SEVENTH ANNUAL REPORT

2012-13

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BOARD OF DIRECTORS*

Ms. Chitra Ramkrishna

Mr. Raghavan Putran

Mr. Samir Shah

SECRETARY

Mr. Pankaj Mundhra	:	Asst. Company Secretary

AUDITORS

: M/s. Haribhakti & Co.
Chartered Accountants
701, Leela Business Park
Andheri-Kurla Road
Andheri (East)
Mumbai - 400 059

REGISTERED OFFICE

: "Exchange Plaza"
Plot C-1, Block 'G'
Bandra-Kurla Complex, Bandra (East)
Mumbai - 400 051

* As on June 12, 2013

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Seventh Annual Report and the Audited Accounts of National Commodity Clearing Limited (NCCL) for the financial year ended March 31, 2013.

I. OPERATIONS AND MAJOR EVENTS DURING THE YEAR

NCCL has completed the sixth full year of operations, since its commencement from September 1, 2006, in providing IT and process support to National Commodity & Derivatives Exchange Limited (NCDEX) in respect of its clearing and settlement of trades done in derivatives segment. The clearing and settlement covers contracts in 33 products ranging from agricultural commodities to base metals, ferrous metals, energy, polymers and precious metals. NCCL carries out funds settlement through 14 clearing banks. The summary of trading, settlement and collateral statistics for the financial year 2012-13 is given hereunder:-

Trading

The summary statistics of market during the financial year 2012-13 is given below:

Particulars	2012-13	2011-12
Number of Trades	**2,72,34,261**	2,89,20,384
Traded Quantity	**40,55,23,294**	58,48,96,522
Traded Value (₹ in crores)	**15,98,425.87**	18,10,210.10

Settlement

Particulars	2012-13	2011-12
MTM Settlement (₹ in crores)	**7,739.06**	12,097.03
Physical Settlement (₹ in crores)	**3,498.19**	3,141.02

Collaterals Processed

Instrument	2012-13		2011-12	
	Count	Amount (₹ in crores)	Count	Amount (₹ in crores)
Bank Guarantee	**1,277**	**1,379.22**	1,254	1,154.11
Fixed Deposit Receipts	**1,555**	**1,291.07**	1,916	1,673.27

Change in the Control of NCCL

NCCL was jointly promoted by NSEIL and NCDEX in August 2006. It has been rendering clearing & settlement services in respect of the trades done on NCDEX. NSE and NCDEX have mutually agreed that NCDEX will purchase NSE's equity stake in NCCL and make it as its wholly owned subsidiary.

A share purchase agreement was accordingly entered between NCDEX and NSEIL in March 2013 wherein NCDEX agreed to purchase NSEIL's entire equity holding in NCCL. Simultaneously, NCDEX entered into an

agreement with NSCCL for grant of non exclusive non transferable perpetual license to use and to modify the software for the purpose of carrying out NCCL's clearing and settlement functions. On completion of the above, NCCL will become a wholly owned subsidiary of NCDEX.

II. FINANCIAL RESULTS

During the year 2012-13, NCCL earned net profit after tax of ₹ 160.20 lakhs as compared to the net profit after tax of ₹ 106.06 lakhs during 2011-12. The financial results for the financial year 2012-13 are summarised hereunder:-

Particulars	2012-13 (₹ in Lakhs)	2011-12 (₹ In Lakhs)
Income	**488.63**	474.28
Expenditure other than depreciation	**269.44**	314.61
Profit before depreciation and tax	**219.19**	159.67
Depreciation	**3.94**	7.92
Profit before tax	**215.25**	151.75
Less: Provision for tax (including deferred tax)	**55.05**	45.69
Net profit after tax	**160.20**	106.06
Add: Surplus brought forward from previous year	**355.18**	249.12
Profits available for appropriation	**515.38**	355.18
Balance carried to Balance Sheet	**515.38**	355.18

III. DIVIDEND

As the profit is required to augment operational needs, your Directors do not recommend any dividend for the financial year 2012-13.

IV. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Raghavan Putran retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

The Board recommends the re-appointment of Mr. Raghavan Putran as Director on the Board of NCCL by the shareholders.

Mr. Ravi Narain, Chairman tendered his resignation from the Board of NCCL and the same was accepted by the Board with effect from the close of the Board meeting held on May 16, 2013. The Board wishes to place on record its sincere appreciation and gratitude for his valuable contribution made during his tenure as Chairman.

V. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that –

i. in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with the proper explanation relating to material departures, if any;

ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year i.e. March 31, 2013 and of the profits of the Company for that year;

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv. the Directors had prepared the annual accounts on a going concern basis.

VI. AUDIT COMMITTEE

Since the paid up capital of the Company is ₹ 4.75 crores only, it is not mandatory for the Company to constitute an Audit Committee as per the provisions of Section 292A of the Companies Act, 1956. However, the Board had constituted an Audit Committee in August 2007. The Audit Committee presently comprises of Mr. Ravi Narain, Ms. Chitra Ramkrishna and Mr. R. Ramaseshan as its members. Mr. Ravi Narain is the Chairman of the Audit Committee.

During the year, the Committee met four times i.e., on April 26, 2012, August 7, 2012, November 5, 2012 and January 30, 2013. The details of the attendance of the members of Audit Committee are presented in the following table:-

Names	Number of meetings held during the year	Number of meetings attended
Mr. Ravi Narain	4	4
Ms. Chitra Ramkrishna	4	4
Mr. R. Ramaseshan	4	4

VII. AUDITORS

M/s. Haribhakti & Co., Chartered Accountants, Auditors of the Company, retires at the forthcoming Annual General Meeting of the Company and is eligible for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

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

a) **Conservation of Energy, Technology Absorption**:

As the Company does not fall under any of the industries listed out in the Schedule appended to Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, the requirements of disclosure of particulars with respect to conservation of energy and technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with the aforesaid Rules are not applicable to the Company.

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

There were no foreign exchange earnings and outgo during the year.

IX. PARTICULARS OF EMPLOYEES

All persons who are working with the Company are on deputation from National Stock Exchange of India Limited and accordingly the remuneration paid in respect of them has been reimbursed to NSEIL by NCCL. A Statement under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is enclosed.

X. APPRECIATION

Your Directors are grateful for the support and co-operation extended by National Stock Exchange of India Limited and National Commodity & Derivatives Exchange Limited. Your Directors would also like to place on record their deep appreciation of the contribution made by the employees at all levels to the continued growth of the Company.

For and on behalf of the Board of Directors

Ravi Narain
Chairman

Place : Mumbai
Date : May 16, 2013

ANNEXURE TO DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975

Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (₹)		Experience (No. of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
1	Mr. R Nandakumar # B. Com., Grad. CWA, MBA, CAIIB, FIII	47	Senior Vice President	26,66,443	13,87,164	26	March 15, 1995	Staff Officer (Finance), Unit Trust of India

Notes:

1 Gross Remuneration includes Salary and other benefits, Company's contribution to Provident Fund, Superannuation Fund, taxable value of perquisites, etc. Net remuneration represents gross remuneration less Company's contribution to provident and superannuation funds, taxable value of perquisites, profession tax and income tax. Where applicable, the amount also includes certain allowances accrued during previous year(s) but claimed in the current year.

2 The above employee is not a relative of any Director.

3 The above employee is on deputation basis from the Company's holding company i.e. National Stock Exchange of India Limited (NSEIL) and the proportionate remuneration mentioned above in respect of him has been reimbursed to NSEIL by the Company

4 None of the employees is holding any equity shares in the Company within the meaning of sub-clause (iii) of clause (a) of sub-section (2A) of Section 217 of the Companies Act, 1956.

5 The Company does not have any Employees Stock Option Plan (ESOP) Scheme for its employees.

INDEPENDENT AUDITORS' REPORT

To the Members of National Commodity Clearing Limited

Report on the Financial Statements

We have audited the accompanying financial statements of National Commodity Clearing Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. in our opinion, the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

   e. on the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Haribhakti & Co.**
Chartered Accountants
Firm Registration No.103523W

Sumant Sakhardande
Partner
Membership No. 034828

Mumbai : May 16, 2013

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of National Commodity Clearing Limited on the financial statements for the year ended March 31, 2013]

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

(ii) The Company does not hold any Inventory. Therefore, the provisions of clauses 4(ii)(a),(b)&(c) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(b),(c) and (d) of the order are not applicable.

(e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(f)and (g) of the order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the Company.

(v) (a) According to the information and explanations given to us, there are no contracts or arrangements during the year that need to be entered into the register maintained under section 301 hence clause 4(v)(b) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the services of the Company.

(ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance,

income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) The Company does not have any dues to financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

(xvi) The Company has not obtained any term loans.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised money by way of public issue during the year.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Haribhakti & Co.**
Chartered Accountants
Firm Registration No.103523W

Sumant Sakhardande
Partner
Membership No. 034828

Mumbai : May 16, 2013

BALANCE SHEET AS AT 31ST MARCH 2013

			Note No.	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
I		Equity and liabilities			
1		Shareholders' funds			
	a	Share Capital	2	47,500,000.00	47,500,000.00
	b	Reserves and surplus	3	51,537,453.18	35,518,300.15
				99,037,453.18	83,018,300.15
2		Non-current liabilities			
	a	Deferred tax liabilities (net)	5	-	56,489.32
				-	56,489.32
3		Current liabilities			
	a	Trade payables	4	6,923,909.80	10,010,296.66
	b	Other current liabilities	4	823,320.00	611,163.00
				7,747,229.80	10,621,459.66
		TOTAL		106,784,682.98	93,696,249.13
II		Assets			
1		Non-current assets			
	a	Fixed assets	6		
		Tangible assets		228,678.86	622,208.54
		Intangible assets		-	-
				228,678.86	622,208.54
	b	Non-current investments	7	-	9,075,737.00
	c	Deferred tax assets (net)	5	8,127.47	-
	d	Other non-current assets	11	10,434,257.65	4,000,000.00
				10,671,063.98	13,697,945.54
2		Current assets			
	a	Current investments	8	57,987,002.00	37,182,124.11
	b	Trade receivable	10	4,004,450.94	4,804,600.82
	c	Cash and bank balances	12	28,783,291.92	30,090,795.02
	d	Short-term loans and advances	9	3,440,282.40	6,406,128.74
	e	Other Current assets	11	1,898,591.74	1,514,654.90
				96,113,619.00	79,998,303.59
		TOTAL		106,784,682.98	93,696,249.13
		Summary of significant accounting policies	1		
		The notes are an integral part of the financial statements.			

As per our report of even date attached

For HARIBHAKTI & CO.
Chartered Accountants
Firm Regn. No. 103523W

SUMANT SAKHARDANDE
Partner
Membership No : 034828

Place : Mumbai
Date : May 16, 2013

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

R. RAMASESHAN
Director

PANKAJ MUNDHRA
Asst. Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2013

PARTICULARS	Note No.	For the year ended 31.03.2013 (₹)	For the year ended 31.03.2012 (₹)
Income			
Revenue from operations	13	40,760,500.00	42,418,000.00
Other income	14	8,102,377.24	5,010,289.50
Total Revenue (I)		48,862,877.24	47,428,289.50
Expenses			
Employee benefits expenses	15	8,552,990.75	12,421,147.18
Other expenses	16	18,391,820.57	19,040,450.88
Depreciation	6	393,529.68	791,599.28
Total Expenses (II)		27,338,341.00	32,253,197.34
Profit before tax		21,524,536.24	15,175,092.16
Less : Provision for tax			
Current tax		5,570,000.00	4,500,000.00
Deferred tax		(64,616.79)	(113,980.64)
Short Provision for Tax for earlier years		-	182,680.81
Total tax expenses		5,505,383.21	4,568,700.17
Profit after tax		16,019,153.03	10,606,391.99
Earnings per Equity Share (FV ₹ 10)	21		
Basic		3.37	2.23
Diluted		3.37	2.23
Summary of significant accounting policies	1		

The notes are an integral part of the financial statements.

As per our report of even date attached

For HARIBHAKTI & CO.
Chartered Accountants
Firm Regn. No. 103523W

SUMANT SAKHARDANDE
Partner
Membership No : 034828

Place : Mumbai
Date : May 16, 2013

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

R. RAMASESHAN
Director

PANKAJ MUNDHRA
Asst. Company Secretary

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

		For the year ended 31.03.2013 (₹)	For the year ended 31.03.2012 (₹)
A)	CASHFLOW FROM OPERATING ACTIVITIES		
	NET PROFIT BEFORE TAX	21,524,536.24	15,175,092.16
	Add : Adjustments for :		
	- Depreciation	393,529.68	791,599.28
	- Amortisation of Premium on Govt/Debt Securities	38,475.00	38,529.00
	Less: Adjustments for :		
	- (Profit) / Loss on sale /discard of assets (Net)	(35,132.00)	(2,289.50)
	- Interest income on long term investment	(513,750.00)	(53,440.00)
	- Interest income on Bank deposit	(3,400,343.54)	(2,062,077.54)
	Interest on Income tax refund	(152,059.00)	(709,868.00)
	- (Profit)/Loss on sale/redemption of current investments	(3,195,966.82)	(17,661.02)
	- Dividend on investment	(805,125.88)	(2,130,144.44)
	Operating Profit Before Working Capital Changes	13,854,163.68	11,029,739.94
	Adjustments for :		
	Trade Receivables	800,149.88	(952,332.69)
	Loans & Advances	1,919,386.32	(352,372.20)
	Current Liabilities & Provisions	(2,874,229.86)	(1,377,331.47)
	Cash Generated from Operations	13,699,470.02	8,347,703.58
	Interest on Income tax Refund	152,059.00	709,868.00
	Direct Taxes paid (Net of Refunds)	(4,523,539.98)	3,513,666.47
	Net Cash from (used in) Operating Activities - Total (A)	9,327,989.04	12,571,238.05
B)	CASHFLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets/Capital work-in-progress	-	(337,594.82)
	Sale of Fixed Assets	35,132.00	2,289.50
	Interest received	3,310,034.05	2,115,517.54
	Dividend received	805,125.88	2,130,144.44
	Investment in Fixed Deposits (Net)	(3,161,159.00)	(14,525,000.00)
	(Increase)/Decrease in Investment	(8,571,649.07)	(1,097,372.11)
	Net Cash from (used in) Investing Activities - Total (B)	(7,582,516.14)	(11,712,015.45)

		For the year ended 31.03.2013 (₹)	For the year ended 31.03.2012 (₹)
C)	CASHFLOW FROM FINANCING ACTIVITIES	-	-
	Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	1,745,472.90	859,222.60
	Cash and Cash Equivalents : Opening Balance [includes fixed deposit with banks of ₹ NIL (Previous Year ₹ NIL)]	1,940,795.02	1,081,572.42
	Closing Cash and Cash Equivalents : Closing Balance [includes fixed deposit with banks of ₹ NIL (Previous Year ₹ NIL)]	3,686,267.92	1,940,795.02
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT		1,745,472.90	859,222.60

Notes to Cash Flow Statement :

1 Cash and cash equivalent represent cash, bank balances and balance in fixed deposit account with original maturities of less than 3 months

2 "The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements notified under Companies (Accounting Standards) Rules, 2006 (as amended)."

As per our report of even date attached

For HARIBHAKTI & CO.
Chartered Accountants
Firm Regn. No. 103523W

SUMANT SAKHARDANDE
Partner
Membership No : 034828

Place : Mumbai
Date : May 16, 2013

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

R. RAMASESHAN
Director

PANKAJ MUNDHRA
Asst. Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

1 Summary of Significant Accounting Policies :

a) Basis of Accounting

The financial statements have been prepared to comply in all material aspects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumption and estimates could result in outcomes of requiring a material adjustment to the carrying amounts of assets or liabilities in future period.

c) Revenue Recognition

(i) Revenue from IT & Process support charges are recognised on accrual basis when services are rendered and there is reasonable certainty of ultimate realization.

(ii) Dividends on Investments are recognized when a right to receive the same is established

(iii) Interest is recognized on time proportionate basis taking into consideration the amount outstanding and the rate applicable.

d) Fixed Assets

(i) Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(ii) Depreciation

Depreciation is provided on the "Straight line method" based on estimated useful life of assets at the following rates which are higher than those prescribed in Schedule XIV (Inserted by the Companies (Amendment) Act, 1988 and Notification GSR No. 756E dated 16th December, 1993) to the Companies Act, 1956. Depreciation on additions/deletions is provided on pro-rata basis from the date of acquisition/ up to the date of deletion. Depreciation on assets costing up to or less than ₹ 5000 has been charged at 100% in the year of acquisition.

In respect of following assets the depreciation rate estimated by management is as under :

Assets	Depreciation Rate
Office Equipments	25.00%
Clearing and Settlement Systems	25.00%
Telecommunication Systems	25.00%

e) Impairment of Assets

The carrying amount of assets are reviewed at each balance sheet date if there is an indication of Impairment based on internal & external factors. An asset is treated as impaired when the carrying cost of the asset exceeds the recoverable amount on the reporting date, an impairment loss if any is charged to statement of Profit & Loss in the year in which the asset is identified as impaired .

f) Investments

(i) Long term investments are considered as held till maturity and are valued at cost. Provision is made for diminution in the value of investment, if any, other than temporary in nature.

(ii) Premium/ Discount at the time of acquisition of Government / Debt securities is amortised / recognised over the residual period of its maturity

(iii) Current investments are valued at cost or fair value whichever is lower.

g) Income Tax

Income tax expense for the year, comprising current tax and deferred tax is included in determining the net profit for the year.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses,, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

h) Provisions , contingent liabilities & contingent assets

Provisions involving substantial degree of estimations in measurement are recognised when there is present obligation as result of past events and it is probable that there will be outflow of resources.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised but are disclosed while, contingent assets are neither recognised nor disclosed in financial statements .

i) Earning Per Share

Basic and diluted earning per share is computed by dividing the net profit attributable to equity shareholders for the year by weighted average number of equity shares outstanding during the year.

j) Cash and cash equivalents

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

Notes to the financial statements

2 Share Capital

	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
Authorised	100,000,000	100,000,000
1,00,00,000 (Previous Year : 1,00,00,000) Equity Shares of ₹ 10 Each		
Issued, Subscribed and Paid-up		
47,50,000 (Previous Year : 47,50,000) Equity Shares	47,500,000.00	47,500,000.00
₹ 10 each fully paid up.		
(of the above shares 30,87,500 (Previous Year : 30,87,500) are held by the holding company National Stock Exchange of India Limited and its nominees)		
Total	47,500,000.00	47,500,000.00

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

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

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

		As at 31.03.2013		As at 31.03.2012	
		No.	% holding	No.	% holding
1	National Stock Exchange of India Limited and its nominees (Holding Company)	3087500	65.00%	3087500	65.00%
2	National Commodity and Derivatives Exchange Limited	1662500	35.00%	1662500	35.00%

The company has not issued any shares by way of bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceeding the reporting date.

3 Reserve and surplus

	As at 31.03.2013 (₹)		As at 31.03.2012 (₹)	
Surplus/(deficit) in the statement of profit and loss				
Balance as per last financial statements	35,518,300.15		24,911,908.16	
profit for the year	16,019,153.03		10,606,391.99	
		51,537,453.18		35,518,300.15
Total reserve and surplus		51,537,453.18		35,518,300.15

4 Current liabilities

	Long - term As at		Current As at	
	31.03.2013 (₹)	31.03.2012	31.03.2013 (₹)	31.03.2012
Trade Payables				
Sundry creditors (refer note *)		-	6,923,909.80	10,010,296.66
Total	-	-	6,923,909.80	10,010,296.66
Other current liabilities				
Service Tax payable	-		409,920.00	-
Tax deducted at source - payable	-		413,400.00	611,163.00
Total	-	-	823,320.00	611,163.00

* Trade payables include amounts of ₹ NIL (Previous Year : ₹ Nil) including interest of ₹ NIL, (Previous Year ₹ NIL) payable to Micro, Small & Medium Enterprises. Total outstanding dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

5 Deferred Tax liabilities /(Assets) (Net)

	As at 31.03.2013 (₹)		As at 31.03.2012 (₹)	
Deferred Tax Liabilities				
Related to depreciation and other expenditure		-	56,489.32	
Related to other items		-		
Total (A)				56,489.32
Less : Deferred Tax Assets				
Related to depreciation and other expenditure		8,127.47		
Related to other items		-		-
Total (B)		-		-
Net Deferred Tax liabilities/(Assets) (A-B)		(8,127.47)		56,489.32

Note No. 6 Fixed Asset as at 31st March 2013 (Refer Note No. 1d)

Description	Gross Block				Depreciation				Net Block	
	As on 01.04.2012	Additions during the year	Deductions during the year	As on 31.03.2013	As on 01.04.2012	For the the year	Deductions during the year	Total upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
Tangible Assets										
Plant and Equipments										
Telecommunication Systems	502,262.14	-	-	502,262.14	502,262.14	-	-	502,262.14	-	-
Office Equipments	19,437.30	-	-	19,437.30	19,437.30	-	-	19,437.30	-	-
Clearing and Settlement System	8,855,381.17	-	1,861,699.96	6,993,681.21	8,233,172.63	393,529.68	1,861,699.96	6,765,002.35	228,678.86	622,208.54
Total	9,377,080.61	-	1,861,699.96	7,515,380.65	8,754,872.07	393,529.68	1,861,699.96	7,286,701.79	228,678.86	622,208.54
Previous year	9,168,102.82	337,594.82	128,617.03	9,377,080.61	8,091,889.82	791,599.28	128,617.03	8,754,872.07	622,208.54	

7) Non Current Investments (Valued at Cost Unless Stated Otherwise) (Refer Note No. 1f)

	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.03.2013 (₹)	As at 31.3.2012 (₹)
QUOTED						
TAXFREE BONDS						
6.85% India Infrastructure Finance Company Limited	20-Mar-14	75.00	100,000.00	7,500,000.00	-	7,575,737.00
MUTUAL FUNDS						
Reliance Fixed Horizon Fund - XXI - Series 18 - Growth	3-Apr-13	150,000.00	10.00	1,500,000.00	-	1,500,000.00
Total		150,075		9,000,000.00	-	9,075,737.00

Note: Aggregate Market Value of Quoted Investments is NIL (Previous Year :₹ 90,64,680)

8) Current Investments (valued at lower of cost or fair value) (Refer Note No. 1f)

	Maturity Date	Number of Units	As at 31.03.2013	Number of Units	As at 31.03.2012
A) QUOTED			(₹)		(₹)
TAXFREE BONDS					
6.85% India Infrastructure Finance Company Limited	20-Mar-14	75.00	7,537,262.00	-	-
MUTUAL FUNDS					
Birla Sun Life FTP - Series DT - Growth	29-Nov-12	-	-	1,000,000.00	10,000,000.00
Fidelity FMP Series 6 - Plan F - Growth	21-Jan-13	-	-	350,061.11	3,500,611.10
HDFC FMP - 370D - May 2011 (18) - 1 - Growth	29-May-12	-	-	900,000.00	9,000,000.00
Reliance Fixed Horizon Fund - XXI - Series 18 - Growth	3-Apr-13	150,000.00	1,500,000.00	-	-
Religare FMP - Series X - Plan F - Growth	3-Dec-12	-	-	1,000,000.00	10,000,000.00
B) UNQUOTED					
MUTUAL FUNDS					
Axis Treasury Advantage Fund - Growth - Direct Plan		2,339.76	3,000,000.00	-	-
JP Morgan India Treasury Fund - Super IP - Daily Dividend		50,732.74	507,778.93	373,872.47	3,742,052.12
JP Morgan India Treasury Fund - Super IP - Growth		467,157.57	6,836,000.00	-	-
Kotak Floater - Short Term - Daily Dividend		123.95	125,389.27	-	-
Religare Liquid Fund - Daily Dividend		55.88	55,925.99	-	-
Religare Liquid Fund - IP - Daily Dividend		739.55	739,711.87	-	-
SBI SHDF - Ultra Short Term - Growth - Direct Plan		2,594.44	3,848,000.00	-	-
SBI SHDF - Ultra Short Term - Regular Plan - Growth		2,646.08	3,879,100.00	-	-
Sundaram Money Fund - IP - Daily Dividend		10,885.03	109,887.68	-	-
Sundaram Money Fund - Regular - Daily Dividend Reinvestment		4,135.57	41,749.80	-	-
Sundaram Ultra Short Term - Direct Plan - Growth		378,276.50	6,000,000.00	-	-
UTI Treasury Advantage Fund - Growth		14,794.06	22,800,000.00	-	-
UTI Treasury Advantage Fund - IP - Dly Dividend		1,005.98	1,006,196.46	939.26	939,460.89
TOTAL		1,085,562.11	57,987,002.00	3,624,872.84	37,182,124.11

Note :

	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
Aggregate Book Value - Quoted Investments	9,037,262.00	32,500,611.10
Aggregate Market Value of the quoted investments	9,245,347.50	33,809,105.35
Aggregate Book Value - Unquoted Investments	48,949,740.00	4,681,513.01

9 Loans and Advances (Unsecured, considered good)

	Short - Term	
	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
Other advances		
Prepaid Expenses	18,337.00	1,456,673.31
Service Tax Recievable	994,833.92	1,475,883.93
Income Tax paid including TDS (Net of Provisions)	2,427,111.48	3,473,571.50
	3,440,282.40	6,406,128.74

10 Trade receivables

	Current	
	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
Unsecured, considered good unless stated otherwise		
Outstanding for a period of over six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	166,315.73	201,673.88
	166,315.73	201,673.88
Other debts		
Secured, considered good	-	-
Unsecured, considered good	3,838,135.21	4,602,926.94
	3,838,135.21	4,602,926.94
Total	4,004,450.94	4,804,600.82

11 Other assets

	Non-current		Current	
	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
Non-current bank balances (note no.12)	10,214,135.00	4,000,000.00	-	-
	10,214,135.00	4,000,000.00	-	-
Other				
Interest accured on Investments	-	-	16,844.00	16,844.00
Interest accured on Bank deposits	220,122.65	-	1,881,747.74	1,497,810.90
	220,122.65	-	1,898,591.74	1,514,654.90
Total	10,434,257.65	4,000,000.00	1,898,591.74	1,514,654.90

12 Cash and bank balances

	Non-current		Current	
	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
Cash and cash equivalents				
Balances with banks :				
In current accounts			3,686,267.92	1,940,795.02
Deposits with original maturity of less than three months			-	-
Cash on hand			-	-
			3,686,267.92	1,940,795.02
Other bank balances				
Deposits with original maturity for more than 12 months	10,214,135.00	4,000,000.00	18,000,000.00	19,500,000.00
Deposits with original maturity for more than 3 months but upto 12 months	-	-	7,097,024.00	8,650,000.00
	10,214,135.00	4,000,000.00	25,097,024.00	28,150,000.00
Amount disclosed under other non-current assets (note no 11)	(10,214,135.00)	(4,000,000.00)		
Total	-	-	28,783,291.92	30,090,795.02

NOTE NO.	PARTICULARS	For the year ended 31.03.2013 (₹)	For the year ended 31.03.2012 (₹)
13	**Revenue from operations**		
	Sale of services		
	IT & Process Support Charges	40,760,500.00	42,418,000.00
	Total	40,760,500.00	42,418,000.00

14 Other income

		For the year ended 31.03.2013 (₹)	For the year ended 31.03.2012 (₹)
a)	Interest Income on :		
	Bank deposits	3,400,343.54	2,062,077.54
	Long term investment	513,750.00	53,440.00
	Income Tax Refund	152,059.00	709,868.00
	Interest on delayed payment of dues	-	34,809.00
b)	Dividend income :		
	from Long Term Investments	-	-
	from Others	805,125.88	2,130,144.44
	Current Investment		
c)	Net gain / loss on sale of current Investment	3,195,966.82	17,661.02
d)	Other non- operating Income		
	Profit on Sale of Fixed Assets	35,132.00	2,289.50
	Total	8,102,377.24	5,010,289.50

15 Employee benefits expenses (refer note no.18)

	For the year ended 31.03.2013 (₹)	For the year ended 31.03.2012 (₹)
Salaries, wages and bonus including Contribution to provident and other fund	7,732,225.20	11,466,554.00
Staff welfare expenses	820,765.55	954,593.18
Total	8,552,990.75	12,421,147.18

16 Other expenses

	For the year ended 31.03.2013 (₹)	For the year ended 31.03.2012 (₹)
Space & Infrastructure Usage Charges	5,011,524.00	5,201,280.00
Software Usage Charges	5,000,000.00	5,000,000.00
Insurance	27,244.00	7,455.00
Rates and taxes	2,000.00	2,000.00
Consumables	789,910.09	883,122.99
Travelling & Conveyance expenses	2,011,474.94	1,778,418.25
Professional fees	2,048,006.08	2,115,775.87
Payment to auditor (refer details below)	116,347.00	62,500.00
Repairs & Maintenance :		
- On Building	67,256.48	67,035.70
- Others	-	1,875.00
Electricity expenses	635,157.25	815,992.89
Amortisation of premium on Govt/ Debt Securities	38,475.00	38,529.00
Outsourcing charges	505,479.35	488,617.30
Training Expenses	123,888.43	440,896.50
Miscellaneous Expenses	2,015,057.95	2,136,952.38
Total	18,391,820.57	19,040,450.88
Payment to auditor		
As auditor :		
Audit fees	62,500.00	62,500.00
Other Services	51,250.00	-
Out of pocket expenses	2,597.00	-
Total	116,347.00	62,500.00

17 In the opinion of the Board, all assets other than fixed assets and non current investments have a value on realisation in the ordinary course of business at least equal to the amount stated in Balance Sheet.

18 Payments to and provision for employees represents the amount reimbursed by the company to The National Stock Exchange of India Limited (NSEIL) in respect of employees on deputation to the company on a rotational basis. These includes charges for all retirement benefits and other long term employee benefits as per the requirements of Accounting Standard 15-" Employee Benefits" notified under Companies (Accounting Standards) Rules, 2006 (as amended). Necessary provisions are carried by NSEIL.

19 In the opinion of the management, as the Company's operations comprise of only facilitating Clearing & Settlement in commodity transactions and the activities incidental thereto within India, the disclosures required in terms of Accounting Standard 17 - "Segment Reporting" notified under Companies (Accounting Standards) Rules, 2006 (as amended) are not applicable.

20 In compliance with Accounting Standard 18 - "Related Party Disclosures"notified under Companies (Accounting Standards) Rules, 2006 (as amended), the required disclosures are given in the table below:

(a) Names of the related parties and relationship

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited (NSEIL)	Holding Company
2	National Securities Clearing Corporation Limited (NSCCL)	Fellow Subsidiary
3	NSE.IT Limited	Fellow Subsidiary
4	Dot Ex International Limited	Fellow Subsidiary
5	NSE Infotech Services Limited	Fellow Subsidiary
6	NSE .IT (US) Inc.	Fellow Subsidiary
7	India Index Services & Products Ltd.	Fellow Subsidiary
8	Power Exchange of India Limited	Fellow Subsidiary
9	NSE Strategic Investment	Fellow Subsidiary

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

(In ₹)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2013	Year ended 31.03.2012
National Stock Exchange of India Ltd.	• Reimbursement paid for expenses on staff on deputation	9,447,933.36	13,019,137.30
	• Reimbursement paid for other expenses incurred	7,825,598.51	8,945,173.39
	• Space & Infrastructure Usage Charges paid on predetermined basis	5,630,943.00	5,737,010.00
	• Closing Balance (Credit)/Debit	(5,137,868.22)	(8,799,030.62)
National Securities Clearing Corporation Limited	• Software usage charges paid inclusive of Service Tax	5,618,000.00	55,15,000.00
	• Sale of Assets	(35,132.00)	-
	• Closing Balance (Credit)/Debit	(1,228,918.00)	-
Dot Ex International Limited	Sale of Assets	-	337,594.82
	Closing balance (Credit)/Debit	-	30,232.10

21 In accordance with Accounting Standard - 20 "Earning per Share" notified under Companies (Accounting Standards) Rules, 2006 (as amended), the required disclosure is given below.

(In ₹)

	Year ended 31.03.2013	Year ended 31.03.2012
Net Profit attributable to Equity Shareholders (₹)	16,019,153.03	10,606,391.99
Weighted Average number of equity shares issued (No.)	4,750,000.00	4,750,000.00
Basic earnings per share of ₹ 10/- each (in ₹)	3.37	2.23

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.

22 In accordance with the provisions of Accounting Standard-22 relating to "Accounting for taxes on income", the breakup of deferred tax Liability/(Asset) is shown below:

Deferred tax Liability / (Asset) for the year ended 31st. March , 2013

(In ₹)

	As at 31.03.2013	As at 31.03.2012
Deferred Tax Liabilities		
Related to depreciation and other capital expenditure		56,489.32
Total (A)	-	**56,489.32**
Less: Deferred Tax Assets		
Related to depreciation and other capital expenditure	8,127.47	
Total (B)	-	-
Net Deferred Tax Liability/(Assets) (A-B)	**(8,127.47)**	**56,489.32**

23 **Contingent liabilities and Commitments : ₹ NIL (Previous Year : ₹ NIL)**

24 Administration & other expenses include expenses allocated by the holding company ,The National Stock Exchange of India Limited (NSEIL) on equitable basis.

25 Previous year figures have been regrouped / reclassified wherever necessary to confirm to current year presentation.

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

SUMANT SAKHARDANDE
Partner
Membership No : 034828

R. RAMASESHAN
Director

PANKAJ MUNDHRA
Asst. Company Secretary

Place : Mumbai
Date : May 16, 2013

NSE Strategic Investment Corporation Limited

(A subsidiary of National Stock Exchange of India Limited)

FIRST ANNUAL REPORT
2012 – 13

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Statement pursuant to Section 212 20

BOARD OF DIRECTORS

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

SECRETARY

Mr. M. Vasudev Rao	:	Company Secretary

AUDITORS

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

REGISTERED OFFICE

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

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the First Annual Report of the Company together with Audited Statement of Accounts for the period from January 31, 2013 being the date of incorporation of the Company, upto March 31, 2013.

I. OPERATIONS AND MAJOR EVENTS DURING THE YEAR

NSE Strategic Investment Corporation Limited (NSICL) was incorporated on January 31, 2013 to inter alia make or hold all strategic investments in the equity shares and/or other securities of NSE Group companies. It obtained its certificate for commencement of business on February 12, 2013. The paid up share capital of NSICL as on March 31, 2013 is ₹ 45.05 crores which is being held by National Stock Exchange of India Limited (NSEIL) and National Securities Clearing Corporation Limited (NSCCL) at the ratio of 99.90 and 0.10 respectively. During the period under review, NSICL acquired equity shares held by NSEIL in India Index Services & Products Limited and NSE Infotech Services Limited and equity shares held by DotEx International Limited in Market Simplified India Limited.

II. FINANCIAL RESULTS

The financial results for the period ended on March 31, 2013 are summarised hereunder:-

Particulars	2012-13 (₹ in Lakhs)
Income	1.77
Expenditure	211.26
Profit/(Loss) before tax	(209.49)
Less:/(Add): Provision for tax (including deferred tax)	-
Profit/(Loss) after tax	(209.49)
Balance carried to Balance Sheet	(209.49)

III. DIVIDEND

In view of losses, your directors express their inability to recommend any dividend for the period ended on March 31, 2013.

IV. DIRECTORS

Mr. Ravi Narain, Ms. Chitra Ramkrishna and Mr. J Ravichandran were appointed as the first Directors of NSICL. As per the provisions contained in the Articles of Association, all the directors retire at the forthcoming annual general meeting and being eligible offer themselves for appointment.

V. SHARE CAPITAL

NSICL was incorporated with an authorised share capital of ₹ 3,00,00,00,000/- and paid up share capital of ₹ 5,00,000/-. During the period, NSICL issued and allotted, on rights basis, 2,25,00,000 Equity shares of ₹ 10/- each for cash at par and 2,25,00,000 6% Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS) of ₹ 10/- each for cash at par, each NCCCPS convertible into one equity share of ₹ 10/- each at the end of nine years. As a result, the paid-up share capital of NSICL increased from ₹ 5,00,000/- to ₹ 45,05,00,000/-.

VI. SUBSIDIARIES OF THE COMPANY

During the period under review, India Index Services & Products Limited and NSE Infotech Services Limited have become subsidiaries of NSICL.

VII. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that –

a. in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the reporting period i.e., 31st March, 2013 and of the loss of the Company for that year;

c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

d. the Directors had prepared the annual accounts on a going concern basis.

VIII. AUDIT COMMITTEE

The Audit Committee comprises of three Directors viz., Mr. Ravi Narain, Ms. Chitra Ramkrishna and Mr. J. Ravichandran as its members. There was no meeting of the Audit Committee held during the reporting period.

IX. AUDITORS

The Board has appointed M/s. Khandelwal Jain & Co., [Regn.No. 105049W] Chartered Accountants, as the First Auditors of NSICL who will retire at the forthcoming Annual General Meeting and are eligible for appointment by the members. NSICL has received a certificate from the Auditors to the effect that their appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

The Board recommends the appointment of M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai as Auditors of NSICL by the members at the forthcoming Annual General Meeting

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

(a) Conservation of Energy and Technology Absorption:

As NSICL does not fall under any of the industries listed out in the Schedule appended to Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the requirements of disclosure of particulars with respect to conservation of energy and technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with the aforesaid Rules are not applicable to NSICL.

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

There were no foreign exchange earnings and outgo during the year.

XI. PARTICULARS OF EMPLOYEES

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

XII. APPRECIATION

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

For and on behalf of the Board of Directors

Ravi Narain
Chairman

Place : Mumbai
Date : May 23, 2013

INDEPENDENT AUDITORS' REPORT

To the Members of NSE Strategic Investment Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of NSE Strategic Investment Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the period then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) In the case of the Statement of Profit and Loss, of the loss for the period ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;

   (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Narendra Jain
Partner
Membership Number: 048725

Place : Mumbai
Date : May 23, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of Independent Auditors' Report to the members of NSE Strategic Investment Corporation Limited ("the Company") for the period ended March 31, 2013. We report that:

i) The Company does not have fixed assets. Therefore, the provisions of sub-clauses (a) to (c) of clause 4(i) of Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order 2004 are not applicable to the Company.

ii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (a) to (g) of clause 4(iii) of Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order 2004 are not applicable to the Company.

iii) In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for purchase of fixed assets and for rendering of services. The Company's activities are such that they do not involve purchase and sale of inventory. During the course of our audit, we have not observed any major weakness in the internal control systems.

iv) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the Company has not entered into any contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.

v) The Company has not accepted any deposits during the period from the public within the meaning of the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules made thereunder.

vi) In our opinion, the Company has an internal audit system which is commensurate with the size of the Company and the nature of its business.

vii) We are informed that no cost records are required to be maintained by the Company under Section 209(1) (d) of the Companies Act, 1956.

viii) a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and any other statutory dues wherever applicable.

b) According to the records of the Company, there were no undisputed amounts payable in respect of sales-tax, income-tax, customs, wealth-tax, service tax, securities transaction tax, excise duty, cess in arrears as at March 31, 2013 for a period of more than six months from the date they became payable.

ix) As the Company is registered for a period less than five years, clause (x) of the Order is not applicable to the Company for the current period.

x) The Company has not taken any loan from banks or financial institutions and the Company has not issued any debentures.

xi) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xii) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.

xiii) The Company has not taken any term loans during the reporting period.

xiv) The Company has not raised any funds on short term basis during the reporting period.

xv) The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

xvi) The Company has not issued any Debentures during the reporting period and there were no debenture outstanding at the period-end.

xvii) The Company has not raised any money by public issue during the reporting period.

xviii) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on the Company or by the Company has been noticed or reported during the course of our audit.

xix) The other clauses 4(ii), 4(xiii) and 4(xiv) of para 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order 2004, are not applicable to company.

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

Narendra Jain
Partner
Membership Number: 048725

Place : Mumbai
Date : May 23, 2013

BALANCE SHEET AS AT MARCH 31, 2013

	Particulars	NOTES	31.03.2013 (₹)
	Equity and liabilities		
1	**Shareholders' funds**		
a	Share Capital	4	450,500,000.00
b	Reserves and surplus	5	(20,949,477.78)
			429,550,522.22
2	**Non-current liabilities**		
a	Deposits (Unsecured)		-
b	Deferred tax liabilities (net)		-
c	Other long-term liabilities		-
d	Long-term provisions		-
			-
3	**Current liabilities**		
a	Deposits (Unsecured)		-
b	Trade payables	6	4,091,000.00
c	Other current liabilities	6	497,938.00
d	Short-term provisions		-
			4,588,938.00
	TOTAL		434,139,460.22
	Assets		
1	**Non-current assets**		
a	Fixed assets		
	Tangible assets		-
	Intangible assets		-
	Capital work-in-progress		-
	Intangible assets under development		-
			-
b	Non-current investments	7	416,111,863.00
c	Long-term loans and advances	8	10,000,000.00
d	Other non-current assets	9	28,995.00
			426,140,858.00
2	**Current assets**		
a	Current investments		-
b	Trade receivable		-
c	Cash and bank balances	10	7,998,602.22
d	Short-term loans and advances		-
e	Other Current assets		-
			7,998,602.22
	TOTAL		434,139, 460.22
	Summary of significant accounting policies	2	
	The accompanying notes are an integral part of the financial statements.		

As per our report of even date attached

For KHANDELWAL JAIN & CO.
Chartered Accountants

NARENDRA JAIN
Partner
Membership No.: 48725

Place : Mumbai
Date : May 23, 2013

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

J. RAVICHANDRAN
Director

M VASUDEV RAO
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE PERIOD FROM JANUARY 31, 2013 TO MARCH 31, 2013

PARTICULARS	NOTES	For the period ended 31.03.2013 (₹)
Income		
Revenue from operations	11	176,806.22
Other income		-
Total Revenue (I)		**176,806.22**
Expenses		
Employee benefits expenses		-
Finance Costs		-
Other expenses	12	21,126,284.00
Depreciation and amortisation expenses		-
Total Expenses (II)		**21,126,284.00**
Profit before prior-period adjustments (I - II)		(20,949,477.78)
Add/(Less) : Prior-period adjustments		-
Profit before tax		**(20,949,477.78)**
Less : Provision for tax		
Current tax		-
Wealth tax		-
Deferred tax		-
Total tax expenses		-
Profit after tax		**(20,949,477.78)**
Basic Earnings per Share	15	(13.52)
Diluted Earnings per Share		(13.52)
Summary of significant accounting policies	2	

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

As per our report of even date attached

For KHANDELWAL JAIN & CO.
Chartered Accountants

NARENDRA JAIN
Partner
Membership No.: 48725

Place : Mumbai
Date : May 23, 2013

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

J. RAVICHANDRAN
Director

M VASUDEV RAO
Company Secretary

CASH FLOW STATEMENT FOR THE PERIOD FROM JANUARY 31, 2013 TO MARCH 31, 2013

		For the period from 31.01.2013 to 31.03.2013 (₹)
A)	CASH FLOW FROM OPERATING ACTIVITIES	
	NET PROFIT BEFORE TAX	(20,949,477.78)
	Add : Adjustments for :	
	Preliminary Expenses written off	20,628,596.00
	Share Issue Expenses	452,744.00
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	131,862.22
	Adjustments for :	
	Current Liabilities & Provisions	44,944.00
	CASH GENERATED FROM OPERATIONS	176,806.22
	Direct Taxes paid (Net of Refunds)	-
	NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)	176,806.22
B)	CASHFLOW FROM INVESTING ACTIVITIES	
	Share Application Money Paid	(10,000,000.00)
	Investment in Subsidiary and Associate Companies	(412,049,858.00)
	NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)	(422,049,858.00)
C)	CASHFLOW FROM FINANCING ACTIVITIES	
	Issue of Equity and Prefrence Shares (net of expenses)	429,871,654.00
	NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)	429,871,654.00
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	7,998,602.22
	CASH AND CASH EQUIVALENTS : OPENING BALANCE	-
	CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE	7,998,602.22
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	7,998,602.22

Notes to Cash Flow Statement :

1. Since the Company is an Investment Holding Company, purchase and sale of investments have been considered as part of 'Cash Flows from Investing Activities' and dividend of ₹ 1,76,806.05 and Profit on Sale / Redemption of Investments ₹ 0.17 earned have been considered as part of 'Cash Flows from Operating Activities'.
2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.
3. The Company was incorporated on January 31, 2013. Accordingly the financial data relates to the period of two months & one day and being the first year of company, corresponding previous year figure's are not available.

As per our report of even date attached

For KHANDELWAL JAIN & CO.
Chartered Accountants

NARENDRA JAIN
Partner
Membership No.: 48725

Place : Mumbai
Date : May 23, 2013

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

J. RAVICHANDRAN
Director

M VASUDEV RAO
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2013

1 Background of the Company

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

2 Summary of significant accounting policies :

a) Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (India GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

b) Use of estimates

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

c) Revenue Recognition

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

(ii) Income from Dividend is accounted as and when such dividend has been declared and the Company's right to receive payment is established.

(iii) Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

d) Investments

(i) Long term investments are considered as held till maturity and are valued at cost. Provision is made for diminution in the value of investment, if any, other than temporary in nature.

(ii) Short term investments are valued at cost or fair value whichever is lower.

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

e) **Taxation**

Tax expense for the year, comprising current tax and deferred tax is included in determining the net profit for the year.A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted tax rates. Deferred tax assets are recognised only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

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

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

3 The Company was incorporated on January 31, 2013. Accordingly the financial data relates to the period of two months & one day and being the first year of company, corresponding previous year figure's are not available.

4 **Share Capital**

	As at 31.03.2013 (₹)
Authorised	
15,00,00,000 Equity Shares of ₹ 10 each.	1,500,000,000.00
15,00,00,000 Non - Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each.	1,500,000,000.00
	3,000,000,000.00
Issued, Subscribed and Paid-up	
2,25,50,000 Equity Shares of ₹ 10 each, fully paid	225,500,000.00
2,25,00,000 6% Non - Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each, fully paid	225,000,000.00
Total	450,500,000.00

Note:

On 28th March, 2013, the Company has allotted 2,25,00,000 Equity Shares of ₹ 10 each and 2,25,00,000 6% Non - Cummulative Compulsorily Convertible Preference Shares of ₹ 10 each. The Company is in the process of issuing Share Certificates for the above allotted shares.

Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend.

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

Preference Shares

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

A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares		Prefrence Shares	
	Nos.	Amount (₹)	Nos.	Amount (₹)
At the beginning of the period	NA	NA	NA	NA
Add: Issued during the period	22,550,000	225,500,000	22,500,000	225,000,000
At the end of the period	**22,550,000**	**225,500,000**	**22,500,000**	**225,000,000**

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

Name of the Company	Equity Shares		Prefrence Shares	
	Nos.	% holding	Nos.	% holding
National Stock Exchange of India Limited and its nominees	22,527,450	99.90%	22,477,500	99.90%
National Securities Clearing Corporation Limited	22,550	0.10%	22,500	0.10%
Total	**22,550,000**	**100.00%**	**22,500,000**	**100.00%**

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

Name of the Company	Equity Shares		Prefrence Shares	
	Nos.	% holding	Nos.	% holding
National Stock Exchange of India Limited and its nominees	22,527,450	99.90%	22,477,500	99.90%

5 Reserve and surplus

	As at 31.03.2013 (₹)	
Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as per last financial statements	-	
Profit / (Loss) for the period	(20,949,477.78)	
Less : Appropriations		
Proposed dividend	-	
Tax on proposed dividend	-	(20,949,477.78)
Total		**(20,949,477.78)**

6 Other Current liabilities

	As at 31.03.2013 (₹)	
Trade Payables		
to Holding Company	4,091,000.00	
to others	-	4,091,000.00
Other Liabilities		
Liability for expenses		497,938.00
Total		**4,588,938.00**

7 Non Current Investments (Valued At Cost Unless Stated Otherwise)

	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2013 (₹)
INVESTMENTS IN EQUITY SHARES				
UNQUOTED EQUITY SHARES				
IN SUBSIDIARY COMPANIES				
INDIA INDEX SERVICES & PRODUCTS LTD.	663,000	10.00	6,630,000.00	333,505,766.00
NSE INFOTECH SERVICES LTD	50,000	10.00	500,000.00	37,552,007.00
		Sub-Total (i)		371,057,773.00
IN ASSOCIATE COMPANIES				
MARKET SIMPLIFIED INDIA LIMITED (30% Holding)	4,505,175	10.00	45,051,750.00	45,054,090.00
		Sub-Total (ii)		45,054,090.00
		TOTAL		416,111,863.00

Notes:

Aggregate Book Value - Quoted Investments	-
Aggregate Book Value - Unquoted Investments	416,111,863.00
Aggregate Market Value of Quoted Investments	-

8 Loans and advances

	Long - term
	As at 31.03.2013 (₹)
Other loans and advances (unsecured, considered good)	
Share Application Money - Goods and Service Tax Network	10,000,000.00
Total	**10,000,000.00**

9 Other Non Current Assets

	As at 31.03.2013 (₹)
Prepaid Expenses (Refer Note 16)	28,995.00
Total	**28,995.00**

10 Cash and bank balances

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

11 Revenue from operations

	For the period ended 31.03.2013 (₹)	
Operating revenues		
Dividend from :		
Subsidiary Companies	-	
Others	176,806.05	176,806.05
Profit on Sale / Redemption of Investments		0.17
Total		**176,806.22**

12 Other expenses

	For the period ended 31.03.2013 (₹)
Preliminary Expenses written off *	20,628,596.00
Share Issue Expenses	452,744.00
Profesional Fees	16,854.00
Payment to auditor : -	
Audit fees	28,090.00
Total	**21,126,284.00**

* Preliminary Expenses written off above includes Stamp Duty of ₹ 2,01,08,300/- paid to Ministry of Corporate Affairs & Registrar of Companies, Legal Fees of ₹ 26,796/- and Professional Fees of ₹ 4,93,500/-.

13 As the Company has no activities other than those of an Investment Company, the segment reporting under Accounting Standard 17 - "Segment Reporting" is not applicable. The Company does not have any reportable geographical segment.

14 In compliance with Accounting Standard 18 - "Related Party Disclosures" notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956, the required disclosures are given in the table below:

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

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	Promoter Company
2	National Securities Clearing Corporation Limited	Promoter Company
3	India Index Services & Products Limited (w.e.f 28th March, 2013)	Subsidiary Company
4	NSE Infotech Services Limited (w.e.f 28th March, 2013)	Subsidiary Company
5	NSE.IT Limited	Fellow Subsidiary Company
6	DotEx International Limited	Fellow Subsidiary Company
7	National Commodity Clearing Limited	Fellow Subsidiary Company
8	NSE.IT (US) Inc.	Fellow Subsidiary Company
9	Market Simplified India Limited (w.e.f 28th March, 2013)	Associate Company
10	Power Exchange India Limited	Promoter Company's Associate
11	NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited)	Promoter Company's Associate
12	National Securities Depository Limited (new)	Promoter Company's Associate
13	Omnesys Technologies Private Limited	Fellow Subsidiary's Associate

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

Name of the Related Party	Nature of Transactions	Period ended 31.03.2013 (₹)
National Stock Exchange of India Ltd.	Issue of Equity Shares	225,274,500.00
	Issue of Non - Cumulative Compulsorily Convertible Preference Shares	224,775,000.00
	Reimbursement of Preliminary Expenses	20,628,596.00
	Reimbursement of Stamp Duty payable on purchase of Investment	47,768.00
	Purchase of Shares of NSE Infotech Services Limited	37,550,000.00
	Purchase of Shares of India Index Services & Products Limited	333,489,000.00
	Closing Balance net Debit / (Credit)	(4,091,000.00)
National Securities Clearing Corporation Ltd.	Issue of Equity Shares	225,500.00
	Issue of Non - Cumulative Compulsorily Convertible Preference Shares	225,000.00
DotEx International Ltd.	Purchase of Shares of Market Simplified India Limited	45,051,750.00
	Reimbursement of Stamp Duty payable on purchase of Investment	2,340.00

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

Earning per share

Particulars	31.03.2013
Net Profit attributable to Shareholders (₹)	(20,949,477.78)
Weighted Average Number of equity shares issued	1,550,000
Basic earnings per share of ₹ 10/- each (in ₹)	(13.52)
Diluted earnings per share of ₹ 10/- each (in ₹)	(13.52)

Since the company has incurred losses in the reporting period the potential equity shares are anti-dilutive. Accordingly, the diluted earnings per share is same as basic earnings per share.

16 Company has entered into share Purchase Agreemet dated 28.03.2013 with National Stock Exchange of India Limited. It has been agreed to purchase 1,00,00,010 Equity Shares of ₹ 10/- each fully paid of NSE.IT Limited based on the fair market value determined under rule 11UA of the Income Tax Rules, 1962. Stamp duty of ₹ 28,995/- is paid on the provisional value of shares amounting to ₹ 58,00,00,580/-. Accordingly, the stamp duty paid is classified under Prepaid Expenses grouped under Other Non Current Assets.

17 There is no Micro, Small & Medium enterprise to which the company owes dues as at 31.03.2013. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

18 The Company has a Joint Venture interest in India Index Services & Products Ltd.(IISPL) which is a jointly controlled entity and is incorporated in India. The company has a 51% ownership interest in the joint venture. As per Accounting Standard 27 – "Financial Reporting of Interests in the Joint Ventures", the aggregate amounts related to Company's interest in the joint venture are as follows.

(₹ in crores)

Particulars	As at 31.03.2013
Assets	34.94
Reserve & Surplus	32.61
Liabilities	1.66
Income (for period 28.03.2013 to 31.03.2013)	0.16
Expenses (for period 28.03.2013 to 31.03.2013)	0.07
Dividend received	-
Contingent Liability	0.92

The Company has no capital commitments in relation to its interest in Joint Ventures.

As per our report of even date attached

For KHANDELWAL JAIN & CO.
Chartered Accountants

NARENDRA JAIN
Partner
Membership No.: 48725

Place : Mumbai
Date : May 23, 2013

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

J. RAVICHANDRAN
Director

M VASUDEV RAO
Company Secretary

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

1	Name of the subsidiary	:	India Index Services & Products Limited
2	Financial Year of the subsidiary company ended on	:	31st March, 2013
3	Holding Company Interest		
	Number of Shares	:	6,63,000
	Extent of Holding	:	51%
4	The Net Aggregate amount of the subsidiary Profits / (losses) so far as it concerns members of the holding company and is not dealt with In Holding Company's account		
(i)	for the financial year of the company	:	₹ 86,064,000
(ii)	for the previous financial years of the subsidiary since it became the holding Company's subsidiary	:	₹ 259,848,912
5	Net aggregate amount of the Profit/(Losses) of the Subsidiary dealt with in the company's account		
(i)	for the financial year of the subsidiary	:	₹ 7,956,000
(ii)	for the previous financial years of the subsidiary since it became the subsidiary of the holding company	:	₹ 25,525,500

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

J. RAVICHANDRAN
Director

M VASUDEV RAO
Company Secretary

Place : Mumbai
Date : May 23, 2013

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

1	Name of the subsidiary	:	NSE Infotech Services Limited
2	Financial Year of the subsidiary company ended on	:	31st March, 2013
3	Holding Company Interest		
	Number of Shares	:	50,000
	Extent of Holding	:	100%
4	The Net Aggregate amount of the subsidiary Profits / (losses) so far as it concerns members of the holding company and is not dealt with In Holding Company's account		
(i)	for the financial year of the company	:	₹ 4,138,343
(ii)	for the previous financial years of the subsidiary since it became the holding Company's subsidiary	:	₹ 38,496,299
5	Net aggregate amount of the Profit/(Losses) of the Subsidiary dealt with in the company's account		
(i)	for the financial year of the subsidiary	:	₹ 7,500,000
(ii)	for the previous financial years of the subsidiary since it became the subsidiary of the holding company	:	Nil

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

J. RAVICHANDRAN
Director

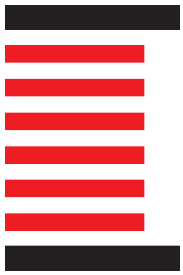
M VASUDEV RAO
Company Secretary

Place : Mumbai

Date : May 23, 2013

India Index Services & Products Limited

(Subsidiary of NSE Strategic Investment Corporation Limited)



IISL

FIFTEENTH ANNUAL REPORT

2012-13

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BOARD OF DIRECTORS

Mr. Ravi Narain	:	Chairman
Ms. Chitra Ramkrishna		
Ms. Roopa Kudva		
Mr. J. Ravichandran		
Mr. R. Sundararaman		
Mr. Mukesh Agarwal		
Mr. Raman Uberoi		

AUDITORS

: M/s. K. S. Aiyar & Co.
Chartered Accountants
F 7, Laxmi Mills
Shakti Mills Lane
(Off. Dr. E. Moses Road)
Mahalaxmi
Mumbai - 400 011

REGISTERED OFFICE

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

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Fifteenth Annual Report and the Audited Accounts of India Index Services & Products Limited (IISL) for the year ended March 31, 2013.

I. OPERATIONS AND EVENTS DURING THE YEAR

Developments

Your Company continued to be the primary provider of indices and related products and services to various participants in the Capital Market in India, in the fifteenth year of its operation.

The CNX Nifty Futures traded on National Stock Exchange (NSE) recorded a turnover of ₹ 18,67,489 crores in the financial year 2012-13 as compared to a turnover of ₹ 29,56,162 crores in the financial year 2011-12, thus registering a decrease of 36.82 %. Turnover of CNX Nifty Options traded on NSE decreased from ₹ 2,26,43,851 crores in the financial year 2011-12 to ₹ 2,20,22,532 crores in the financial year 2012-13, registering a decrease of 2.74%.

During the financial year 2012-13, your Company granted licenses to eight domestic clients for launching exchange traded funds, active fund, index fund and debentures and three international clients for structured products based on Company's indices.

The total numbers of index-based funds linked to your Company's indices are as follows:

1. Fourteen funds and Six ETFs on CNX Nifty Index available in India
2. Six ETFs on CNX Nifty Index listed outside India
3. Two Index Funds and One ETF on CNX Nifty Junior Index listed in India
4. Two ETFs on CNX Bank Index listed in India
5. One ETF on CNX Midcap Index listed in India
6. One ETF on CNX Infrastructure Index listed in India
7. Two ETFs on CNX PSU Bank Index listed in India
8. One ETF on CNX Nifty Shariah Index listed in India
9. One Index Fund on CNX Shariah 500 Index listed in India
10. One Index Fund on CNX 500 Index listed in India
11. One Index Fund on CNX Dividend Opportunities Index listed in India

The corpus of index linked funds/ ETFs based on IISL indices as on March 31, 2013 is given below:

Name of Index	AUM (₹ Cr.)
CNX Nifty	5,775.89
CNX Midcap	140.96
Nifty Junior	136.39

Name of Index	AUM (₹ Cr.)
CNX 500	68.89
CNX Bank	62.54
CNX Dividend Opportunities	27.35
CNX PSU Bank	22.54
CNX Infrastructure	4.52
CNX 100	1.17
CNX Nifty Shariah	0.71
Total	**6,240.96**

Your Company provides index and index related services to various stock exchanges, asset management companies, insurance companies, investment banks and other organisations across the globe for business purposes. Apart from the indices being used for Index linked funds and trading of index based derivative contracts, the indices of your Company are being used by the asset management companies for benchmarking the performance of their funds. During the year, your Company provided licenses to various Clients for using your Company's indices as underlying for their products. These clients issue products such as index linked notes / certificates, index linked bonds, index linked certificates of deposit, Exchange Traded Funds (ETFs), etc., using IISL Indices as the underlying for their products. Your Company also provides annual licenses to its Clients who issue many structured products with IISL indices as underlying for such products.

In continuation of its efforts to develop indices that meet the requirements of market participants, your Company launched 3 new strategy indices during the year viz. CNX Alpha Index, CNX Beta Index and CNX Volatility index.

In order to expand the global reach, your Company signed a letter of intent with an international stock exchange for introduction of Nifty linked derivatives contract.

Products:

The financial products based on IISL indices currently available are:

(I) Derivative Contracts:

1. Futures and Options on CNX Nifty index traded on the NSE & SGX.
2. Futures and Options on CNX IT Index traded on the NSE.
3. Futures and Options on CNX Bank Index traded on the NSE.
4. Futures and Options on CNX PSE Index traded on the NSE.
5. Futures and Options on CNX Infrastructure Index traded on NSE.
6. Futures on CNX Nifty Index traded on the CME

(II) Mutual Fund Products:

1. Index Funds based on-
   - CNX Nifty Index

- CNX Nifty Junior Index
- CNX 500 Index
- CNX Dividend Opportunities Index

2. Exchange Traded Funds (ETFs) based on-
   - CNX Nifty Index
   - CNX Nifty Junior Index
   - CNX 100 Index
   - CNX Bank Index
   - CNX Midcap Index
   - CNX PSU Bank Index
   - CNX Infrastructure Index
   - CNX Nifty Shariah Index
3. Active funds using IISL indices as benchmarks
4. Exchange Traded Notes (ETNs) based on CNX Nifty Index

(III) Debentures and insurance products based on CNX Nifty Index and CNX Bank Index.

(IV) Other OTC / Structured Products

1. Index Linked Notes / Bonds
2. Index-linked Certificates of Deposit

Operations

During the year under review, the Company has widened the client base that uses IISL Indices and index data. Your Company has the following major sources of income viz. income from licensing indices to stock exchanges for trading in derivative contracts linked to such indices, income from licensing indices to asset management companies for Index Funds/Exchange Traded Funds, income from licensing indices to finance and insurance companies for debentures/ insurance products, income from licensing indices to investment banks for structured products and income from data subscription. The income received from these for the year 2012-13 was ₹ 2,468.69 lakhs. The revenues of your Company have increased from ₹ 2,645.92 lakhs in 2011-12 to ₹ 2,888.78 lakhs in 2012-13. The total outflow of the Company was ₹ 470.63 lakhs in 2012-13 as compared to ₹ 479.90 lakhs in 2011-12.

Future Outlook

The marketing and branding agreement entered between S&P and IISL expired on January 31, 2012. Moreover, opportunity loss in licensing indices in non Financial Action Task Force (FATF) region, revenue loss on account of change in Shariah Screening partner after the expiration of agreement with S&P, decline in global derivatives turnover on exchanges, increased competition will also impact IISL's revenue from licensing indices. Considering the various regulatory and business uncertainties globally and in domestic

markets, future prospects in terms of growth in volumes in the near and medium term look challenging. Also with the slow recovery of the economy and poor projected growth rate, the prospects further look equally difficult.

II. FINANCIAL RESULTS

The Company has earned a net profit after tax of ₹ 1,687.53 lakhs as per particulars given below:-

(₹ In Lakhs)

Particulars	2012-13	2011-12
Income	2,888.78	2,645.92
Expenditure before Depreciation	470.63	479.89
Profit before depreciation, prior-period adjustment and tax	2,418.15	2,166.03
Depreciation	0.66	2.09
Profit before tax	2,417.49	2,163.94
Provision for tax	729.96	659.72
Net Profit after tax	1,687.53	1,504.22
Surplus brought forward from previous year	187.28	164.36
Amount available for appropriation	1,874.81	1,668.58
General Reserve	168.76	1,300.00
Proposed Dividend	156.00	156.00
Corporate Dividend Tax	26.51	25.30
Balance carried forward to Balance Sheet	1,523.54	187.28

III. DIVIDEND

In view of the above results, your Directors recommend payment of dividend of ₹ 12/- per share for the year 2012-13.

IV. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr.Ravi Narain and Ms. Roopa Kudva retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The Board recommends the re-appointment of Mr.Ravi Narain and Ms. Roopa Kudva as Directors on the Board of IISL by the members.

V. HOLDING COMPANY

During the year under review, NSE Strategic Investment Corporation Limited, a subsidiary of National Stock Exchange of India Limited (NSEIL) established inter alia to make or hold strategic investments in the equity shares and/or other securities of NSE group companies, acquired 51% equity shares of the Company from NSEIL, thereby making it the immediate holding Company and NSEIL as the ultimate holding Company.

VI. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that –

i. in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year i.e., 31st March, 2013 and of the profits of the Company for that year;

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and the Directors had prepared the annual accounts on a going concern basis.

VII. AUDIT COMMITTEE

Since the paid up capital of the Company is ₹ 1.30 crores only, it is not mandatory for the Company to constitute an Audit Committee as per the provisions of Section 292A of the Companies Act, 1956.

VIII. AUDITORS

M/s. K. S. Aiyar & Co., Chartered Accountants, Mumbai, will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

The Board recommends the re-appointment of M/s. K. S. Aiyar & Co., Chartered Accountants, Mumbai as Auditors of the Company by the members at the forthcoming Annual General Meeting.

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

a) Conservation of Energy and Technology Absorption:

As the Company does not fall under any of the industries listed out in the Schedule appended to Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988,the requirements of disclosure of particulars with respect to conservation of energy and technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with the aforesaid Rules are not applicable to the Company.

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

The foreign exchange earnings during the year were ₹ 1,548.71 lakhs. There was foreign exchange outgo of ₹ 46.83 lakhs.

X. PARTICULARS OF EMPLOYEES

A statement prepared pursuant to requirements of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is attached herewith.

XI. CERTIFICATE OF COMPLIANCE

A certificate of compliance for the financial year 2012-13, as required by the provisions of the Companies Act, 1956, obtained from M/s. S.N. Ananthasubramanian & Co., Practicing Company Secretaries, is attached herewith.

XII APPRECIATION

The Board of Directors wishes to place on record their appreciation of the support and co-operation received from NSEIL, CRISIL, members of the Index Policy Committee and Index Maintenance Sub-committee, Bankers of the Company, business associates and the valued clients and looks forward to their continued support and co-operation. The Board of Directors also wishes to thank the staff at all levels for their exemplary dedication, support and co-operation to the continued growth of the Company.

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

Place : Mumbai
Date : May 16, 2013

ANNEXURE TO DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH

COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975

Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (₹)		Experience (No.of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
1	Mr. Suresh Narayan B.Com, Grad. CWA	43	Director & CEO	1990968	1487296	23	January 24, 2005	Manager, National Securities Depository Limited

Notes :

1 Gross Remuneration includes Salary and other benefits, Company's contribution to Provident Fund, Superannuation Fund, taxable value of perquisites, etc. Net remuneration represents gross remuneration less Company's contribution to provident and superannuation funds, taxable value of perquisites, profession tax and income tax. Where applicable, the amount also includes certain allowances accrued during previous year(s) but claimed in the current year.

2 Besides the above, variable pay pertaining to FY 2011-12 amounting to ₹ 21,56,155 and leave encashment amounting to ₹ 3,90,940/- was paid to Mr. Suresh Narayan during FY 2012-13.

3 The above employee is not a relative of any Director.

4 The above employee was on deputation basis from the Company's holding company i.e. National Stock Exchange of India Limited (NSEIL) for part of the year and the remuneration mentioned above in respect of him has been reimbursed to NSEIL by the Company.

5 None of the employees is holding equity shares in the Company within the meaning of sub-clause (iii) of clause (a) of sub-section (2A) of Section 217 of the Companies Act, 1956.

6 The Company does not have any Employees Stock Option Plan (ESOP) Scheme for its employees.

COMPLIANCE CERTIFICATE

S. N. ANANTHA SUBRAMANIAN & CO. COMPANY SECRETARIES

10/26, BRINDABAN, THANE - 400 601

Tel 25345648 / 2543 2704 : Fax 2539 0292 - email sna@snaco.net: website www.snaco.net

COMPLIANCE CERTIFICATE FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2013

To,

The Board of Directors

INDIA INDEX SERVICES AND PRODUCTS LIMITED

Exchange Plaza, C-1, Block G,

Bandra Kurla Complex,

Bandra (East), Mumbai 400051.

CIN: U73100MH1998PLC114976

Nominal Capital: ₹ 1,50,00,000/-

Paid-up Capital: ₹ 1,30,00,000/-

We have examined the registers, records, books and papers of **INDIA INDEX SERVICES AND PRODUCTS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2013. In our opinion and to the best of our information and according to the examinations, carried out by us and explanations furnished to us by the Company, its officers, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.

2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.

3. The Company being a Public Limited Company, following comments under this paragraph viz., the Company has a minimum prescribed paid-up capital and its maximum number of members during the said financial year were upto fifty and the Company during the year under review:

   (i) has not invited public to subscribe for its shares or debentures; and

(ii) has not invited or accepted any deposits from persons other than its members, Directors or their relatives

(iii) is prohibited from making any invitation or acceptance of any deposits from persons other than its members, Directors or their relatives " are not required.

4. The Board of Directors of the Company duly met four times respectively on 26th April 2012, 8th August 2012, 1st November 2012 and 29th January 2013. In respect of these meetings proper notices were given, the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

5. The Company has not closed its Register of Members as it was not required to do so.

6. The 14th Annual General Meeting for the financial year ended on 31st March 2012 was held on 8th August 2012 after obtaining consent from members of the Company for shorter notice and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.

7. After obtaining consent from members for shorter notice an Extra- Ordinary General Meeting was held on 27th November 2012 and the resolution passed thereat was duly recorded in the Minutes Book maintained for the purpose.

8. The Company has not advanced any loans to its Directors or persons or firm or companies referred to under Section 295 of the Act.

9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.

10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.

11. As there were no instances falling within the purview of Section 314 of the Act, the Company was not required to obtain approval from the Board of Directors, Members or Central Government, as the case may be.

12. The Company has not issued any duplicate share certificate(s) during the financial year under review.

13. The Company

i. delivered the certificates of equity shares lodged for transfers in accordance with the provisions of the Act during the financial year under review.

ii. had deposited the amount of dividend declared at the Annual General Meeting in a separate bank Account within five days from the date of declaration of dividend.

iii. has paid dividend to all members within a period of 30 (thirty) days from the date of declaration and there were no unclaimed/ unpaid dividend required to be transferred to unpaid dividend account of the Company.

iv. does not have amounts in the unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years and hence transferring of the same to the Investor Protection Fund does not arise.

v. has duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted and appointment of additional director by the Board, appointment of additional director as director and re-appointment of directors by the shareholders were duly made.

15. Mr. Suresh Narayan resigned as Whole-time Director of the Company w. e. f. 26th April 2012 and no person has been appointed in his place. In terms of Section 269 of the Act the Company is not required to appoint Managing Director / Whole-time Director.

16. The Company has not appointed any sole selling agents during the financial year under review.

17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and / or such other authorities prescribed under the various provisions of the Act during the financial year.

18. The Directors have disclosed their interest in other firms / companies to the Board of Directors and complied with the provisions of the Act and the rules made therunder.

19. The Company has not issued any shares, debentures or other securities during the financial year.

20. The Company has not bought back any shares during the financial year.

21. The Company has not issued any Preference Shares or Debentures and hence redemption, if any, of Preference Shares or Debentures does not arise.

22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.

23. The Company has not invited/accepted any deposits including any unsecured loans within the purview of Section 58A during the financial year under review.

24. The Company has not made any borrowings during the financial year ended 31st March 2013.

25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.

The Company has made investments which are in compliance with the provisions of the Section 372A of the Act and necessary entries have been made in the register kept for the purpose.

26. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to situation of the Company's registered office from one state to another during the year under review.

27. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to the objects of the Company during the financial year under review.

28. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to name of the Company during the financial year under review.

29. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to share capital during the financial year under review.

30. The Company has altered the Articles of Association of the Company after obtaining approval of members at the Extra- Ordinary General Meeting held on 27th November 2012 and the amendments to the Articles of Association have been duly filed with the Registrar of Companies.

31. There were no prosecutions initiated against or show cause notices received by the Company for offences under the Act and no fines or penalties or any other punishment was imposed on the Company, during the financial year under review.

32. The Company has not received any money as security from its employees during the financial year under review.

33. The Company is not required to comply with the provisions of Section 418 of the Act with regard to employees' and employer's contribution to provident fund.

S. N. Ananthasubramanian
C. P. No.: 1774

Place : Thane
Date : 11th April, 2013

S. N. ANANTHA SUBRAMANIAN & CO. COMPANY SECRETARIES

10/26, BRINDABAN, THANE - 400 601

Tel 25345648 / 2543 2704 : Fax 2539 0292 - email sna®,snaco.net: website www.snaco.net

ANNEXURE A

Registers as maintained by the Company

Sr. No.	Registers	Under Section
1.	Register of Members and Index of Members	150 and 151
2.	Register of Share Transfers	-
3.	Register of Directors, Managing Director(s) and Secretary	303
4.	Register of Directors' Share and Debenture Holdings	307
5.	Register of Charges	143
6.	Register of Contracts	301
9.	Register of Directors' Attendance	-
10.	Register of Shareholders' Attendance	-
11.	Register of Proxies	-
12.	Register of Documents Sealed	-
13.	Minutes Book	193
14.	Books of Accounts	209
15.	Register of documents on which Common Seal was affixed	-
16.	Register of Investments	372A

S. N. Ananthasubramanian

C. P. No. : 1774

Place : Thane

Date : 11th April, 2013

S. N. ANANTHA SUBRAMANIAN & CO. COMPANY SECRETARIES

10/26, BRINDABAN, THANE - 400 601

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ANNEXURE B

Forms and Returns as filed bv the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on 31st March 2013

Sr. No.	Form No.	Particulars	Date of Filing
1.	32	Cessation of Mr. Suresh Narayan as Whole Time Director w.e.f. 26th April, 2012.	24tnMay, 2012
2.	32	Appointment of Mr. Sundararaman Ramamurthy as an Additional Director w.e.f. 6th June 2012.	8tn June 2012
3.	66	Compliance Certificate for the F.Y. ended 31st March 2012.	5tn September, 2012
4.	32	Appointment of Mr. R. Sundararaman as Director at the Annual General Meeting held on 8th August 2012.	5tn September, 2012
5.	20B	Annual Return as on the date of Annual General Meeting held on 8th August 2012.	29in September, 2012
6.	23 AC and ACA	Annual Accounts for the F.Y. ended 31st March 2012.	30tn October 2012
7.	23	Registration of Special Resolution for alteration of Articles passed at the Extra-Ordinary General held on 27th November 2012.	17tn December 2012

S. N. Ananthasubramanian

C. P. No.: 1774

Place : Thane

Date : 11th April, 2013

INDEPENDENT AUDITORS' REPORT

To,

The Members of

INDIA INDEX SERVICES & PRODUCTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **India Index Services & Products Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. As required by section 227(3) of the Act, we report that:

   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.

   e) on the basis of the written representations received from the directors, as on March 31, 2013, and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2013 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

For K. S. Aiyar & Co,
Chartered Accountants
Registration No: 100186W

Sachin A. Negandhi
Partner
Membership No.: 112888

Place : Mumbai.
Date : May 16, 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2013, of **India Index Services & Products Limited)**

In our opinion, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us during the normal course of audit, which were necessary to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) A substantial portion of the fixed assets have been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) No fixed assets are disposed during the year. Hence there is no effect on the going concern status of the Company

(ii) The Company is a service Company and therefore does not maintain any inventory; the directions in this regard are therefore not applicable.

(iii) (a) The Company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause

(b), (c) and (d) of clause (iii) are not applicable.

(e) As informed, the Company has not taken any loans, secured or unsecured from the companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (f) and (g) of clause (iii) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and with regard to the sale of goods and services.

During the course of our audit, no major weakness has been noticed in the internal controls.

(v) (a) In our opinion and according to the information and explanations given to us, there are no transactions or arrangements as referred to in section 301 of the Companies Act, 1956 that have to be required to be maintained under that section. Sub clause (b) of clause (v) is not applicable.

(vi) The Company has not accepted any deposit from the public and consequently the directives issued by the Reserve Bank of India, provisions of section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the Company. No order has been passed by the Company Law Board, National Law Tribunal or Reserve Bank of India or any other court or any other tribunal.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of services carried out by the Company.

(ix) (a) During the year there were no employees in the employment of the Company. Accordingly the directions relating to Provident Fund and Employee's State Insurance are not applicable to the Company. Further, based on our examination of the records maintained during the year, the Company is not liable to make any payments towards Investor Education Protection Fund, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess. The Company has been generally regular in depositing Income Tax and Service Tax dues along with cess thereon with the appropriate authority.

(b) According to the records of the Company, Sales tax, Income-tax, Customs duty, Wealth tax, Service tax, Excise duty and Cess which have not been deposited on account of any dispute, are as follows:

Name of Statute (Nature of dues)	Year to which the amount relates	Forum where the dispute is pending	Amount (₹)
Income Tax (Tax / Interest)	2003-04 2006-07 2007-08	Assessing Officer	145 54,99,092 1,24,60,897
	2009-10	Commissioner of Income Tax (Appeals)	16,454

(x) The Company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xi) The Company has neither taken any loans from any bank or financial institution nor issued any debentures.

(xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.

(xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) The Company has not raised any term loans.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money by way of public issue during the period. Therefore, the provision of clause (xx) of the order is not applicable to the Company.

(xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.

For K. S. Aiyar & Co,
Chartered Accountants
Registration No: 100186W

Sachin A. Negandhi
Partner
Membership No.: 112888

Place : Mumbai
Date : May 16, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

		NOTE		As at 31.03.2013 ₹		As at 31.03.2012 ₹
I	Equity and liabilities					
1	Sharholders' funds					
a	Share Capital	3		13,000,000.00		13,000,000.00
b	Reserves and surplus	4		621,229,885.26		470,728,165.51
				634,229,885.26		483,728,165.51
2	Non-current liabilities					
	Deferred tax liabilities (net)	8		-		1,316.33
3	Current liabilities					
a	Trade payables	5		20,483,474.32		15,074,030.86
b	Other current liabilities	6		5,793,322.00		1,467,637.00
c	Short-term provisions	7		24,503,637.96		18,831,477.90
				50,780,434.28		35,373,145.76
	TOTAL			685,010,319.54		519,102,627.60
II	Assets					
1	Non-current assets					
a	Fixed assets	9				
	Tangible assets		69,396.97		134,903.01	
	Intangible assets		-	69,396.97	-	134,903.01
b	Non-current investments	10		16,790,052.58		29,580,559.00
c	Deferred tax assets (net)	12		2,806.67		-
d	Other Non-current assets	14		52,895,529.00		26,880,770.00
				69,757,785.22		56,596,232.01
2	Current assets					
a	Current investments	11		466,769,000.41		185,051,690.47
b	Trade receivable	13		21,438,454.00		19,150,284.45
c	Cash and bank balances	15		76,078,103.59		220,541,430.26
d	Other Current assets	14		50,966,976.32		37,762,990.41
				615,252,534.32		462,506,395.59
	TOTAL			685,010,319.54		519,102,627.60

Summary of significant accounting policies (Note 2)

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

As per our report of even date attached

For K. S. AIYAR & CO.
Chartered Accountants
Registration No: 100186W

SACHIN A. NEGANDHI
Partner
Membership Number: 112888

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

J. RAVICHANDRAN
Director

R. SUNDARARAMAN
Director

ROOPA KUDVA
Director

MUKESH AGARWAL
Director

RAMAN UBEROI
Director

Place : Mumbai
Date : May 16, 2013

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	NOTE	For the year ended 31.03.2013 ₹	For the year ended 31.03.2012 ₹
Income			
Revenue from operations	16	246,868,817.00	229,692,694.00
Other income	17	42,008,707.03	34,899,282.81
Total Revenue (I)		288,877,524.03	264,591,976.81
Expenses			
Other expenses	18	47,063,201.24	47,989,770.53
Depreciation	9	65,506.04	208,197.07
Total Expenses (II)		47,128,707.28	48,197,967.60
Profit before tax		241,748,816.75	216,394,009.21
Less : Provision for tax			
Current tax		73,000,000.00	66,000,000.00
Deferred tax		(4,123.00)	(28,412.00)
Total tax expenses		72,995,877.00	65,971,588.00
Profit after tax		168,752,939.75	150,422,421.21
Basic		129.81	115.71
Diluted		129.81	115.71

Summary of significant accounting policies (Note 2)

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

As per our report of even date attached

For K. S. AIYAR & CO.
Chartered Accountants
Registration No: 100186W

SACHIN A. NEGANDHI
Partner
Membership Number: 112888

Place : Mumbai
Date : May 16, 2013

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

J. RAVICHANDRAN
Director

R. SUNDARARAMAN
Director

ROOPA KUDVA
Director

MUKESH AGARWAL
Director

RAMAN UBEROI
Director

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

		2012-2013 ₹	2011-2012 ₹
A)	CASHFLOW FROM OPERATING ACTIVITIES		
	NET PROFIT BEFORE TAX	241,748,816.75	216,394,009.21
	Add : Adjustments for :		
	- Depreciation	65,506.04	208,197.07
	- Sundry Balances written off	1.40	0.46
	- Amortisation of Premium on Govt/Debt Sec.	310,710.00	311,562.00
	Less : Adjustments for :		
	- Interest on Investments	(1,788,013.70)	(2,296,876.71)
	- Interest income on Fixed deposits	(21,460,850.88)	(16,037,577.22)
	- Dividend From Mutual Funds	(6,815,220.40)	(10,179,964.76)
	- Profit on redemption of investment	(9,756,492.13)	(4,051,073.93)
	- Sundry Balances Written Back	-	(2,340.69)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	202,304,457.08	184,345,935.43
	Adjustments for :		
	Sundry Debtors	(2,288,170.95)	(8,462,717.76)
	Loans & Advances	(17,395,010.00)	(3,084,473.00)
	Current Liabilities & Provisions	9,735,128.46	4,741,565.99
	CASH GENERATED FROM OPERATIONS	192,356,404.59	177,540,310.66
	Direct Taxes paid	(67,448,349.94)	(67,583,616.39)
	NET CASH FROM OPERATING ACTIVITIES - Total (A)	124,908,054.65	109,956,694.27
B)	CASHFLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets (net)	-	(18,730.33)
	(Increase)/Decrease in Investment	(120,607,852.39)	(116,996,481.60)
	Interest received on deposits	25,144,888.67	7,765,440.35
	Dividend From Mutual Funds	6,815,220.40	10,179,964.76
	Interest on Investments	2,295,000.00	2,745,000.00
	NET CASH FROM INVESTING ACTIVITIES - Total (B)	(86,352,743.32)	(96,324,806.82)

		2012-2013 ₹	2011-2012 ₹
C)	CASHFLOW FROM FINANCING ACTIVITIES		
	Dividend Paid	(15,600,000.00)	(11,700,000.00)
	Dividend Distribution Tax	(2,530,710.00)	(1,898,040.00)
	NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)	(18,130,710.00)	(13,598,040.00)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	20,424,601.33	33,847.45
	CASH AND CASH EQUIVALENTS : OPENING BALANCE	852,990.26	819,142.81
	CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE	21,277,591.59	852,990.26
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	20,424,601.33	33,847.45

Notes to Cash Flow Statement :

1. Cash and cash equivalent represent cash, bank balances and balance in fixed deposit account as per balance sheet
2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements.
3. All figures in brackets are outflows
4. Previous Years figures have been regrouped/restated wherever necessary
5. Direct taxes Paid/ Refunded are treated as arising from operating Activities and not bifurcated between investing and financing activities.

As per our report of even date attached

For K. S. AIYAR & CO.
Chartered Accountants
Registration No: 100186W

SACHIN A. NEGANDHI
Partner
Membership Number: 112888

Place : Mumbai
Date : May 16, 2013

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

J. RAVICHANDRAN
Director

R. SUNDARARAMAN
Director

ROOPA KUDVA
Director

MUKESH AGARWAL
Director

RAMAN UBEROI
Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

1 The main objective of the Company is to develop, construct, compile, compute and maintain equity and commodity indices for domestic and international dissemination, marketing and market development and to provide very high quality indices and index related services.

2 **Significant Accounting Policies :**

a) The accounts are maintained on a mercantile basis in accordance with generally accepted accounting principles. The financial statements comply in all material respect with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.

b) **Fixed Assets & Depreciation:**

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

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

Assets	Estimated Useful Lives
Computer Systems – Office Automation	3 years
Computer Systems – Others	4 years
Telecommunication Systems	4 years
Furniture & Fixtures	5-16 years
Office Equipments	4-21 years
Computer Software	3-5 years

c) **Foreign Currency Transactions:**

Transactions in foreign currency are recorded at the rate of exchange in force at the date of transaction.

Foreign currency assets and liabilities other than for financing fixed assets are stated at the rate of exchange prevailing at the year end and resultant gains/losses are recognised in the profit and loss account except in cases covered by forward exchange contracts in which case these are translated at the contracted rates and the resultant gains/losses are recognised over the life of the contracts.

d) **Revenue Recognition:**

The Company recognises the revenue on account of subscription fees with respect to the period of the contract on an accrual basis.

Subscription fees received in respect of unexpired period of the contract is treated as a current liability and is recognised as income in the respective period.

e) **Investments :**

(i) Long Term Investments are considered as held till maturity and are valued at cost.

(ii) Current Investments are valued at cost or fair value whichever is lower.

(iii) Premium paid/discount received at the time of acquisition of Government / Debt Securities is amortised over the residual period of its maturity.

f) **Taxation :**

Tax expense for the year, comprising of current tax and deferred tax is included in determining the net profit / (loss) for the year.

A provision is made for the current tax based on tax liability computed in accordance with prevailing tax rates and tax laws. A provision / accrual is made for deferred tax for all timing differences arising between taxable income and accounting income at the Balance Sheet Date based on prevailing enacted or substantively enacted tax rates.

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

3 **Share Capital**

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Authorised	15,000,000.00	15,000,000.00
15,00,000 (Previous Year 15,00,000) Equity Shares of ₹ 10 Each.		
Issued, Subscribed and Paid-up		
13,00,000 (Previous year 13,00,000) Equity shares of ₹ 10 each fully paid up.		
	13,000,000.00	13,000,000.00
Total	13,000,000.00	13,000,000.00

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

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of directors, in their meeting of May 16, 2013, proposed a dividend of ₹ 12/- per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended March 31, 2013 amounted to ₹ 1,56,00,000/- excluding Dividend Distribution Tax.

During the year ended March 31, 2012 , the amount of per share dividend recognised as distribution to equity shareholders was ₹ 12/- per share. The dividend appropriation for the year ended March 31, 2012 amounted to ₹ 1,56,00,000/- excluding Dividend Distribution Tax.

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

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

	31 March, 13		31 March, 12	
	No.	% holding	No.	% holding
NSE Strategic Investment Corporation Ltd. (from 28.03.13)	663,000.00	51	-	-
National Stock Exchange of India Limited (upto 27.03.13)	-	-	663,000.00	51
Crisil Limited	637,000.00	49	637,000.00	49

4 Reserve and surplus

	As at 31.03.2013 ₹		As at 31.03.2012 ₹	
General reserve				
As per last balance sheet	452,000,000.00		322,000,000.00	
Add : Transferred from profit & loss account	16,875,294.00	468,875,294.00	130,000,000.00	452,000,000.00
Surplus/(deficit) in the statement of profit and loss				
Balance as per last financial statements	18,728,165.51		16,436,454.30	
profit for the year	168,752,939.75		150,422,421.21	
Less : Appropriations				
Transfer to general reserve	16,875,294.00		130,000,000.00	
Proposed dividend	15,600,000.00		15,600,000.00	
Tax on proposed dividend	2,651,220.00	152,354,591.26	2,530,710.00	18,728,165.51
Total reserves and surplus		621,229,885.26		470,728,165.51

5 Trade payables

	Long - term		Short - Term	
	As at 31.03.2013 ₹	As at 31.03.2012 ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Sundry creditors	-	-	16,855,500.32	13,337,181.86
Provision For Expenses	-	-	3,627,974.00	1,736,849.00
Total	-	-	20,483,474.32	15,074,030.86

6 Other liabilities

	Long - term		Short - Term	
	As at 31.03.2013 ₹	As at 31.03.2012 ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Income received in advance	-	-	3,775,594.00	100,000.00
Tax deducted at source - payable	-	-	1,480,560.00	948,490.00
Service Tax - payable	-	-	537,168.00	419,147.00
Total	-	-	5,793,322.00	1,467,637.00

7 Provision

	Long - term		Short - Term	
	As at 31.03.2013 ₹	As at 31.03.2012 ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Proposed dividend	-	-	15,600,000.00	15,600,000.00
Corporate dividend tax	-	-	2,651,220.00	2,530,710.00
Provision for Tax (Net of Advance Taxes paid)	-	-	6,252,417.96	700,767.90
Total	-	-	24,503,637.96	18,831,477.90

8 Deferred Tax liabilities (net)

	As at 31.03.2013 ₹		As at 31.03.2012 ₹	
Deferred Tax Liabilities				
Related to depreciation and other expenditure	-		1,316.33	
Related to other items	-		-	
Total		-		1,316.33

NOTES FORMING PART OF THE BALANCE SHEET
Note-9 : Fixed Assets

(₹)

SR.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As On 1/Apr/12	Additions Apr-Mar-13	Deletions	As On 31/Mar/13	As On 1/Apr/12	For the year	Deletions / Adjust-ments	As On 31/Mar/13	As On 31/Mar/13	As On 31/Mar/12
	TANGIBLE ASSETS										
1	COMPUTER SYSTEMS	3,685,768.73	-	-	3,685,768.73	3,599,970.61	50,017.54	-	3,649,988.15	35,780.54	85,798.12
2	FURNITURE & FIXTURES	12,001.00	-	-	12,001.00	10,348.41	759.68	-	11,108.09	892.91	1,652.59
3	OFFICE EQUIPMENTS	58,915.00	-	-	58,915.00	11,462.70	14,728.78	-	26,191.48	32,723.52	47,452.30
	TOTAL (A)	3,756,684.73	-	-	3,756,684.73	3,621,781.72	65,506.00	-	3,687,287.72	69,396.97	134,903.01
	INTANGIBLE ASSETS										
4	COMPUTER SOFTWARE	1,443,060.00	-	-	1,443,060.00	1,443,060.00	-	-	1,443,060.00	-	-
	TOTAL (B)	1,443,060.00	-	-	1,443,060.00	1,443,060.00	-	-	1,443,060.00	-	-
	TOTAL (A+B)	5,199,744.73	-	-	5,199,744.73	5,064,841.72	65,506.00	-	5,130,347.72	69,396.97	134,903.01
	PREVIOUS YEAR	5,950,878.53	33,400.00	784,533.80	5,199,744.73	5,626,508.78	208,197.07	769,864.13	5,064,841.72	134,903.01	

NOTES FORMING PART OF THE BALANCE SHEET
Note 10 : Non Current Investments (At Cost)

	Maturity Date	Number of Units	Face Value per Unit ₹	Face value ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹
QUOTED						
BONDS						
Taxfree						
6.85% India Infrastructure Finance Company Limited - 2014	22-Jan-14	100.000	100,000.00	10,000,000.00	-	10,084,403.00
9%-Indian Railway Finance Corporation-2015	28-Feb-15	10.000	1,000,000.00	10,000,000.00	10,505,052.58	10,769,156.00
MUTUAL FUNDS						
Reliance Fixed Horizon Fund - XXI - Series 18-Growth Plan	3-Apr-13	440,000.000	10.00	4,400,000.00	-	4,400,000.00
JPMorgan India Fixed Maturity Plan 400D Series 6 - Growth Plan	4-Apr-13	432,700.000	10.00	4,327,000.00	-	4,327,000.00
Sundaram Fixed Term Plan DF 396 Days Direct Growth	7-Apr-14	628,500.000	10.00	6,285,000.00	6,285,000.00	-
Total				35,012,000.00	16,790,052.58	29,580,559.00

Note : Aggregate Market Value of the quoted investments is ₹ 1,71,18,608/- (Previous Year : ₹ 2,96,24,896/-)

NOTES FORMING PART OF THE BALANCE SHEET

Note 11 : Current Investments (At Cost)

	Maturity Date	Number of Units	Face Value per Unit ₹	Face value ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹
QUOTED						
BONDS						
Taxfree						
6.85% India Infrastructure Finance Company Limited - 2014	22-Jan-14	100.000	100,000.00	10,000,000.00	10,037,796.11	-
Taxable						
7.10% POWER FINANCE CORPORATION 2012 TAXABLE SERIES 67 BONDS	15-Jul-12	10.000	1,000,000.00	10,000,000.00	-	10,000,000.00
MUTUAL FUNDS						
BIRLA SUN LIFE FIXED TERM PLAN SERIES DB GROWTH	21-May-12	515,000.000	10.0000	5,150,000.00	-	5,150,000.00
ICICI PRUDENTIAL FMP SERIES 57 - 1 YEAR PLAN A CUMULATIVE	4-Jun-12	1,000,000.000	10.0000	10,000,000.00	-	10,000,000.00
SBI DEBT FUND SERIES - 367 DAYS - 11 - GROWTH	23-Nov-12	1,000,000.000	10.0000	10,000,000.00	-	10,000,000.00
RELIANCE FIXED HORIZON FUND - XXI - SERIES 14-GROWTH PLAN	26-Nov-12	1,000,000.000	10.0000	10,000,000.00	-	10,000,000.00
SUNDARAM FIXED TERM PLAN CB 366 DAYS GROWTH	3-Dec-12	1,000,000.000	10.0000	10,000,000.00	-	10,000,000.00
DSP BLACKROCK FMP - SERIES 23 - 12M - GROWTH	13-Dec-12	790,000.000	10.0000	7,900,000.00	-	7,900,000.00
HDFC FMP 370D JANUARY 2012 (2) - GROWTH - SERIES XIX	14-Jan-13	940,000.000	10.0000	9,400,000.00	-	9,400,000.00
ICICI PRUDENTIAL FMP SERIES 62 - 1 YEAR PLAN B CUMULATIVE	25-Feb-13	1,000,000.000	10.0000	10,000,000.00	-	10,000,000.00
UTI FIXED TERM INCOME FUND - SERIES X - IX (368 DAYS) - GROWTH PLAN	25-Feb-13	1,000,000.000	10.0000	10,000,000.00	-	10,000,000.00
ICICI PRUDENTIAL FMP SERIES 62 - 1 YEAR PLAN C CUMULATIVE	1-Mar-13	1,000,000.000	10.0000	10,000,000.00	-	10,000,000.00
RELIGARE FMP Series XIII Plan A - 370 Days - Growth	6-Mar-13	570,000.000	10.0000	5,700,000.00	-	5,700,000.00
RELIANCE FIXED HORIZON FUND - XXI - SERIES 18-GROWTH PLAN	3-Apr-13	440,000.000	10.0000	4,400,000.00	4,400,000.00	-
JPMORGAN INDIA FIXED MATURITY PLAN 400D SERIES 6 - GROWTH PLAN	4-Apr-13	432,700.000	10.0000	4,327,000.00	4,327,000.00	-
BARODA PIONEER FIXED MATURITY PLAN - 366 DAYS - SERIES A - GROWTH	6-Mar-14	1,000,000.000	10.0000	10,000,000.00	10,000,000.00	-
Total A					28,764,796.11	108,150,000.00
UNQUOTED						
MUTUAL FUNDS						
AXIS TREASURY ADVANTAGE FUND - INSTITUTIONAL DAILY DIVIDEND		11,565.74	1,000.1143	11,567,057.19	11,567,057.19	10,821,583.97
CANARA ROBECO TREASURY ADVANTAGE FUND - RET - DAILY DIVIDEND		4,824.24	1,240.7102	5,985,483.95	5,985,483.95	5,758,059.09
CANARA ROBECO TREASURY ADVANTAGE FUND - REGULAR - DAILY DIVIDEND		112.99	1,240.7131	140,193.76	140,193.76	-
DWS Cash Opportunities Fund - Reg - Weekly Dividend		526,567.15	10.1055	5,321,199.67	5,321,199.67	4,966,123.29

	Maturity Date	Number of Units	Face Value per Unit ₹	Face value ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹
HDFC Cash Mgmt Fund - Savings Plan - Daily Div		-	-	-	-	1,886.54
ICICI Prudential Flexible Income Plan - Daily Dividend		72,611.30	105.7549	7,678,998.67	7,678,998.67	7,174,778.62
ICICI Prudential Liquid - Super IP - Daily Div		-	-	-	-	1,913.59
JM HIGH LIQUIDITY - REGULAR - DAILY DIVIDEND		413,524.355	10.4302	4,313,141.73	4,313,142.04	-
JM MONEY MANAGER FUND - SUPER PLUS PLAN - DAILY DIVIDEND		801,068.960	10.0053	8,014,963.80	8,014,963.80	7,478,680.06
JPMorgan India Liquid Fund - Super IP - Daily Dividend		-		-	-	1,517.37
JPMorgan India Treasury Fund - Super IP - Daily Dividend		1,224.48	10.0089	12,255.70	12,255.70	11,439.24
Reliance Liquid Fund -Treasury Plan - Institutional Option - Daily Dividend		10,642.48	1,528.7400	16,269,588.88	16,269,588.88	5,940,017.04
Religare Ultra Short Term Fund - IP - Daily Dividend		-	-	-	-	13,369,286.97
Templeton India Ultra Short Bond Fund - IP - Dividend		975,067.70	10.0111	9,761,500.25	9,761,500.25	9,354,123.42
TEMPLETON INDIA ULTRA SHORT BOND FUND SUPER INST PLAN - DAILY DIVIDEND REINVEST		25,770.11	10.0154	258,097.62	258,097.62	-
Templeton India Ultra Short Bond Fund - IP - Weekly Dividend		1,160,273.29	10.1987	11,833,305.84	11,833,305.84	11,331,725.34
TEMPLETON INDIA ULTRA SHORT BOND FUND SUPER INSTITUTIONAL PLAN - WEEKLY DIVIDEND		31,074.58	10.0986	313,809.79	313,809.79	-
UTI Treasury Advantage Fund - IP - Dly Dividend		739.40	1,000.2773	739,607.14	739,607.14	690,555.93
AXIS TREASURY ADVANTAGE FUND - GROWTH - DIRECT PLAN		24,802.4004	1,284.3515	31,855,000.00	31,855,000.00	-
AXIS TREASURY ADVANTAGE FUND - IP - GROWTH		15,850.1730	1,234.4976	19,567,000.00	19,567,000.00	-
ICICI PRUDENTIAL FLEXIBLE INCOME - REGULAR PLAN - GROWTH		246,205.4350	207.4487	51,075,000.00	51,075,000.00	-
JP MORGAN INDIA TREASURY FUND - SUPER IP - GROWTH		4,533,214.8089	14.6907	66,596,000.00	66,596,000.00	-
RELIANCE MONEY MANAGER FUND - GROWTH		22,458.9740	1,555.1913	34,928,000.00	34,928,000.00	-
SBI ULTRA SHORT TERM DEBT FUND - DIRECT PLAN - GROWTH		19,221.8100	1,483.2110	28,510,000.00	28,510,000.00	-
SBI SHDF - ULTRA SHORT TERM - IP - GROWTH		5,651.8500	1,450.1446	8,196,000.00	8,196,000.00	-
SBI SHDF - ULTRA SHORT TERM - REGULAR - GROWTH		16,400.72	1,466.4597	24,051,000.00	24,051,000.00	-
SUNDARAM ULTRA SHORT TERM - DIRECT PLAN - GROWTH		2,403,328.55	15.8393	38,067,000.00	38,067,000.00	-
UTI TREASURY ADVANTAGE FUND - GROWTH		22,699.39	1,539.6893	34,950,000.00	34,950,000.00	-
UTI TREASURY ADVANTAGE FUND GROWTH - DIRECT PLAN		11,488.99	1,566.7179	18,000,000.00	18,000,000.00	-
Total B					**438,004,204.30**	**76,901,690.47**
Total A+B		**23,044,099.88**		**564,881,203.99**	**466,769,000.41**	**185,051,690.47**

12 Deferred Tax assets (net)

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Deferred Tax Assets		
Related to depreciation and other expenditure	2,806.67	-
Related to other items	-	-
Total	2,806.67	-

13 Trade receivables

	Non-current		Current	
	As at 31.03.2013 ₹	As at 31.03.2012 ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Outstanding for a period of over six months				
Unsecured, considered good	-	-	1,380,936.00	-
Other debts				
Unsecured, considered good	-	-	20,057,518.00	19,150,284.45
Total	-	-	21,438,454.00	19,150,284.45

14 Other assets

	Non-current		Current	
	As at 31.03.2013 ₹	As at 31.03.2012 ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Non-current bank balances	52,895,529.00	26,880,770.00	-	-
Other Receivables	-	-	41,647,651.00	24,252,641.00
	52,895,529.00	26,880,770.00	41,647,651.00	24,252,641.00
Other				
Interest accrued on Investments	-	-	578,260.27	1,085,246.57
Interest accrued on Bank deposits	-	-	8,741,065.05	12,425,102.84
	-	-	9,319,325.32	13,510,349.41
Total	52,895,529.00	26,880,770.00	50,966,976.32	37,762,990.41

15 Cash and bank balances

	Non-current		Current	
	As at 31.03.2013 ₹	31.03.2012 ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Cash and cash equivalents				
Balances with banks :				
In current accounts	-	-	21,273,374.59	845,302.26
Deposits with original maturity of less than three months	-	-	-	-
Cash on hand			4,217.00	7,688.00
	-	-	21,277,591.59	852,990.26
Other bank balances				
Deposits with original maturity for more than 12 months	52,895,529.00	26,880,770.00	42,072,197.00	179,483,440.00
Deposits with original maturity for more than 3 months but less than 12 months	-	-	12,728,315.00	40,205,000.00
	52,895,529.00	26,880,770.00	54,800,512.00	219,688,440.00
Amount disclosed under non-current assets	(52,895,529.00)	(26,880,770.00)		
Total	-	-	76,078,103.59	220,541,430.26

NOTE	PARTICULARS	For the year ended 31.03.2013 ₹	For the year ended 31.03.2012 ₹
16	**Revenue from operations**		
	Sale of services		
	Index License Fees Within India		
	: Derivatives Trading	55,232,326.00	76,591,330.00
	: Index Funds/Exchange Traded Funds	28,549,331.00	29,153,191.00
	Index License Fees Outside India	93,561,107.00	81,942,726.00
	ETF Licensing Outside India	14,964,753.00	10,621,531.00
	Data Subscription Fees	27,761,843.00	21,455,616.00
	Revenue Sharing - S & P	26,799,457.00	9,928,300.00
	Total	246,868,817.00	229,692,694.00
17	**Other income**		
	Interest Income on Long Term Investments	1,788,013.70	2,296,876.71
	Interest Income on Bank Deposits	21,460,850.88	16,037,577.22
	Dividend income	6,815,220.40	10,179,964.76
	Net gain / (loss) on sale of current Investment	9,756,492.13	4,051,073.93
	Profit/(Loss) on Foreign Exchange Fluctuation (net)	2,188,129.92	2,331,449.50
	Miscellaneous Income	-	2,340.69
	Total	42,008,707.03	34,899,282.81

NOTE	PARTICULARS	For the year ended 31.03.2013 ₹	For the year ended 31.03.2012 ₹
18	**Other expenses**		
	Deputed Personnel Cost	10,657,108.79	13,389,413.00
	Index Maintenance Charges	9,847,703.80	6,517,894.75
	Index Calculation Service Charges	7,500,000.00	7,500,000.00
	Space & Infrastructure Usage Charges	5,143,824.00	4,531,815.50
	Revenue Sharing - S&P	3,596,710.00	1,708,320.00
	Fees & Subscription	3,512,166.31	2,091,909.04
	Professional Fees	2,430,183.00	7,999,486.30
	Data Usage Charges	2,582,950.00	2,239,500.00
	Electricity Charges	515,385.39	424,735.87
	Travelling & Conveyance expenses	168,852.92	286,163.00
	Lease Line Charges	160,948.48	143,932.56
	Software Expenses	150,886.00	103,744.00
	Auditors Remuneration:		
	- Audit Fees	62,500.00	62,500.00
	- Out of Pocket Expenses	3,515.00	2,283.00
	- For Other Services	5,000.00	-
	Printing & Stationery	25,973.51	80,005.60
	Legal Fees/Expenses	35,180.00	38,420.00
	Postage and Courier	91,854.75	84,831.38
	Telephone & Telex Charges	28,760.96	32,587.50
	Profession Tax	2,000.00	2,000.00
	Amortisation of Premium on Government/ Debt Securities	310,710.00	311,562.00
	Miscellaneous Expenses	230,988.33	438,667.03
	Total	47,063,201.24	47,989,770.53

19 **Contingent Liability:**

On account of disputed matters of Income Tax ₹ 1,80,60,195/- (Previous Year ₹ 2,79,84,910/-) of Fringe Benefit Tax ₹ 100/- (Previous Year ₹ 100/-)

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

21 The Company is paying deputation expenses in respect of the employees, space and infrastructure charges and other reimbursement of expenses to National Stock Exchange of India Limited (NSEIL).

22 In compliance with Accounting Standard 18 - "Related Party Disclosures", the required disclosures are given in the table below:

(a) Names of the related parties and relationship

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	The Ultimate Holding Company
2	NSE Strategic Investment Corporation Limited	Holding Company
3	CRISIL Limited	Joint Venturer with Ultimate Holding Company
4	National Securities Clearing Corporation Limited	Subsidiary of Ultimate Holding Company
5	NSE.IT Limited	Subsidiary of Ultimate Holding Company
6	NSE.IT (US) Limited	Subsidiary of Subsidiary of Ultimate Holding Company

Sr. No.	Related Party	Nature of Relationship
7	DotEx International Limited	Subsidiary of Ultimate Holding Company
8	NSE Infotech Services Limited	Fellow Subsidiary
9	National Commodity Clearing Limited	Subsidiary of Ultimate Holding Company
10	Power Exchange India Limited	Associate Company
11	National Securities Depository Limited	Associate Company
12	Mr Suresh Narayan - Director (till 02nd July 2012)	Key Management Personnel

(b) Names of the related parties and relationship

Name of the Related Party	Nature of Transactions	Year ended 31.03.2013 (₹)	Year ended 31.03.2012 (₹)
National Stock Exchange of India Limited	Reimbursement of expenses for staff on deputation	11,978,927.79	14,473,414.00
	Space and Infrastructure usage charges paid	5,779,596.00	5,007,754.50
	Reimbursement for other expenses incurred	73,079,750.95	67,302,588.61
	Index Calculation Service Charges paid	8,427,000.00	8,272,500.00
	Dividend Paid	7,956,000.00	5,967,000.00
	Index License Fees Received	62,059,541.00	84,480,240.00
	Data Subscription Fees Received	224,720.00	220,600.00
	Outstanding balance included in Current Assets.	5,836,500.00	7,096,644.00
	Outstanding balance included in Current liabilities	15,194,459.32	12,358,665.46
CRISIL Limited	Reimbursement of expenses for staff on deputation	-	295,104.00
	Index License Fees Received	1,247,622.00	624,390.00
	Dividend Paid	7,644,000.00	5,733,000.00
	Outstanding balance included in Current liabilities	-	265,584.00
DotEx International Limited	Payment of fees for right to create indices.	2,902,203.00	2,470,169.00
	Data Subscription Fees received	1,830,389.00	1,667,281.00
	Reimbursement of Conveyance Expense received	5,148.50	-
	Outstanding balance included in Current Assets.	1,647,349.00	1,550,551.00
Key Management Personnel	Gross Remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	2,310,698.00	5,741,523.00

23 In accordance with Accounting Standard 20 - "Earning per Share", the required disclosure is given below.

	Year ended 31.03.2013	Year ended 31.03.2012
Net Profit attributable to Shareholders (₹)	168,752,939.75	150,422,421.21
Weighted Average number of equity shares issued	1,300,000.00	1,300,000.00
Basic earnings per share of ₹ 10/- each (₹)	129.81	115.71

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

24 a) Expenditure in foreign currency:

Particulars	(₹)	
	Current Year	Previous Year
Travelling Expenses	118,939.42	-
Revenue Sharing - S&P	3,596,710.00	1,708,320.00
Fees & Subscription	967,320.00	627,348.00
TOTAL	**4,682,969.42**	**2,335,668.00**

b) Earnings in foreign exchange :

Particulars	(₹)	
	Current Year	Previous Year
Index License Fees Outside India :	93,561,107.00	81,942,726.00
ETF Licensing Outside India:	14,964,753.00	10,621,531.00
Data Subscription Fees:	19,546,063.00	12,881,216.00
Revenue Sharing - S & P:	26,799,457.00	9,928,300.00
TOTAL	**154,871,380.00**	**115,373,773.00**

25 Sundry creditors includes ₹ Nil (Previous Year ₹ 663/-) due to Micro, Small and Medium Enterprises. Total outstanding dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

26 Previous year's figures are regrouped, reclassified and rearranged wherever necessary.

As per our report of even date attached

For K. S. AIYAR & CO.
Chartered Accountants
Registration No: 100186W

SACHIN A. NEGANDHI
Partner
Membership Number: 112888

Place : Mumbai
Date : May 16, 2013

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

J. RAVICHANDRAN
Director

R. SUNDARARAMAN
Director

ROOPA KUDVA
Director

MUKESH AGARWAL
Director

RAMAN UBEROI
Director

NSE INFOTECH SERVICES LIMITED

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

SEVENTH ANNUAL REPORT

2012-13

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BOARD OF DIRECTORS*

Ms. Chitra Ramkrishna	:	Chairperson
Mr. Ravi Narain		
Mr. N. Muralidaran		

CHIEF EXECUTIVE OFFICER	:	Mr. Umesh Jain
AUDITORS	:	M/s. Gokhale & Sathe Chartered Accountants 302/303, Udyog Mandir No. 1 7-C, Bhagoji Keer Marg Mahim, Mumbai 400 016
REGISTERED OFFICE	:	"Exchange Plaza" Plot No. C-1, Block 'G' Bandra-Kurla Complex, Bandra (East) Mumbai - 400 051

* As on April 25, 2013

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Seventh Annual Report and the Audited Accounts of NSE Infotech Services Limited (NSETECH) for the Financial Year ended March 31, 2013.

I. OPERATIONS AND MAJOR EVENTS DURING THE YEAR

Technology has been a key differentiator and a strategic driver for NSE. Towards this, NSE Infotech Services Limited. continues to deliver and maintain technology products and services for NSE. In this year the focus was on processes and discipline and the objective was to ensure internal customer satisfaction which will eventually lead to external customer satisfaction. The objective was to ensure that technology ensures relevance by meeting the expectation of the internal customers in the first place.

Operations Highlights

New Generation Initiatives

Trading F&O – All market machines in Trading F&O segment have been migrated to New Market, hence current capacity augmented to 900 million order messages per day and 450 million trade messages per day from 7th January 2013 onwards. Old markets have been completely decommissioned.

Trading CM Capacity – All market machines in Trading CM segment have been migrated to 6308 servers, hence current capacity augmented to 405 million order messages per day and 216 million trade messages per day from 7th January 2013 onwards.

Trading F&O (New Post Trade) – In line with trading capacity roadmap, New PT has been implemented in two phases during March 2013 & early April 2013. Phase A consists of market data, tick-by-tick data generation and dissemination. Phase B consists of Inquiries, Transactions, Bhavcopy and Interface data.

5th floor Datacenter – State-of-the-art Tier III datacenter on 5th floor with it's IT Infrastructure has been completed as per schedule. Datacenter migration involved movement of storage devices, secondary segment servers and external connectivity. It also involved movement of Trading, Core Production and Internal Applications. Datacenter was made fully operational from February 2013 onwards.

NSE Website – 'nseindia.com', was moved to a new Datacenter infrastructure at TATA Communications Ltd. Datacentre on 9th July 2012. The new infrastructure offers enhanced security, faster processing and enhanced scalability. Traffic was shifted seamlessly to the new Datacenter via Global Traffic Manager (GTM) with zero downtime. Site Shield security service has been implemented through Akamai to prevent site direct from origin attacks.

New Products/Services

PeopleSoft – PeopleSoft solution is currently being implemented as an integrated platform for HR, Absence and Payroll functions. Post implementation, it will replace HR application functionality implemented in Lotus Notes and Payroll functionality implemented in Ramco.

Offer-for-Sale (OFS) – Revisions pursuant to SEBI circular (dated January 25, 2013) was carried out across systems/application and modified OFS framework released to Live on 31st January 2013. Successfully conducted 'Oil India Limited' issue on 1st February 2013.

Feed for Info-vendors – New feature of disseminating 20 depth MBP was introduced in CM and F&O segments in the month of August 2012. The same feature also implemented in CD segment in December 2012.

SME EMERGE (microsite for Small & Medium Enterprises) – It offers opportunities to informed investors to invest in emerging businesses with exciting growth plans, innovative business models and commitment towards good governance and investor interest. Emerge will have customised processes and systems which will help prospective issuers in their journey of metamorphosing into listed public companies. Microsite launched on 14th September, 2012.

Call Auction in illiquid Securities – New feature to enable Call Auction in Illiquid Securities was developed in the Capital Market Trading system. The illiquid securities were made available on the new 5th Market environment in order to de-risk the normal market functioning in August, 2012.

Customer Benefits (incl. self-service)

Sixty30 – Optimisation and process enhancements to ensure timely dissemination of member reports and end of business operations. This was carried out in applications/systems across CM, F&O and CD segments and released for Live on 2nd February 2013.

Announcement module in NEAPS – NEAPS is a web based application designed for companies to interface with the exchange. New feature was provided in NEAPS to enable companies to file announcements, Board Meeting Intimations/Outcome and Corporate Action digitally signed, which were manually processed earlier. This feature enhances the quality and speed of submission and also assists the listed companies to move towards paperless submission of documents.

CTCL Test Environment – In an endeavor to enhance support for development and testing of Trading system CTCL applications, the dedicated test market (CTCL) environment duration has been extended from 5 hours to 14 hours. With this, the environment is now available from 9:00 A.M. till 11:00 P.M.

Member Alert (DWH) – In order to facilitate effective surveillance mechanisms at the Member level, the Exchange implemented transactional alerts based on the trading activity on the Exchange. These transactional alerts are based on significant increase in client activity, sudden trading activity in dormant account, Clients/Group of Client(s), deal in common scrips, Circular Trading, Pump and Dump, Wash Sales, Reversal of Trades, Front Running, Order book spoofing, etc.

Operational Excellence

Trading F&O – NIFTY Futures and Options contracts have been deployed on different market instances thereby ensuring that in case of any downtime with one of the machines only Futures or Options contracts of NIFTY get affected. This change has been implemented on 2nd February 2013.

F&O Trade Contingency – New failover approach has been implemented for matching engine where in a pool of machines are available as stand by servers and in case of contingency any of this server can be used as a backup for the affected machine. The transition can happen in 150 seconds this approach was released to production on 1st December 2012.

Surveillance (CM and F&O) – Applications were ported to Linux infrastructure from existing Itaniuim server configuration. This has led to considerable infrastructure optimisation with substantial increase in throughput of the online surveillance engine to the order of 1.75-2X. In the reports and EOD/BOD

processes the performance improvement has been in the order of 10X. The migration was moved to live on 21st May 2012 for F&O segment and on 28th May 2012 for CM segment.

Risk CM Migration – CM Risk application migrated from existing Itanium/HP-UX servers to Xeon/ LINUX servers. Unix to Linux platform migration to achieve enhanced throughput, reduced latency and optimised cost.

Index Fault Tolerance – NIFTY Index computation migrated to FT (fault tolerant) server for enhanced reliability and more resilience.

BCP Readiness – External, Internal and Table Top BCP mocks were conducted in this financial year which covered Trading, Clearing and Internal System applications. BCM activities were also conducted regularly.

Infrastructure Projects – Key Accomplishments

Software Load Balancer using Trading Access Point (TAP) – Implemented software load balancer using TAP software for CM, F&O, CD & SLBM segments on 2nd March 2013. This has been implemented with single merged build for CM, F&O, CD & SLBM segments. For other segments (WDM, IPO & MFSS), it is planned in month of March 2013. After implementation in all segments, this will eliminate hardware load balancer.

Co-location Technology Enhancement – Project initiated to enhance collocation business with provision of additional 40 half racks to members from Diwali onwards (November2012).

Chennai Regional office IT Migration – Premises Optimisation of NSE's Chennai Regional offices. This involved optimisation of DR site datacenter and BCP workstations. Movement of regional office from Ispahani Centre, Nungambakkam to Arihant Nitco Park, Mylapore as per schedule and fully operational from Diwali onwards (November 2012)

NOW Infrastructure Shifting – NOW application infrastructure shifted to Kohinoor datacenter from BKC datacenter. From November 2012 onwards, NOW application is seamlessly operational from Kohinoor datacenter

HR Updates

The Company has 259 employees. The status of the number of employees during the year 2012-13 is given in the following table:-

Employee Strength as on April 01, 2012	264
Fresh recruitments (April, 2012 –March, 2013)	51
Total Employee Strength	315
Resignations (April, 2012 – March, 2013)	56
Net Employee Strength as on March 31,2013	**259**
Total Requirement	320
No. of TASA's (Trainee Associate System Analysts)	37
No. of Lateral Hires	14

II. FINANCIAL RESULTS

The financial results for the financial year 2012-13 are summarised hereunder:-

Particulars	2012-13 (₹ In lakhs)	2011-12 (₹ in lakhs)
Income	3,933.95	3,933.75
Expenditure other than depreciation	3,834.46	3,856.23
Profit before depreciation and tax	99.49	77.52
Depreciation	0.68	0.54
Profit before tax	98.81	76.98
Provision for taxation	57.43	25.42
Profit after tax	41.38	51.56
Surplus brought forward from previous year	384.96	333.40
Amount available for appropriation	426.34	384.96
Appropriations		
General Reserve	4.14	-
Proposed Dividend	75.00	-
Corporate Dividend Tax	12.75	-
Balance carried to Balance Sheet	334.45	384.96

III. DIVIDEND

In view of the above results, your Directors recommend payment of dividend of ₹ 150/- per share for the year 2012-13.

IV. DIRECTORS

As Mr. N. Muralidaran was appointed as an Additional Director of the Company with effect from April 25, 2013, he holds office till the date of the forthcoming Annual General Meeting. However, he is eligible for appointment as Director by members.

Mr. Ravi Apte and Mr. Umesh Jain ceased to be Directors of the Company consequent upon their resignation from the Board with effect from December 11, 2012 and April 25, 2013 respectively. The Board wishes to place on record its sincere appreciation and gratitude for their valuable contribution made during their tenure as Directors. Mr. Umesh Jain is presently working as Chief Executive Officer of the Company.

Mr. Ravi Narain stepped down as Chaiman of the Company on April 25, 2013. Ms. Chitra Ramkrishna was then elected as Chairperson of the Company.

Ms. Chitra Ramkrishna retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

V. HOLDING COMPANY

During the year under review, NSE Strategic Investment Corporation Limited, (a subsidiary of National Stock Exchange of India Limited (NSEIL) established inter alia to make or hold strategic investments in the equity shares and/or other securities of NSE group companies acquired 100% equity shares of the Company from NSEIL, thereby making it the immediate holding Company and NSEIL as the ultimate holding Company.

VI. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that –

i. in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year i.e., 31st March, 2013 and of the profits of the Company for that year ;

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv. the Directors had prepared the annual accounts on a going concern basis.

VII. AUDIT COMMITTEE

Since the paid up capital of the Company is ₹ 5.00 lakhs only, it is not mandatory for the Company to constitute an Audit Committee as per the provisions of the Companies Act, 1956.

VIII. AUDITORS

M/s. Gokhale & Sathe, Chartered Accountants, Auditors of the Company, retire at the forthcoming Annual General Meeting of the Company and are eligible for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

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

a) **Conservation of Energy and Technology Absorption**:

As the Company does not fall under any of the industries listed out in the Schedule appended to Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, the requirements of disclosure of the particulars with respect to conservation of energy and technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956, read with the aforesaid Rules are not applicable to the Company.

b) Foreign Exchange earnings/outgo:

There were no foreign exchange earnings during the year. However the foreign exchange outgo during the year was ₹ 1.31 lakhs.

X. PARTICULARS OF EMPLOYEES

Statement of Particulars of Employees covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is annexed.

XI. APPRECIATION

Your Directors are grateful for the support and co-operation extended by NSEIL and its group companies. Your Directors would like to place on record their deep appreciation of the contribution made by the employees at all levels to the continued growth of the Company.

For and on behalf of the Board of Directors

Ravi Narain
Chairman

Place : Mumbai
Date : April 25, 2013

ANNEXURE TO DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975

Sr No	Name & Qualifications	Age in Years	Designation / Nature of Duties	Remuneration Received (₹)		Experience (No. of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
1	Mr. N. Muralidaran M.Sc, M.B.A	53	Chief Executive Officer	13,456,013	8,927,394	32	October 1, 2006	Sr. Vice President NSE.IT Limited
2	Mr. G. M. Shenoy B.E, M.F.M	52	Senior Vice President	8,187,693	5,658,935	29	October 1, 2006	Sr. Vice President NSE.IT Limited
3	Mr. M. R. Krishnan M.E., B.TECH.	57	Vice President	6,473,547	4,492,409	34	November 12, 2006	Vice President iSmart International Ltd

Notes:

1. Gross Remuneration includes Salary and other benefits, Company's contribution to Provident Fund, Superannuation Fund, taxable value of perquisites, etc. Net remuneration represents gross remuneration less Company's contribution to provident and superannuation funds, taxable value of perquisites, profession tax and income tax. Where applicable, the amount also includes certain allowances accrued during previous year(s) but claimed in the current year.
2. The employees are in permanent employment of the Company on contractual basis governed by the employment terms & conditions and service rules.
3. None of the employees mentioned above is a relative of any Director.
4. None of the employees is holding any equity share in the Company within the meaning of sub-clause (iii) of clause (a) of sub-section (2A) of Section 217 of the Companies Act, 1956.
5. The Company does not have any Employee Stock Option Plan (ESOP) Scheme for its employees

INDEPENDENT AUDITOR'S REPORT

To
The Members of NSE Infotech Services Limited

Report on the Financial Statements

We have audited the accompanying financial statements of NSE Infotech Services Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;

b. in the case of the Statement of Profit and Loss, of the **Profit** for the year ended on that date; and

c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

   e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Gokhale & Sathe
Chartered Accountants
Firm Regn. No. 103264W

Atul Kale
Partner
Membership No.: 109947

Place : Mumbai
Date : 25th April, 2013

ANNEXURE TO THE AUDITOR'S REPORT

In the Annexure as required by the Companies (Auditors Report) Order 2003 as amended by the Companies (Auditors Report) Amendment Order 2004 issued by the Central Government in terms of Section 227(4A) of the Companies Act 1956, on the basis of the checks, as we considered appropriate, we report on the matters specified in paragraph 4 and 5 of the said order to the extent applicable to the company.

(i) a) The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets for the year under audit in soft (Computerized) form

b) We have been informed that the physical verification of fixed assets was carried out by the management during the year which in our opinion is reasonable having regard to the nature of the assets. We have been informed that no material discrepancy was noted on such verification.

c) The Company has not disposed off any of the Fixed Assets during the year. Therefore, provisions of this clause of the CARO are not applicable.

(ii) Considering the nature of the business and services rendered by the company, clause 4(ii) of the CARO is not applicable.

(iii) The Company has not granted or taken any loan secured or unsecured to or from companies, firms, or other parties covered in register maintained u/s 301. Therefore provision of clause 4(iii) of the CARO is not applicable.

(iv) On the basis of selective checks carried out during the course of our audit, in our opinion and according to the information and explanation given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business with regard to fixed assets and service rendered. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.

(v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into a register in pursuance of section 301 of the Companies Act 1956. Therefore, provision of clause 4 (v) of the CARO is not applicable.

(vi) The Company has not accepted any deposits from public and accordingly the provisions of section 58A, 58AA of the Act, and Rules framed there under and any directive issued by the Reserve Bank of India are not applicable to the Company.

(vii) In our opinion, the company has an internal audit system commensurate with its size and nature of the business.

(viii) Maintenance of Cost Records by the Company has not been prescribed under section 209 (1) (d) of the Companies Act.

(ix) a) The company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Custom Duty, Excise Duty and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in the position to comment upon regularity of otherwise of the company in depositing the same.

b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess which have not been deposited on account of any dispute except the following:

Sr. No.	Name of the Statute	Nature of the dues	Period to which the amount relates	Amount	Forum where dispute is pending
1	Income Tax Act	Fringe Benefit Tax	2007-08	1,36,143	Income Tax Office-10(1)(4)
2	Finance Acts concerning Service Tax	Service Tax	2006-07 to 2008-09	28,06,967	Additional Commissioner of Service Tax, Worli, Mumbai
			2009-10	7,81,711	
			2010-11	2,26,431	

(x) The Company does not have accumulated losses as at 31st March 2013 and it has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of due to any financial institution, bank, or debenture.

(xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, provisions of clause 4(xii) of the CARO are not applicable.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) are not applicable.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Therefore, the provisions of clause 4 (xiv) are not applicable.

(xv) In our opinion, The Company has not given any guarantee for loans taken by others from bank or financial institutions. Therefore, the provisions of clause 4 (xv) are not applicable.

(xvi) The Company has not obtained any term loans and therefore the provisions of clause 4(xvi) are not applicable to the company.

(xvii) According to the information and explanations given to us, the company has not raised any funds on short term basis.

(xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained u/s 301 of the Act. Therefore the provisions of clause 4 (xviii) of CARO are not applicable.

(xix) The Company has not issued any debentures. Therefore the provisions of clause 4 (xix) of CARO 2003 are not applicable

(xx) The Company has not raised any money by public issues. Therefore the provisions of clause 4 (xx) of CARO are not applicable

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Gokhale & Sathe
Chartered Accountants
Firm Regn. No. 103264W

Atul Kale
Partner
Membership No.: 109947

Place : Mumbai
Date : 25th April, 2013

BALANCE SHEET AS AT 31.03.2013

PARTICULARS			NOTE NO.	31.03.2013 (₹)	31.03.2012 (₹)
I		Equity and liabilities			
1		Share holders' funds			
	a	Share Capital	2	500,000.00	500,000.00
	b	Reserves and surplus	3	33,860,017.95	38,496,299.48
				34,360,017.95	38,996,299.48
2		Non-current liabilities			
		Long-term provisions	4	18,893,874.00	16,756,698.00
				18,893,874.00	16,756,698.00
3		Current liabilities			
	a)	Other current liabilities	5	52,909,614.69	39,450,108.90
	b)	Short-term provisions	4	105,845,161.00	93,012,108.75
				158,754,775.69	132,462,217.65
		TOTAL		212,008,667.64	188,215,215.13
I		Assets			
1		Non-current assets			
	a)	Fixed assets	6	192,402.99	170,422.99
	b)	Long-term loans and advances	7	23,700.00	105,372.00
	c)	Deferred tax Assets (net)	8	6,043,858.74	5,775,676.74
				6,259,961.73	6,051,471.73
2		Current assets			
	a)	Current investments	9	18,575,355.40	17,366,150.16
	b)	Short-term loans and advances	7	98,696,270.00	96,701,343.00
	c)	Trade receivable	10	76,303,583.95	63,919,321.95
	d)	Cash and bank balances	11	12,173,496.56	4,176,928.29
				205,748,705.91	182,163,743.40
		TOTAL		212,008,667.64	188,215,215.13

Summary of significant accounting policies (Note 1)

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

As per our report of even date attached

For GOKHALE & SATHE
Chartered Accountants
Firm Reg. No : 103264W

ATUL KALE
Partner
Membership Number: 109947

Place : Mumbai
Date : April 25, 2013

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

UMESH JAIN
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013

PARTICULARS	NOTE NO.	For the year ended 31.03.2013 (₹)	For the year ended 31.03.2012 (₹)
Income			
Revenue from operations	12	392,012,774.00	390,864,427.00
Other income	13	1,382,682.72	2,510,908.75
Total Revenue (I)		393,395,456.72	393,375,335.75
Expenses			
Employee Remuneration & Benefits	14	364,440,387.29	365,669,033.30
Depreciation	6	68,480.00	54,168.00
Other expenses	15	19,005,317.96	19,953,680.57
Total Expenses (II)		383,514,185.25	385,676,881.87
Profit before tax		9,881,271.47	7,698,453.88
Less : Provision for tax			
Current tax		2,000,000.00	3,000,000.00
Deferred tax		(268,182.00)	(2,325,606.00)
Short/ (Excess) provision of tax of earlier years		4,011,110.00	1,868,422.00
Total tax expenses		5,742,928.00	2,542,816.00
Profit after tax		4,138,343.47	5,155,637.88
Basic	22	82.77	103.11
Diluted		82.77	103.11

Summary of significant accounting policies (Note 1)

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

As per our report of even date attached

For GOKHALE & SATHE
Chartered Accountants
Firm Reg. No : 103264W

ATUL KALE
Partner
Membership Number: 109947

Place : Mumbai
Date : April 25, 2013

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

UMESH JAIN
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

		2012-2013 (₹)	2011-2012 (₹)
A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit before tax	9,881,271.47	7,698,453.88
	Add: Adjustments for:		
	Depreciation	68,480.00	54,168.00
	Dividend Received	(1,209,205.24)	(1,158,871.84)
	(Profit)/ Loss on Sale of Investment	-	(1,023,000.00)
	Operating Profit before working capital change	8,740,546.23	5,570,750.04
	Change in Working Capital		
	Decrease / (Increase) in Trade Receivable	(12,384,262.00)	(60,697,549.95)
	Increase in Loans & Advances	4,036,535.00	96,144,925.00
	Increase in Current Liabilities & Provisions	19,655,109.04	(16,868,743.14)
	Cash Generated from Operations	20,047,928.27	24,149,381.95
	Taxes Paid (Including TDS)	(11,960,900.00)	(31,260,080.00)
	Net Cash From Operating Activities - Total (A)	8,087,028.27	(7,110,698.05)
B)	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(90,460.00)	(88,999.99)
	Dividend Received	1,209,205.24	1,158,871.84
	Investment in Mutual Fund	(1,209,205.24)	9,886,175.03
	Cash flow from investing activity - Total (B)	(90,460.00)	10,956,046.88

		2012-2013 (₹)	2011-2012 (₹)
C)	CASH FLOW FROM FINANCING ACTIVITY		
	Cash Flow from Financing Activity - Total (C)	-	-
	Net Increase / (Decrease) In cash & Cash Equivalent	7,996,568.27	3,845,348.83
	Opening balance of Cash & Cash Equivalent	4,176,928.29	331,579.46
	Closing balance of Cash & Cash Equivalent	12,173,496.56	4,176,928.29
	Net Increase / (Decrease) In cash & Cash Equivalent	7,996,568.27	3,845,348.83

Notes to Cash Flow Statement :

1. Cash and cash equivalent represent cash and bank balances.
2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India

As per our report of even date attached

For GOKHALE & SATHE
Chartered Accountants
Firm Reg. No : 103264W

ATUL KALE
Partner
Membership Number: 109947

Place : Mumbai
Date : April 25, 2013

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

UMESH JAIN
Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

1 Significant Accounting Policies :

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention on accrual system and in accordance with the generally accepted accounting principles.

b) Revenue Recognition

(i) Revenue from IT Services is recognized based on the terms agreed with the customers.

(ii) Sales excludes applicable taxes and other levies.

c) Expenditure

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

d) Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses

e) Depreciation

(i) Depreciation on fixed assets is provided using straight line method at the rates specified in schedule XIV to Companies Act, 1956.

(ii) Depreciation is charged on a pro-rata basis for assets purchased during the year.

f) Investments

(i) Long term investments are considered as held till maturity and are valued at cost.

(ii) Short term investments are valued at cost or fair value whichever is lower.

g) Employee Retirement Benefits

(i) **Provident Fund:** The Company has established NSE Infotech Services Limited Employee Provident Fund Trust to which both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively. Company's contribution to the provident fund for all employees, are charged to revenue. In case of any liability arising due to short fall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company.

(ii) **Superannuation:** Superannuation benefit for employees designated as managers and above, as may be applicable is covered by Group Superannuation Scheme with the Life Insurance Corporation of India towards which it annually contributes a sum based on a specified percentage of each covered employees' salary. The contribution paid for the year on the Group Superannuation Scheme is charged to revenue.

(iii) **Gratuity:** The Company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India towards which it annually contributes a sum determined by Life Insurance Corporation of India. The company provides for the defined benefit with respect to gratuity liability based on the present value of defined benefit obligation as reduced by the fair value of plan assets as per the actuarial valuation calculation.

(iv) **Other Long term benefits:** Liability on account of other long term benefits such as Leave encashment is made on the basis of actuarial valuation at the end of the year.

(v) Short term employee benefits are charged to revenue in the year in which the related service is rendered.

h) **Taxation**

(i) A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted tax rates.

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

2 a) **Share Capital**

	31.03.2013 (₹)	31.03.2012 (₹)
Authorised	100,000,000.00	100,000,000.00
1,00,00,000 (Previous Year 1,00,00,000)Equity Shares of ₹ 10 Each.		
Issued, Subscribed and Paid-up		
50,000 (Previous year 50,000) Equity shares of ₹ 10 each fully paid up.	500,000.00	500,000.00
Total	500,000.00	500,000.00

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

	31.03.2013		31.03.2012	
	No.	% holding	No.	% holding
Holding Company				
NSE Strategic Investment Corporation Limited	50,000	100.00%	50,000	100.00%

c) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

	31.03.2013		31.03.2012	
	No.	(₹)	No.	(₹)
At the beginning of the periopd	50,000	500,000.00	50,000	500,000.00
Add: Issued during the period	-	-	-	-
Less: Share boughtback during the year	-	-	-	-
Outstanding at the end of the period	50,000	500,000.00	50,000	500,000.00

d) The Company has only one class of share referred to as equity share having par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

e) In the event of liquidation the holder of equity share will be entitled to receive any of the remaining assets of the company after distribution of all prefencial amounts, however no such amount exist currently. The distribution will be in proportion to the number of equity share held by the share holder.

f) The Board of directors, in their meeting on April 25, 2013, proposed a dividend of ₹150 per equity share for the Financial Year 2012-13. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended March 31, 2013 amounted to ₹ 0.75 crores excluding Dividend Distribution Tax

3 Reserve and surplus

	31.03.2013 (₹)		31.03.2012 (₹)	
General Reserves				
As per last balance Sheet	-		-	
Add : Transferred from Surplus Balance in the statement of profit & loss	413,834.00	413,834.00	-	-
Surplus/(deficit) in the statement of profit and loss				
Balance as per last financial statements	38,496,299.48		33,340,661.60	
Add : Profit for the year	4,138,343.47		5,155,637.88	
Less : Appropriations				
Transfer to General Reserve	413,834.00		-	
Proposed Dividend (refer note 2(f))	7,500,000.00		-	
Tax on Proposed Dividend	1,274,625.00	33,446,183.95	-	38,496,299.48
Total reserves and surplus		33,860,017.95		38,496,299.48

4 Provision

	Long - term		Short - Term	
	31.03.2013 (₹)	31.03.2012 (₹)	31.03.2013 (₹)	31.03.2012 (₹)
(A) Provision for Employee benefits				
Leave encashment	15,979,383.00	13,712,283.00	2,332,567.00	1,698,226.00
Gratuity	2,914,491.00	3,044,415.00	5,339,100.00	5,143,530.00
Salaries & Allowances	-	-	89,398,869.00	86,170,352.75
	18,893,874.00	16,756,698.00	97,070,536.00	93,012,108.75

(B) Other Provision				
Proposed dividend	-	-	7,500,000.00	-
Corporate dividend tax	-	-	1,274,625.00	-
	-	-	8,774,625.00	-
Total (A+B)	18,893,874.00	16,756,698.00	105,845,161.00	93,012,108.75

5 Other liabilities

	Long - term		Short - Term	
	31.03.2013 (₹)	31.03.2012 (₹)	31.03.2013 (₹)	31.03.2012 (₹)
Tax deducted at source - payable	-	-	3,440,750.00	3,401,862.00
Service Tax Payable	-	-	11,440.00	1,896,693.00
Other Payable	-	-	49,457,424.69	34,151,553.90
Total	-	-	52,909,614.69	39,450,108.90

Other Payables includes ₹ Nil (Previous Year: ₹ Nil) due to Micro, Small & Medium Enterprises. Total outstanding dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

Note- 6 : Fixed Assets

Sr. No.	Description	GROSSBLOCK				DEPRECIATION				NET BLOCK	
		AS ON 01.04.2012	Additions	Deductions	AS ON 31.03.2013	AS ON 01.04.2012	For the Year	Deductions	AS ON 31.03.2013	As on 31.03.2013	As on 31.03.2012
1	OFFICE EQUIPMENT	264,206.99	90,460.00	-	354,666.99	93,784.00	68,480.00	-	162,264.00	192,402.99	170,422.99
	GRAND TOTAL	264,206.99	90,460.00	-	354,666.99	93,784.00	68,480.00	-	162,264.00	192,402.99	170,422.99
	Previous Year	175,207.00	88,999.99	-	264,206.99	39,616.00	54,168.00	-	93,784.00	170,422.99	135,591.00

7 loans and advances

	Long - term		Short - Term	
	31.03.2013 (₹)	31.03.2012 (₹)	31.03.2013 (₹)	31.03.2012 (₹)
(A) Security deposit				
Secured, considered good	-	-	-	-
Unsecured, considered good	19,500.00	19,500.00	-	-
	19,500.00	19,500.00	-	-
(B) Other advances				
Loans to employees	-	19,807.00	19,807.00	178,571.00
Income Tax paid including TDS (Net of Provisions)	-	-	89,538,891.00	83,589,101.00
Service Tax Paid in Advance	-	-	-	-
Fringe Benefit Tax (Net of Provisions)	-	-	4,637.00	4,637.00
Prepaid Expenses	4,200.00	39,200.00	6,477,977.00	12,704,256.00
Other Advances	-	26,865.00	2,654,958.00	224,778.00
	4,200.00	85,872.00	98,696,270.00	96,701,343.00
Total (A+B)	23,700.00	105,372.00	98,696,270.00	96,701,343.00

8 Deferred Tax liabilities / Asset (net)

	31.03.2013 (₹)	31.03.2012 (₹)
a) Deferred Tax liabilities	-	-
b) Deferred Tax Assets :-		
Gratuity unpaid	355,275.00	991,070.20
Related to depreciation & Other	30,190.00	22,759.25
Leave Encashment	5,658,393.74	4,761,847.28
	6,043,858.74	5,775,676.74
Net Deferred Tax Liability / (Asset) (a-b)	(6,043,858.74)	(5,775,676.74)

Note 9 : Current Investments

Sr. No.	Particulars	Number of Units	NAV as on 31.03.2013	As at 31.03.2013 (₹)	Number of Units	As at 31.03.2012 (₹)
	A) UNQUOTED					
	MUTUAL FUNDS					
1	IDFC Money Manager Fund -Treasury Plan - Inst Plan B - Daily Div	243,437.350	10.0703	2,451,487.15	233,943.152	2,355,877.73
2	ICICI Prudential Flexible Income Plan - Premium - Daily Dividend	151,939.9390	105.7350	16,065,369.42	141,961.247	15,010,272.43
3	IDFC Money Manager Fund - Treasury Plan A - Daily Dividend - Reinvest	5,809.2770	10.0699	58,498.83	-	-
	TOTAL	**401,186.57**		**18,575,355.40**	375,904.40	17,366,150.16

10 Trade receivables

	Non-current		Current	
	31.03.2013 (₹)	31.03.2012 (₹)	31.03.2013 (₹)	31.03.2012 (₹)
a) **Outstanding for a period of over six months**				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
	-	-	-	-
b) **Other debts**				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	76,303,583.95	63,919,321.95
(Including dues from National Securities Clearing Corporation Limited ₹ 1,83,41,732/-, Previous Year ₹ 1,69,55,453/-and from National Stock Exchange India Limited ₹ 5,79,61,851.95 , Previous Year ₹ 4,69,63,868.95)				
	-	-	76,303,583.95	63,919,321.95
Total (a+b)	-	-	76,303,583.95	63,919,321.95

11 Cash and bank balances

	31.03.2013 (₹)	31.03.2012 (₹)
Cash and cash equivalents		
Balances with banks :		
On current accounts	12,173,496.56	4,176,928.29
Total	12,173,496.56	4,176,928.29

12 Revenue from operations

	For the year ended 31.03.2013 (₹)	For the year ended 31.03.2012 (₹)
Sale of services		
Income From It Services (Net of Taxes)		
Income From Software Maintenance	226,423,674.00	229,698,097.00
Income From Facility Management & Ops	165,589,100.00	161,166,330.00
Total	392,012,774.00	390,864,427.00

		For the year ended 31.03.2013 (₹)	For the year ended 31.03.2012 (₹)
13	**Other income**		
	Interest Income on Employee Loans	2,217.00	6,088.00
	Dividend from Units	1,209,205.24	1,158,871.84
	Net gain / loss on sale of current Investment	-	1,023,000.00
	Income from Short Notice Dues	135,954.00	297,548.00
	Profit/(Loss) on Foreign Exchange Fluctuation (net)	(6,930.00)	22,900.91
	Miscellaneous Income	42,236.48	2,500.00
	Total	1,382,682.72	2,510,908.75
14	**Employee benefits expenses**		
	Salaries & Allowances	332,059,139.00	328,506,417.00
	Contribution to Provident Fund	6,173,070.00	5,853,440.00
	Shortfall of Provident Fund Trust	2,367,669.00	836,614.20
	Contribution to Pension Fund	1,730,814.00	1,795,370.00
	Contribution to Group Gratuity Scheme	6,172,263.00	10,030,070.00
	Contribution to Group Gratuity Scheme - LSA Premium	107,063.00	91,037.00
	Contribution to Superannuation Scheme	1,177,740.00	1,098,351.00
	Staff Welfare Expenses	6,485,573.77	5,547,929.50
	Insurance Premium - Mediclaim	4,246,521.00	7,921,057.00
	Pantry Expenses	3,920,534.52	3,988,747.60
	Total	364,440,387.29	365,669,033.30
15	**Other expenses**		
	Rent (Net)	1,098,278.00	1,178,671.00
	Insurance	14,633.00	1,256.00
	Rates & Taxes	2,000.00	2,000.00
	Professional & Consultancy Charges	6,071,157.00	5,623,226.00
	Training Expenses	5,263,509.46	6,781,316.45
	Auditors Remuneration		
	- Audit Fees	75,000.00	62,500.00
	- Out of Pocket Expenses	4,630.00	1,250.00
	Other Expenses	6,476,110.50	6,303,461.12
	Total	19,005,317.96	19,953,680.57

16 **Contingent liability:**

On account of Income Tax ₹ 7,14,720/- (previous year ₹ 5,29,720/-), of Fringe Benefit Tax ₹ 1,40,780/- (previous year ₹ 1,40,780/-), of Service Tax ₹ 38,15,109/- (previous year ₹ 28,06,967/-).

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

18 a) Expenditure in foreign currency:

Particulars	(₹)	
	Current Year	Previous Year
Travelling expenses	130,890.00	157,550.00
Training Expenses	-	1,078,950.00

b) Earnings in foreign exchange :

Particulars	(₹)	
	Current Year	Previous Year
Earnings in foreign exchange :	Nil	Nil

19 (i) As on the Balance Sheet date, the amounts due to Small-Scale Industrial undertaking are not outstanding for more than 30 days

(ii) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date, computed on unit wise basis.

20 In the opinion of the management, the company has only one reportable business segment viz. offering "IT related services". This takes into consideration the commonality in the risks and rewards of the services offered, nature of service, type / class of customers for the services, management structure and system of financial reporting. Accordingly, the results of the said segment have been disclosed in the financial statements. Further, the company has no reportable geographical segments and on that basis, no secondary segment information is furnished.

21 In compliance with Accounting Standard 18 - "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the required disclosures are given in the table below:

a) Names of the related parties and relationship

Sr. No.	Related Party	Nature of Relationship
1	NSE Strategic Investment Corporation Limited	Holding Company
2	National Stock Exchange of India Limited	Ultimate Holding Company
3	National Securities Clearing Corporation Limited	Fellow Subsidiary of Holding Company
4	NSE.IT Limited	Fellow Subsidiary of Holding Company
5	NSE.IT (UK) Limited	Fellow Subsidiary of Holding Company
6	NSE.IT (US) Inc.	Fellow Subsidiary of Holding Company
7	DotEx International Limited	Fellow Subsidiary of Holding Company
8	India Index Services & Products Limited	Fellow Subsidiary
9	National Commodity Clearing Limited	Fellow Subsidiary of Holding Company
10	Power Exchange India Limited	Associate Company
11	Market Simplified India Limited	Associate Company

b) Details of transactions with related parties as follows:

Sr. No.	Name of the related party	Nature of transaction	Year ended 31/03/2013	Year ended 31/03/2012
1	National Stock Exchange of India Limited	Income from IT Services (Net)	336,172,348	339,585,305
		Service Tax recoverable on above services	41,550,903	34,977,268
		Rent Paid	2,167,952	1,981,458
		Expenses incurred by NSEIL reimbursed	108,696,140	93,050,455
		Closing Balance Debit / (Credit)	11,632,067	14,498,176
2	National Securities Clearing Corporation Limited	Income from IT Services (Net)	55,840,426	51,279,302
		Service Tax recoverable on above services	6,901,874	5,281,773
		Closing Balance Debit / (Credit)	18,341,732	16,955,453
3	NSE.IT Limited	Purchases	5,117	-
		Closing Balance Debit / (Credit)	-	-

22 Earning per share

In accordance with Accounting Standard 20 - "Earning per Share" issued by the Institute of Chartered Accountants of India, the required disclosure is given below.

	Year ended 31.03.2013	Year ended 31.03.2012
Net Profit attributable to Shareholders (₹)	4,138,343.47	5,155,637.88
Weighted Average number of equity shares issued (₹)	50000	50000
Basic earnings per share of ₹ 10/- each (in ₹)	82.77	103.11

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

23 In accordance with the Accounting standard 29 "Provisions, Contingent Liabilities and Contingent Assets", the Company has made provisions for employee related payments. The particulars of these provisions are as under:

Particulars	Performance Pay	Long Term Retention Bonus	Project Incentive	Leave Encashment
FY -2012-13	(₹)	(₹)	(₹)	(₹)
Carrying amount at the beginning of the year	17,599,744	14,225,000	46,405,000	15,410,509
Amount used during the year	13,673,265	13,593,368	41,736,407	3,420,422
Amount unused reversed during the year	3,926,479	631,632	4,668,593	-
Provisions made during the year	17,052,423	13,701,358	47,980,745	6,321,863
Carrying amount at the end of the year	17,052,423	13,701,358	47,980,745	18,311,950

Particulars	Performance Pay	Long Term Retention Bonus	Project Incentive	Leave Encashment
FY -2011-12	(₹)	(₹)	(₹)	(₹)
Carrying amount at the beginning Previous Year	19,041,000	16,121,000	46,708,771	10,432,023
Amount used during the Previous Year	17,933,874	14,475,541	43,933,009	1,853,737
Amount unused reversed during the Previous Year	1,107,126	1,645,459	2,775,762	-
Provisions made during the Previous Year	17,599,744	14,225,000	46,405,000	6,832,223
Carrying amount at the end of the Previous Year	17,599,744	14,225,000	46,405,000	15,410,509

Leave encashment includes liability transferred from NSE.IT Limited.

24 Disclosure under Revised Accounting Standard 15 on Employee Benefits:

i) **Defined Contribution Plan:** Company's contribution towards superannuation amounting to ₹ 11,77,740/- (Previous Year : ₹ 10,98,351/-) has been charged to Profit & Loss account.

ii) **Defined Benefit Plan :**

(a) Provident Fund: The Company has contributed ₹ 0.62 Crores and ₹ 0.58 Crores towards Provident Fund during the year ended March 31, 2013 and March 31, 2012, respectively. As per Implementation Guidance on AS 15 (Revised 2005) Employee Benefits issued by the Accounting Standard Board (ASB), benefit involving employer established provident funds which require interest short fall to be recompensed are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation based on the below provided assumptions and the liability on account of interest shortfall amounting to ₹ 0.24 Crores has been provided in the books of accounts.

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

i) Approach used - Stochastic
ii) Increase in compensation levels - 5% p.a.
iii) Discount Rate - 8.00%

(b) **Gratuity:** Company has charged the gratuity expenses to Profit & Loss account based on the actuarial valuation of gratuity liability at the end of the year. The projected unit credit method used to show the position as at March 31, 2013 is as under. Pursuant to the actuarial valuation any amount recoverable from NSE.IT Limited on transfer of employee will be suitably dealt with.

(i) Assumptions:

	Year ended 31.03.2013	Year ended 31.03.2012
Discount Rate	8.00%	8.25%
Rate of Return on Plan Assets	8.70%	8.00%
Salary Escalation	5.00%	5.00%
Attrition Rate	2.00%	2.00%

(ii) Table showing change in benefit obligation:

	Year ended 31.03.2013	Year ended 31.03.2012
Obligation at the beginning of the year	22,018,062	13,100,643
Add: Interest cost	1,871,535	1,080,803
Add: Current Service Cost	2,933,604	2,816,164
Less: Benefits Paid	3,301,700	2,087,050
Add:- Actuarial (gains) / loss on obligations	3,457,002	7,107,502
Obligation at the end of the year	26,978,503	22,018,062

(iii) Tables of Fair value of plan assets:

	Year ended 31.03.2013	Year ended 31.03.2012
Fair Value of plan assets at the beginning of the year	13,830,117	12,913,706
Add: Expected return on plan assets	1,189,390	1,033,096
Add: Contributions	6,106,617	2,029,062
Less: Benefits paid	3,301,700	2,087,050
Add: Actuarial (gain) / loss on Plan Assets	900,488	(58,697)
Fair Value of plan assets at the end of the year	18,724,912	13,830,117
Total Actuarial Gain/(Loss) to be recognised		

(iv) Actual Return on Plan Assets:

	Year ended 31.03.2013	Year ended 31.03.2012
Expected return on plan assets	1,189,390	1,033,096
Acturial (gain)/loss on plan assets	900,488	(58,697)
Actual Return on plan assets	2,089,878	974,399

(v) Amount recognised in the balance sheet

	Year ended 31.03.2013	Year ended 31.03.2012
Liability as at the end of the year	18,724,912	13,830,117
Fair value of plan assets as at the end of the year	(26,978,503)	(22,018,062)
Net (liability) / asset disclosed in the Balance Sheet	(8,253,591)	(8,187,945)

(vi) Expenses recognised in the profit & loss account

	Year ended 31.03.2013	Year ended 31.03.2012
Current Service cost	2,933,604	2,816,164
Interest Cost	1,871,535	1,080,803
Expected return on plan assets	(1,189,390)	(1,033,096)
Actuarial (Gain) or Loss	2,556,514	7,166,199
Expenses recognised in the profit & loss account	6,172,263	10,030,070

(vii) Balance Sheet Reconciliation

	Year ended 31.03.2013	Year ended 31.03.2012
Opening Net Liability	8,187,945	186,937
Expense as above	6,172,263	10,030,070
Employers Contribution	(6,106,617)	(2,029,062)
Amount recognised in the Balance Sheet	8,253,591	8,187,945

(viii) Category of Assets

	Year ended 31.03.2013	Year ended 31.03.2012
Insurer Managed Funds	18,724,912	13,830,117
Total	18,724,912	13,830,117

(ix) Experience Adjustment

	Year ended 31.03.2013	Year ended 31.03.2012
On Plan Liability (Gain) / Loss	1,932,707	7,988,224
On Plan asset (Loss) / Gain	900,488	(56,697)

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

As per our report of even date attached

For GOKHALE & SATHE
Chartered Accountants
Firm Reg. No : 103264W

ATUL KALE
Partner
Membership Number: 109947

Place : Mumbai
Date : April 25, 2013

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

UMESH JAIN
Director