



# *Transforming Indian Financial Markets*



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr. B. A. Prabhakar**

Public Interest Director & Chairman

**Prof. G. Sivakumar**

Public Interest Director

**Dr. Rajani Gupte**

Public Interest Director

**Mr. B. Sambamurthy**

Public Interest Director

**Mr. Rajeev Kumar**

Shareholder Director

**Ms. Priya Subbaraman**

Shareholder Director

**Ms. Padmaja Chunduru**

Managing Director & CEO

## AUDITORS

### Statutory Auditors

**M/s Deloitte Haskins & Sells  
Chartered Accountants LLP**  
Indiabulls Finance Centre,  
Tower 3, 27-32 Floor,  
Senapati Bapat Marg,  
Elphinstone Road (W),  
Mumbai – 400 013.

### Internal Auditors

**M/s Mahajan & Aibara**  
Chartered Accountants  
B-Wing, 2nd Floor,  
Mafatlal Chambers,  
N M Joshi Marg,  
Lower Parel (E),  
Mumbai – 400 013.

### Secretarial Auditors

**M/s S.N.  
Ananthasubramanian & Co.**  
Company Secretaries  
10/25-26, 2nd Floor,  
Brindaban,  
Thane (W) – 400 061.

## BANKERS

**BANK OF BARODA**

**HDFC BANK LIMITED**

**ICICI BANK LIMITED**

**IDBI BANK LIMITED**

**KOTAK MAHINDRA BANK LIMITED**

**NSDL PAYMENTS BANK LIMITED**

## REGISTERED OFFICE

Trade World, 'A' Wing, 4th floor, Kamala Mills Compound, Senapati Bapat Marg,  
Lower Parel ( W ), Mumbai - 400 013 (India), **Website:** [www.nsdل.co.in](http://www.nsdل.co.in),  
**Phone No:** 022 2499 4200, **Email:** [cs-depository@nsdl.co.in](mailto:cs-depository@nsdl.co.in)  
**CIN:** U74120MH2012PLC230380

Follow NSDL:    



# CONTENTS

## NATIONAL SECURITIES DEPOSITORY LIMITED

### CORPORATE OVERVIEW 03-11

• 25 Years NSDL Journey	04
• Milestones	05
• Message from MD & CEO	07
• Board of Directors	09
• Our Team	10
• Standalone Financial Highlights	11

### STATUTORY REPORTS 12-77

• Notice for Annual General Meeting	12
• Director's Report	20
• Corporate Governance	54

### FINANCIAL STATEMENTS 78-170

<b>• Standalone</b>	
Independent Auditor's Report	78
Balance Sheet	86
Statement of Profit & Loss	87
Cash Flow Statement	88
Statement of Changes in Shareholder's Equity	89
Notes	90
<b>• Consolidated</b>	
Independent Auditor's Report	120
Balance Sheet	127
Statement of Profit & Loss	128
Cash Flow Statement	129
Statement of Changes in Shareholder's Equity	130
Notes	131

### SUBSIDIARIES - NSDL DATABASE MANAGEMENT LIMITED (NDML) 171-256

### SUBSIDIARIES - NSDL PAYMENTS BANK LIMITED (NPBL) 257-326



# 25 YEARS NSDL JOURNEY



NSDL Inaugural Function, 1996



Launch of Tax Information Network, 2005



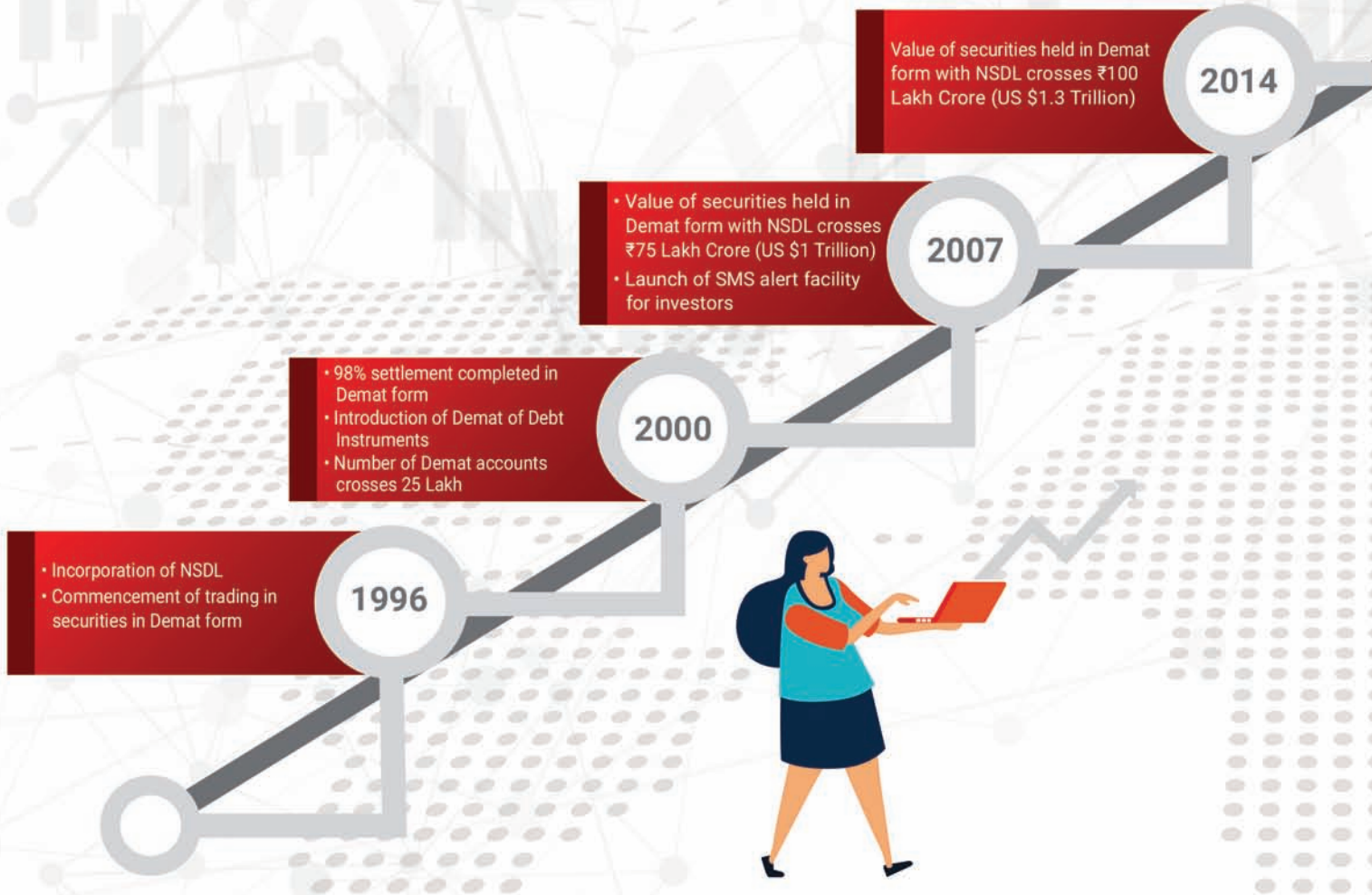
Assets held in NSDL crossed ₹100 lakh crore in value, 2015



Silver Jubilee Celebration and Launch of Commemorative Stamp, 2022



# MILESTONES of Growth & Development



2022

- Launch of blockchain based market platform to manage and monitor the security and covenant related to issuance of bonds
- Launch of 'Market Ka Eklavya' program

2021

- Value of securities held in Demat form with NSDL crosses ₹300 Lakh Crore (US \$4 Trillion)
- Launch of Digital Commercial Paper Issuance process

2020

- Value of securities held in Demat form with NSDL crosses ₹200 Lakh Crore (US \$2.6 Trillion)
- Number of Demat accounts crosses 2 Crore

2018

- Launch of NSDL Payments Bank
- Launch of Digital Loan Against Securities facility for bank DPs

2015

Launch of Consolidated Accounts Statement (CAS)



## MD & CEO Message

### FY 2021-22



Dear Shareholder,

FY 2021-22 was a very special year for NSDL, having crossed the milestone of 25 glorious years of service to the Indian Securities Market. I am delighted to have become part of the journey during this Silver Jubilee Year of NSDL. NSDL celebrated the Silver Jubilee in a glittering ceremony on 7th May, 2022 at Mumbai, where new initiatives in Technology and Investor Awareness were launched in the gracious presence of the Hon'ble Union Finance Minister and the Chairperson, SEBI.

With continuance of pandemic for a large part of the year, it was a challenging time for the company, yet it turned out another successful year. Revenue from Operations increased to ₹369.28 crore in FY 2021-22 with a YoY growth of 10% and the Profit Before Tax increased to ₹235.78 crore as compared to ₹226.16 crore in FY 2020-21.

Number of demat accounts opened in NSDL during FY 2021-22 increased by 127% YoY. As on 31st March 2022, NSDL had over 2.67 crore active demat accounts through Depository Participants operating from more than 57,000 Service Centres. These demat account holders are located in more than 99% of pin codes within the country and 166

countries across the globe, reflecting the wide reach of NSDL's Depository services. This momentum is expected to continue in years to come with investors globally betting on the Indian growth story.

In October 2021, just a few days ahead of the Silver Jubilee, the total custody value of assets held in NSDL demat accounts crossed the historic milestone of ₹300 lakh crores (US \$ 4 Trillion). NSDL continues to maintain a market share of over 89% in the total custody value of dematerialised assets in the country. NSDL market share in debt securities is over 97% and for Foreign Portfolio Investments, it is above 99%. The figures reflect the trust investors have in NSDL.

NSDL continues to be the frontrunner in onboarding the Unlisted Issuers, with more than 3,265 companies joining the depository during the year, taking the total count of Unlisted Issuers to 31,675.

We have renewed our focus on operational efficiencies and resilience. To meet the requirements of a fast growing market, a slew of initiatives were taken to augment our technical infrastructure including launch of a facility to enable investors to open demat account online through NSDL website. Depository Participants



were encouraged to expand their service centre network, resulting in an increase of over 20,000 service centres. Many Banks integrated with NSDL for opening instant demat account through net banking and mobile banking where demat accounts could be opened in a few minutes.

NSDL has demonstrated technology resilience to ensure seamless operations and enabled its participants to provide DIY (Do It Yourself) model to their clients by providing API based integration. Foraying into new technology adoption, the NSDL team has also developed and implemented phase I of the DLT Blockchain based platform for Debenture Covenant Monitoring. This is under the SEBI initiative for strengthening the regulatory framework for Corporate Bonds.

Some of the other services we launched during the FY include T+1 settlement, Demat Gateway (eDIS), introduction of Block mechanism, enhancements to NSDL e-CAS, online nomination facility for demat account holders for select DPs where Clients can opt-in / opt-out of nomination and development of Corporate Bond Database for dissemination of authentic and complete information on Corporate Bonds.

On the Investor Awareness front, NSDL launched an initiative "Market KaEkalavya" for graduating students. This is an online program delivered in Hindi and other regional languages. This has been received very well by students and colleges.

We are also focusing on digital initiatives to facilitate secure, efficient and paperless processes. NSDL has embarked on a Transformation journey, both in technology and process efficiencies.

Both the Subsidiaries, NSDL Database Management Limited (NDML) and NSDL Payments Bank Ltd. have turned in good results during the year. During the FY 2021-22, NDML achieved a top line of ₹105.60 cr. (YoY growth of 30.27%) and an operating profit of ₹47.66 cr. (YoY growth of 79.19%). NSDL Payments Bank achieved a top line of ₹299.88 cr. vis-a-vis ₹64.16 cr. during the previous financial year. The Bank has registered an impressive performance with improving operational profits QoQ. Overall, the Group achieved INR 761.11 crores revenue from operations (YoY growth of 63.4%), total income - ₹821.29 crores (YoY growth of 56.6%)

and PAT - ₹212.59 crores (YoY growth of 12.7%). This is the highest revenue and profit in 25 years history of NSDL.

We are proud to be associated with The GIFT city project. As a member of the India International Bullion Holding IFSC Limited (IIBH) consortium, NSDL contributed to establishing a Bullion Exchange and India International Depository IFSC Limited (IIDL) at GIFT City, Gandhinagar. NSDL is also working towards enabling investment in gold through Electronic Gold Receipts for Indian market.

We are also focussing on energy efficiency and green initiatives to promote the ESG (Environmental, Social, and Governance) cause. Our CSR initiatives viz. Project Artha SAMARTH (a skill development initiative in BFSI sector), Project Yogdaan (health support to Thalassaemia patients), Night School Transformation Program, Eye Care for Farmers, etc. are undertaken to create a meaningful impact on society at large and make a visible difference.

We are harnessing the power and reach of social media to further our engagement with stakeholders. NSDL accounts are now active on LinkedIn, Twitter, Facebook and YouTube.

I extend my sincere gratitude to all the stakeholders: Directors on our Board, SEBI, RBI, Government of India and our shareholders for their continued guidance and support. I also thank all my colleagues, the team NSDL for their enthusiastic involvement and contribution throughout the year.

We thank Investors, DPs, Issuers and RTAs as our journey would not have been possible without their support.

NSDL completed 25 years of journey in the year when the nation is celebrating 'AzadikaAmritMahotsav'. In this 'AmritKaal', we rededicate ourselves to continue on the path of innovation for new growth avenues and make our markets even more vibrant, safe and secure for all stakeholders.

For us, the journey has just begun...

With best wishes,  
**PadmajaChunduru**  
MD & CEO

## BOARD OF DIRECTORS



**MR. B. A. PRABHAKAR**

Former Chairman and  
Managing Director of Andhra Bank



**PROF. G. SIVAKUMAR**

Department of Computer Science  
and Engineering, IIT Bombay



**DR. RAJANI GUPTA**

Vice Chancellor, Symbiosis  
International (Deemed University)



**MR. B. SAMBAMURTHY**

Former Chairman of National Payments  
Corporation of India as RBI Nominee



**MR. RAJEEV KUMAR**

Executive Director,  
IDBI Bank Limited



**MS. PRIYA  
SUBBARAMAN**

Chief Regulatory Officer, National  
Stock Exchange of India Limited



**MS. PADMAJA CHUNDURU**

Managing Director & CEO  
National Securities Depository Limited

**Note:**

Mr. G.V. Nageswara Rao ceased to be MD&CEO of NSDL w.e.f. August 31, 2021.  
Ms. Padmaja Chundururu was appointed as MD&CEO of NSDL w.e.f. September 22, 2021.



## OUR TEAM



**MS. PADMAJA CHUNDURU**  
Managing Director & CEO



**MR. SAMAR BANWAT**  
Executive Director



**MR. PRASHANT VAGAL**  
Executive Vice President



**MR. SUNIL BATRA**  
Executive Vice President & CTO



**MR. MANOJ SARANGI**  
Senior Vice President & CISO



**MR. AMIT JINDAL**  
Senior Vice President & COO



**MR. CHANDRESH SHAH**  
Vice President & CFO



**MR. VISHAL GAJJAR**  
Vice President



**MR. VISHAL GUPTA**  
Vice President



**MR. RAKESH MEHTA**  
Vice President



**MR. RAHUL PRATAP SINGH**  
Vice President



**MR. MALAV SHAH**  
Vice President &  
Compliance Officer



**MR. PRAMIT SEN**  
Vice President & CHRO

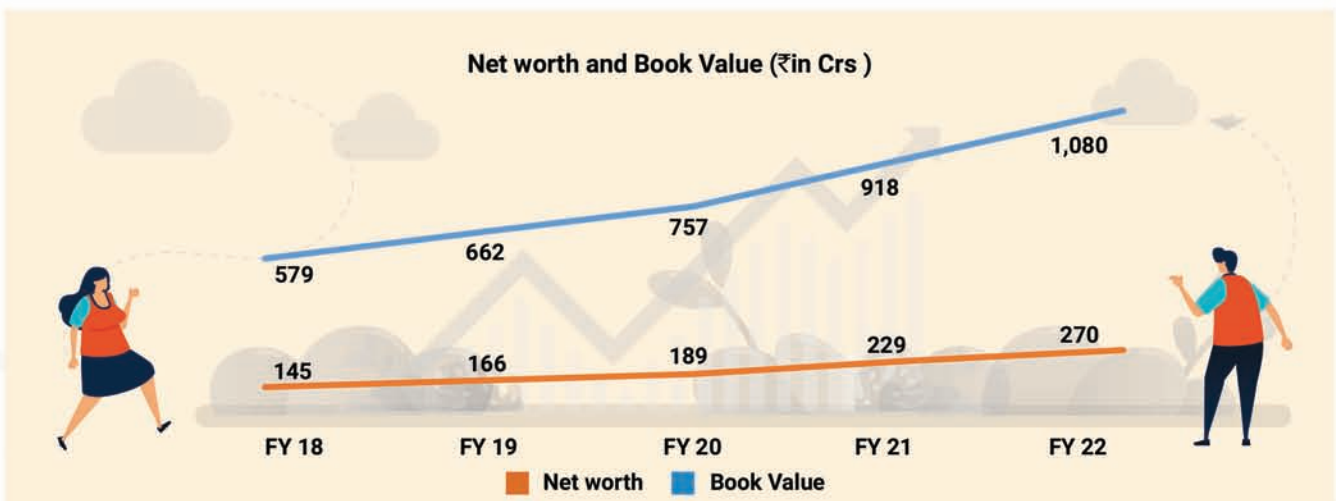
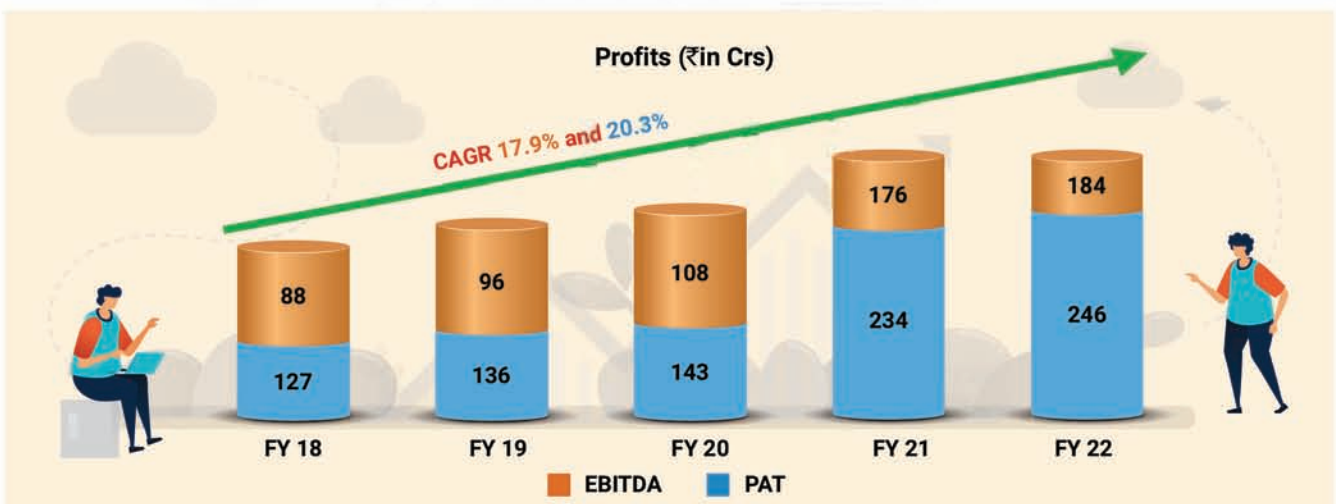
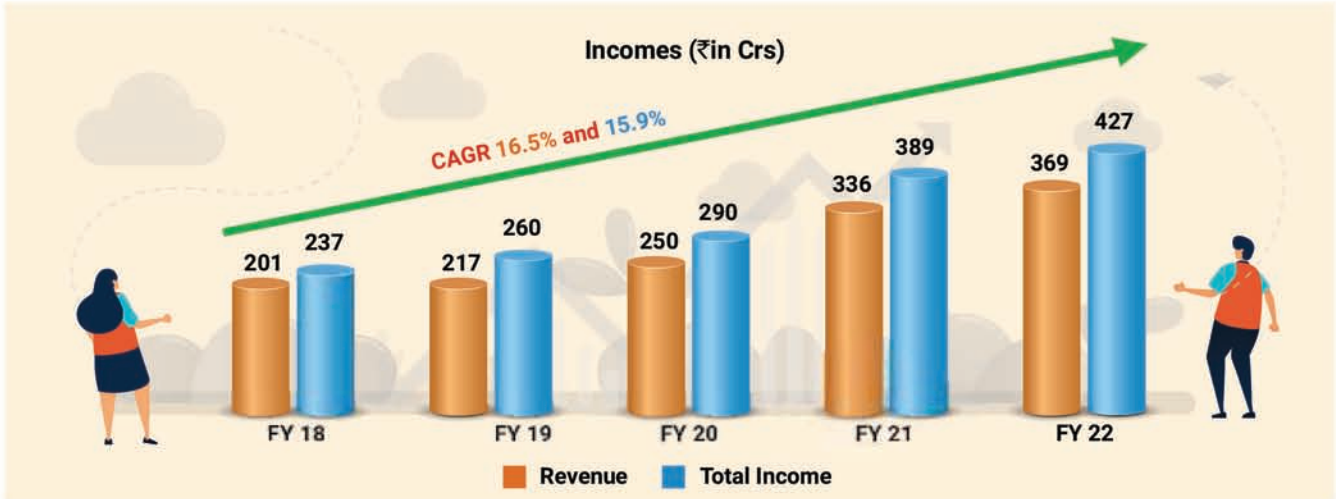


**MR. PARAG JOSHI**  
Vice President



**MR. PRADIP BHATTACHARYA**  
Vice President

# STANDALONE FINANCIAL HIGHLIGHTS





## NOTICE

Notice is hereby given that the Tenth Annual General Meeting of the Members of National Securities Depository Limited will be held on Tuesday, September 27, 2022 at 4:00 p.m. IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business. The venue shall be deemed to be Registered Office of the Company i.e., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013.

### ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the Report of the Board of Directors and the Auditors thereon**

2. **To declare dividend on equity shares for the financial year ended March 31, 2022**

To Consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** dividend at the rate ₹ 5 per share on Equity Capital of the Company for the year ended March 31, 2022 be paid to those Shareholders whose name appears on the register of members, as on the record date."

3. **To appoint Ms. Priya Subbaraman (DIN: 01620890) as Shareholder Director of the Company who retires by rotation and being eligible, offers herself for re-appointment**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Regulation 25 read with Part C of the Second Schedule of the SEBI (Depositories & Participants) Regulations, 2018; Sections 152, 161 and other applicable provisions of the Companies Act, 2013, as amended from time to time and the Articles of Association of the Company, subject to approval of the SEBI and such other consent and permission as may be necessary, and subject to such modifications, variations as may be approved, approval of the Members be and is hereby accorded for the appointment of Ms. Priya Subbaraman

(DIN: 01620890), a representative of National Stock Exchange of India Limited, as Shareholder Director on the Board of NSDL.

**"RESOLVED FURTHER THAT** Managing Director & CEO or the Company Secretary or the Compliance Officer or the Chief Financial Officer of the Company be and are hereby severally authorised to take such steps and do all such acts, deeds and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolutions."

4. **To appoint Statutory Auditors of the Company for a period of Five years and to fix their remuneration**

To Consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s. K. C. Mehta & Co. LLP, Chartered Accountants (FRN. 106237W) be and is hereby appointed as the Statutory Auditors of the Company and for a period of five years to hold the office from the conclusion of this Annual General Meeting till the conclusion of the Fifteenth Annual General Meeting of the Company, at an annual remuneration of ₹ 21,00,000/- (Rupees Twenty-one lac only) for FY 2022-23 and remuneration for remaining tenure shall be as maybe mutually agreed between Board of Directors of the Company and the Auditors from time to time.

**RESOLVED FURTHER THAT** the Managing Director & CEO, Chief Financial Officer, Company Secretary be and are hereby severally authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters, and things which may deem necessary in this behalf."

### SPECIAL BUSINESS:

5. **To Consider and Approve Amendment in the Articles of Association of the Company.**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed thereunder the consent of the Shareholders be and is hereby accorded to amend the Articles of Association as follows:

- a) Delete sub-clause xvi of Article 2 and accordingly renumber further sub-clauses of Article 2;
- b) Replace sub-clause 2 of Article 61 with *‘Any change in shareholding, by way of fresh issue or transfer of shares in the Company shall be subject to compliance with the provisions of SEBI (Depositories and Participants) Regulations, 2018 as amended from time to time.’*
- c) Delete clauses pertaining to pre-emptive rights i.e., sub-clause 3, 4, 5, 6, and 7 of Article 61
- d) Delete *‘The Executive Committee of the Depository shall be considered as a Committee of the Company, where the context so admits.’* from Article 150

- e) Replace *‘Executive Committee’* with *‘a Committee’* from sub-clause 4 of Article 162
- f) Delete Article 163 pertaining to Executive Committee.
- g) Re-number Article ‘163A’ to Article 163 and replace *‘SEBI (Depositories and Participants) Regulations, 1996’* with *‘SEBI (Depositories and Participants) Regulations, 2018’*.

**“RESOLVED FURTHER THAT** Managing Director & CEO or the Company Secretary or the Compliance Officer or the Chief Financial Officer of the Company be and are hereby severally authorised to take such steps and do all such acts, deeds and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolutions.”

**Registered Office:**

Trade World, ‘A’ Wing, 4th Floor,  
Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel (West)  
Mumbai- 400 013

Date: August 08, 2022

Place: Mumbai

**By Order of the Board of Directors  
For National Securities Depository Limited**

Sd/-  
**Nikhil Arya**

Company Secretary  
Membership No. A42548



#### NOTES:

1. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 02/2022 dated May 05, 2022 read with General Circular No. 19/2021 dated December 08, 2021, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 20/2020 dated May 05, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 14/2020 dated April 08, 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies whose AGMs are due in the year 2022, to conduct their AGMs through Video Conferencing (VC) or Other Audio Visual Means (OAVM) on or before December 31, 2022. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 10th AGM of the Company shall be conducted through VC / OAVM.
2. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. The proceedings of this AGM shall be deemed to be conducted at the Registered Office of the Company situated at 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013, which shall be deemed venue of AGM.
3. Members (Institutional/Corporate Shareholders) are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representatives to attend the AGM through VC/OAVM and to vote in its behalf, pursuant to Section 113 of Companies Act, 2013 at [NikhilA@nsdl.co.in](mailto:NikhilA@nsdl.co.in)

#### ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

4. In accordance with, the General Circular No. 20/2020 dated May 05, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to

Members whose e-mail address is registered with the Company or the Depository Participant(s).

5. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to [NikhilA@nsdl.co.in](mailto:NikhilA@nsdl.co.in)
6. The Notice of AGM along with Annual Report for the financial year 2021-22, is available on the website of the Company at [www.nsdl.co.in](http://www.nsdl.co.in)

#### PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM AND E-VOTING:

7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and applicable circulars, the Company is providing facility of e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has availed in-house services for facilitating voting through electronic means, as the authorized agency.
10. The remote e-Voting period will commence on September 22, 2022 at 9:00 A.M. (IST) and will end on September 26, 2022 at 5:00 P.M. (IST). During this period, the Members, whose names appear in the Register of Members/list of Beneficial Owners as on Friday, September 16, 2022, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The e-Voting module shall be disabled for voting thereafter. The voting right of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.
11. Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the period commencing from September 22, 2022 to September 26, 2022 or e-Voting during the AGM.

12. The facility for e-voting shall be made available during the AGM and members who have not voted or voted on some of the resolutions during the aforesaid voting period are also eligible to vote on all or the remaining resolutions respectively during the AGM.
13. The detailed instructions and the process for e-voting are explained herein under:





#### Step 1: Access to NSDL e-Voting system

##### A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider</b> i.e. <b>NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>"Register Online for IDeAS Portal"</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you</li> </ol>

Type of shareholders	Login Method
	<p>can see e-Voting page. Click on company name or <b>e-Voting service provider</b> i.e., <b>NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> <b>App Store</b>       <b>Google Play</b></p> <p>      </p>
Individual Shareholders (holding securities in demat mode) through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use **Forget User ID** and **Forget Password** option available at above mentioned website.

#### For Technical Assistance:

Members facing any technical issues related to login may reach out the NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free no.: 1800 1020 990 and 1800 22 44 30

##### B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode.

#### How to Log-in to NSDL e-Voting website?

- a. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- b. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- c. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e., IDeAS, you can log-in at <https://eservices.nsdl.com/>



with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.

- d. Your User ID details will be your 8 Character DP ID followed by 8 Digit Client ID  
For example, if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*.
- e. Password details for shareholders other than Individual shareholders are given below:
  - i. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - ii. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - iii. How to retrieve your 'initial password'?  
If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digits client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- f. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - i. Click on "Forgot User Details/Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - ii. If you are still unable to get the password by aforesaid option, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - iii. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- g. After entering your password, tick on agree to 'Terms and Conditions' by selecting on the check box.

- h. Now, you will have to click on 'login' button.
- i. After you click on 'login' button, home page of e-voting will open.

### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

- i. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- ii. Select "EVEN" of company for which you wish to cast your vote during the e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- iii. Now you are ready for e-Voting as the Voting page opens.
- iv. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- v. Upon confirmation, the message "Vote cast successfully" will be displayed.
- vi. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- vii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:**

- i. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [NikhilA@nsdl.co.in](mailto:NikhilA@nsdl.co.in). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e., [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.](#)
- ii. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring

user id and password for e-voting by providing above mentioned documents.

- iii. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### GENERAL GUIDELINES FOR SHAREHOLDERS

- i. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [Scrutinizer@snaco.net](mailto:Scrutinizer@snaco.net) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "e-Voting" tab in their login.
- ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to National Securities Depository Limited at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

14. Member will be provided with a facility to attend the AGM through VC/OAVM through the company's e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are

requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the e-Voting instructions mentioned in the notice to avoid last minute rush.

15. Members are encouraged to join the Meeting through Laptops for better experience.
16. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
17. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
18. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [NikhilA@nsdl.co.in](mailto:NikhilA@nsdl.co.in). The same will be replied by the company suitably.
19. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

#### PROCEDURE TO RAISE QUESTIONS/SEEK CLARIFICATIONS:

20. As the AGM is being conducted through VC/OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views/send their queries in advance mentioning their name, email id, mobile number at [NikhilA@nsdl.co.in](mailto:NikhilA@nsdl.co.in). Questions/ queries received by the Company till 5.00 p.m. on September 21, 2022 shall only be considered and responded during the AGM.
21. Members who would like to express their views or ask questions during the AGM may raise their hand however the Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

#### GENERAL INFORMATION:

22. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding



maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection upon request.

23. The Board of Directors has recommended Dividend of ₹ 5 per Equity Share for the Financial Year ended March 31, 2022 subject to approval of shareholders at the AGM.
24. If Dividend on Equity Shares, as recommended by the Board, is declared at the AGM, it will be paid on or before 30 Days from the date of Declaration to all Beneficial Owners / Members in respect of shares held and whose names are on the Company's Register of Members.
25. September 16, 2022 shall be considered as record date for identifying the shareholders entitled for dividend, for the financial year ended March 31, 2022.
26. As per the Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 at applicable rates and as such the Company is not required to pay any DDT.
27. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

**ADDITIONAL INFORMATION AS REQUIRED UNDER CLAUSE 1.2.5 OF SS-2 AND REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**Item No. 3: To appoint Ms. Priya Subbaraman (DIN: 01620890) as a Shareholder Director of the Company**

The Board of Directors had proposed the re-appointment of Ms. Priya Subbaraman, as a Shareholder Director. Pursuant to Section 152 of Companies Act, 2013 Ms. Priya Subbaraman is liable to retire by rotation and being eligible, seeks re-appointment.

Ms. Priya Subbaraman has twenty-five years' experience in financial services spanning capital markets, banking, global markets and wealth management and two years in a commodity trading firm. Ms. Subbaraman is the Chief

Regulatory Officer of the National Stock Exchange of India Limited (NSE) and runs its regulatory functions including surveillance, investigation, inspection, enforcement, membership compliance, investor services and arbitration, defaulter services and listing compliance. She is a member of the Delisting Committee of NSE and a Trustee of the National Stock Exchange Investor Protection Fund Trust. Before joining NSE, Ms. Subbaraman oversaw compliance in Standard Chartered Bank for Corporate, Institutional and Commercial Banking businesses across India and South Asia, including global markets, transaction banking and corporate finance and during her stint, she was nominated for a leadership development program designed by Said Business School, University of Oxford. Previously, Ms. Subbaraman managed the Compliance and Regulatory Program across equities, primary dealer, NBFC, investment banking and research for the Indian operations of Goldman Sachs. Immediately after the GFC and closure of Lehman Brothers, Ms. Subbaraman headed the private banking compliance in HSBC, which gave her perspective of commercial banking operations, issues relating to product suitability and anti-money laundering compliance. Ms. Subbaraman headed compliance in Lehman Brothers, where she covered equities, primary dealer, investment banking, NBFC businesses and was also a Board member. She also had compliance oversight for Lehman Brothers KPO centre in India and for its FII business. Ms. Subbaraman spent almost nine years with the Kotak Mahindra Group. In Kotak Securities, she ran retail compliance for equities broking, portfolio management and depository operations. She also headed the legal department of Kotak Mahindra Bank (then Kotak Mahindra Finance) where she was involved in designing funding structures, transactions for assignments, capital market funding, future flow financing, rent securitization and property finance.

Ms. Priya Subbaraman does not hold by herself or for any other person on beneficial basis, any shares in the Company and is not related to any other director on the Board.

Ms. Priya Subbaraman will be paid remuneration in the form of sitting fee within the limit prescribed under the Companies Act, 2013 for attending Board and other Committee meetings.

During the FY 2021-2022, Ms. Priya Subbaraman was eligible to attend 8 Board meetings of which she has attended 8 Board Meetings.

**Item No. 4: To appoint statutory auditors of the Company for a period of five years and to fix their remuneration**

M/s. Deloitte Haskins & Sells Chartered Accountants LLP are the Statutory Auditor since inception of the

company post demerger. Their tenure is expiring at the ensuing AGM.

Accordingly, NSDL is required to appoint Statutory Auditors. In this regard, the Company has received various proposals. All the firms are of repute and have good experience in BFSI sector.

The Board of Directors at their meeting held on May 26, 2022, based on recommendations of the Audit Committee, have considered the proposals and approved the appointment of M/s. K C Mehta & Co. LLP, Chartered Accountants (FRN. 106237W) as the Statutory Auditors of the Company for a term of 5 (five) years i.e. from the conclusion of this AGM till the conclusion of 15th AGM. The appointment is subject to approval of the shareholders of the Company.

In accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), M/s. K C Mehta & Co. LLP, Chartered Accountants, have provided their consent and eligibility certificate to that effect that, their appointment, if made, would be in compliance with the applicable laws.

**Registered Office:**

Trade World, 'A' Wing, 4th Floor,  
Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel (West)  
Mumbai- 400 013

Date: August 08, 2022

Place: Mumbai

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013**

**Item No. 5: To consider and approve amendment in Articles of Association of the Company**

The Shareholders are informed that SEBI vide its notification dated August 13, 2021 had granted relaxation to depository regarding fit and proper criteria for shareholders holding less than two percent of equity shares of the depository. Post aforesaid amendments, NSDL has received numerous applications for transfer of shares and to facilitate such transfer, NSDL has to initiate right of pre-emption process by offering such shares to the existing shareholders of the Company. Such process normally takes 30 to 45 days' time to complete. Further, the Shareholders are also informed that it was proposed to remove the reference of Executive Committee in the Articles, since the same has been disbanded since February 14, 2019 and amending the reference to SEBI (Depositories and Participants) Regulations, 1996.

In view of the same, it was proposed to alter Clause 61 & Clause 150 of the Articles of Association of NSDL. A copy of the proposed AoA of the Company would be available for the inspection for the members electronically, till the date of AGM.

Pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of the Company at their meeting held on May 26, 2022 has approved aforesaid amendment and recommended the resolution as set out under business item no. 5 in the Notice of this meeting for approval of the shareholders as a Special Resolution.

None of the Directors, or Key Managerial Personnel or their relatives are interested in the Special Resolution.

**By Order of the Board of Directors  
For National Securities Depository Limited**

Sd/-  
**Nikhil Arya**  
Company Secretary  
Membership No. A42548



# DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH, 2022

To the Members,

Your Directors are pleased to present the Tenth Annual Report and the Company's Audited Financial Statements for the Financial Year (FY) ended March 31, 2022.

## FINANCIAL HIGHLIGHTS

(₹ in Crore)

Particulars	Consolidated		Standalone	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Revenue from Operations	761.11	465.75	369.28	335.58
Other Income	60.18	58.55	58.03	53.11
<b>Total Income</b>	<b>821.29</b>	<b>524.30</b>	<b>427.31</b>	<b>388.69</b>
<b>Total Expenditure</b>	<b>513.79</b>	<b>251.86</b>	<b>172.58</b>	<b>146.25</b>
<b>Profit before Depreciation, IPF Expense, Share of Profit / (Loss) from Associates and Taxation</b>	<b>307.50</b>	<b>272.44</b>	<b>254.73</b>	<b>242.44</b>
Depreciation	18.93	17.02	9.98	7.43
Contribution to Investor Protection Fund (IPF)	8.96	8.84	8.96	8.84
<b>Profit before Share of Profit / (Loss) of investment accounted for using Equity Method and Taxation</b>	<b>279.61</b>	<b>246.58</b>	<b>235.79</b>	<b>226.17</b>
Share of Profit/(Loss) of Associates	(1.41)	-	-	-
<b>Profit before Tax</b>	<b>278.20</b>	<b>246.58</b>	<b>235.79</b>	<b>226.17</b>
Tax Expense	65.61	58.02	52.20	50.03
<b>Profit after Tax</b>	<b>212.59</b>	<b>188.56</b>	<b>183.59</b>	<b>176.14</b>
<b>Total Comprehensive Income</b>	<b>212.32</b>	<b>188.55</b>	<b>182.68</b>	<b>176.50</b>
<b>Appropriation:</b>				
Proposed Dividend (Final)	20.00	20.00	20.00	20.00
<b>Surplus Carried to the Balance Sheet</b>	<b>192.32</b>	<b>168.55</b>	<b>162.68</b>	<b>156.50</b>
Earnings Per Share (EPS)	53.15	47.14	45.90	44.03
Net Worth	1,212	1,019	1,080	918

## Results of operations and state of Company's affairs for Financial Year 2021-22

### Standalone

Revenue from Operations increased to ₹ 369.28 crore in FY 2021-22 as compared to ₹ 335.58 crore in the previous year, a growth of 10%. Profit before Tax increased to ₹ 235.79 crore in 2021-22 as compared to ₹ 226.17 crore in the previous year. Profit after Tax (PAT) increased to ₹ 183.59 crore in 2021-22 as compared to ₹ 176.14 crore in the previous year, a growth of 4.2%. Earnings Per Share (EPS) of the Company increased to ₹ 45.90 in 2021-22 as compared to ₹ 44.03 in the previous year.

Further, as required under SEBI (Depositories and Participants) Regulations, 2018, five percent of profits from depository operations, i.e., ₹ 8.96 crore has been set aside to be contributed to the Investor Protection Fund (IPF).

The net worth of the Company as on March 31, 2022

increased by 17.7% to ₹ 1,080 crore as compared to ₹ 918 crore a year ago.

### Consolidated

Revenue from Operations increased to ₹ 761.11 crore in FY 2021-22 as compared to ₹ 465.75 crore in the previous year, a growth of 63.4%. Profit before Tax increased to ₹ 278.20 crore in FY 2021-22 as compared to ₹ 246.58 crore in the previous year. Profit after Tax (PAT) increased to ₹ 212.59 crore in 2021-22 as compared to ₹ 188.56 crore in the previous year, a growth of 12.7%. Earnings per Share (EPS) of the Company increased to ₹ 53.15 in 2021-22 as compared to ₹ 47.14 in the previous year.

The net worth of the Group as on March 31, 2022 increased by 18.9% to ₹ 1,212 crore as compared to ₹ 1,019 crore a year ago.

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

## Dividend

The Board of Directors of your Company is pleased to recommend a dividend of ₹ 5.00 on four crore equity share of the face value of ₹ 10/- each (i.e. 50%) for FY 2021-22 for consideration of the shareholders.

The dividend distribution would result in a cash outflow of ₹ 20.00 crore.

## DETAILS OF SUBSIDIARY COMPANIES

Your Company has the following subsidiary companies as on March 31, 2022:

- a. **NSDL Database Management Limited (CIN: U72400MH2004PLC147094)**  
NSDL Database Management Limited recorded a gross income of ₹ 105.60 crore and PBT of ₹ 60.51 crore for the year ended March 31, 2022.
- b. **NSDL Payments Bank Limited (CIN: U65900MH2016PLC284869)**  
NSDL Payments Bank Limited recorded a gross income of ₹ 299.88 crore and a loss of ₹ 7.52 crore for the year ended March 31, 2022.

The Company's policy for determining material subsidiary, as approved by the Board, may be accessed on the Company's website at the link:

<https://nsdl.co.in/publications/disclosure.php>

## DETAILS OF ASSOCIATE COMPANY

Your Company has the following associate company as on March 31, 2022:

- a. **India International Bullion Holding IFSC Limited (CIN: U67100GJ2021PLC123076)**  
India International Bullion Holding IFSC Limited recorded a gross income of ₹ 0.14 crore and loss of ₹ 7.06 crores for the year ended March 31, 2022.

## SHARE CAPITAL

There was no change in the Share Capital of the Company during the year under review. As on March 31, 2022, the paid-up share capital stood at ₹ 40,00,00,000 (Rupees Forty Crores) comprising of 4,00,00,000 (Four Crores) Equity Shares of Face Value of ₹ 10/- each.

None of the Directors of the Company hold shares in the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS OVERVIEW

NSDL is a Market Infrastructure Institution which holds securities in dematerialized formats. The depository

operations consist of two sets of clientele - the Depository Participants and the Issuers. The Company plays an integral role for Security dematerialization and Trade settlement in the Indian Stock Market for its clients and the end investors.

Financial Year 2021-22 has been a fruitful year for the company in terms of growth and innovation. The Company achieved its objectives through market and customer focus, technological advancements, and operational excellence. The Company has further undertaken a strategy refresh and intends to rapidly digitalize itself to ensure prompt services and superior experience to its customers, intermediaries and investors.

During the course of the year, the Company has undertaken multiple regulatory driven initiatives, maintained comprehensive pan India presence, increased custody value and taken measures to improve its market offerings.

### REGULATORY DRIVEN INITIATIVES

The key implementations taken up during FY 2021-22 in line with the regulatory requirements are as under:

#### 1. Block Mechanism

To increase safety of clients' assets and make the market transactions more secure, SEBI after consultations with Depositories, Clearing Corporations and Stock Exchanges, introduced a guideline to provide a mechanism of block in the demat account of clients undertaking sale transactions. NSDL carried out the required systemic changes to implement this guideline to block the shares of the clients undertaking sale transactions, in the demat account of the client in favour of Clearing Corporation. This facility is currently optional for the clients.

#### 2. Validations in Off-market transfer instructions

Off-market Account transfers can be executed in the Depository system only upon selection of relevant reason for transfer. These reasons for off-market transfers have been codified in the system. As per SEBI guidelines, validations were required to be introduced in the system for different reasons available in the system for submitting off-market transfer instructions.

#### 3. KYC attributes

In order to strengthen the KYC process further, SEBI had proposed that fields like email ID, Mobile number and income range be made mandatory for demat account opening process. NSDL has incorporated the required systemic checks in order to implement the same.

#### 4. Demat Gateway (eDIS):

NSDL has launched Demat Gateway to facilitate Client to provide mandate to its stock broker for debiting client's demat account towards its settlement obligation. Demat Gateway facilitates API interface between Stock Broker's web portal and NSDL depository system for Clients to authenticate their instructions for sale of securities or



redemption (through stock exchange platform) of mutual fund units in their demat account.

**5. Enhancement of IDeAS and e-Voting Integration:**

This is with reference to the e-Voting Facility provided by Listed Entities. In this regard, Participants can integrate their websites i.e., net banking or broking with the NSDL IDeAS facility so as to facilitate clients to access the NSDL IDeAS facility and avail the services available on the same. The current functionalities of IDeAS Integration has been enhanced to facilitate e-Voting also. Accordingly, the Participants will have the choice of redirecting their clients from their websites to either NSDL IDeAS facility or can also directly be redirected to the e-Voting page within the IDeAS facility. Accordingly, the demat account holders post authentication on IDeAS will be able to cast their vote for securities where NSDL has been appointed as E-Voting Service Provider (ESP) or will be redirected to the e-Voting page of other ESPs to cast vote without having a necessity of doing log-in with other ESPs.

**6. T+1 Settlement:**

As per SEBI Circular no. SEBI/HO/MRD2/DCAP/P/CIR/2021/628 dated September 07, 2021, the changes in respect of T+1 rolling settlement on an optional basis has been implemented at NSDL effective from February 25, 2022. NSDL had received request from Clearing Corporations for creation of new market types for T+1 settlement. Accordingly, NSDL had done the addition of New Market Type Codes for T+1 settlement and informed the same to its Depository Participants.

**7. Securities and Covenant Monitoring using Distributed Ledger Technology**

With an intent of strengthening the regulatory framework for Corporate Bonds in the Indian Market Infrastructure domain, NSDL upon guidance from SEBI, has developed a state-of-art DLT Blockchain based platform for the Debenture Security and Covenant Monitoring System. The platform enables Issuers and Debenture Trustees to manage the entire life cycle of corporate bonds and facilitate the monitoring of the security given and the covenants to bring about greater discipline and transparency to this market segment. It is first of its kind implementation of block chain technology in the Corporate Bond Market in India as well as the world.

Scan the QR code to watch the corporate video



**BUSINESS INITIATIVES AND PROGRESS AT NSDL**

**1. Operations in GIFT City (IFSC)**

An International Financial Services Centre (IFSC) has been set up at GIFT City, with International Financial Services Centres Authority (IFSCA) as a unified regulator. NSDL has become a MII consortium partner after taking necessary regulatory approvals. MII Consortium promoted India International Bullion Holding IFSC Limited (IIBH), in which NSDL holds 20% stake. IIBH has a wholly owned subsidiary i.e. India International Bullion Exchange IFSC Limited that is undertaking the Exchange business for Bullion and IIBH also owns majority stake in India International Depository IFSC Limited (IIDL) which will be acting as depository for both Equity and Bullion products. NSDL has provided the software system to IIDL for Equity products, which has facilitated it to issue Unsecured Depository Receipts (UDR) on various NASDAQ & NYSE listed companies, which are traded on NSE IFSC in GIFT City.

**2. NSDL Mobile App enhancements**

NSDL has implemented features like Mutual Fund redemption and redirection links for Off Market transaction Confirmation, Online Nomination and Margin Pledge initiation in its Mobile App. Further, redirection links have also been provided to SEBI Scores website and mobile app.

**3. NSDL Consolidated Account Statement (CAS)**

CAS has been a very popular initiative of NSDL. NSDL sends CAS to demat accountholders who maintain their demat accounts with NSDL DPs. NSDL CAS is a single statement of all investments in the securities market and includes

**NSDL CAS**  
**CONSOLIDATED ACCOUNT STATEMENT**

Develop Your Investment Strategy And Manage Your Investments Better Through NSDL CAS

- Total Value of your Investments in Demat and Mutual Fund Folios
- Statement of transaction for Demat and Mutual Fund Folios
- Asset Class wise classification of your investments in Demat and Mutual Fund Folios
- Graphical representation of your investments across various asset classes
- Single view for all insurance policies held in e-Insurance Account (eIA)

investments in equity shares, preference shares, mutual funds, bonds, debentures, securitised instruments, money market instruments and government securities held in demat mode. All investments held in single or joint names are mentioned in NSDL CAS. NSDL CAS offers unparalleled convenience to investors in keeping track of their investment portfolio.

CAS enables investors to monitor their portfolio effectively and also help them to develop strategies and accordingly take informed decisions. CAS is sent to investors electronically using email primarily (e-CAS). Investors also have an online option to opt for e-CAS and update email ID for receiving e-CAS.

NSDL continues to enhance investor experience, by introducing new features in CAS. NSDL has incorporated a facility for viewing details of insurance policies held in investors' e-Insurance Account (eIA) with National Insurance Repository (NIR) of NSDL Database Management Limited (NDML). Additionally, a feature of "Annualised Return" has been incorporated to provide information on return on investors' investments in mutual funds schemes.

During the year under review, NSDL has dispatched over six crore CAS to investors.

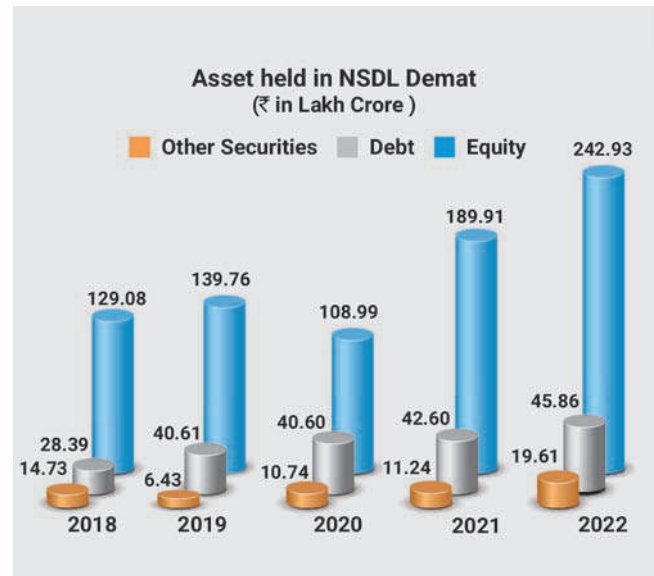
**CAS Enhancements:** As part of our endeavour to enhance investor experience, NSDL has incorporated the following new features in NSDL CAS:

- The instruction details viz., Instruction initiated by Client/POA holder & Source of instruction like Electronic, Physical DIS, etc. are included in transactions details in respect of NSDL demat accounts of CAS.
- Transaction details in respect of Margin Pledge and Re-pledge in favour of Trading Members (TM), Clearing Members (CM) and Clearing Corporations (CC) are included in Transactions details in respect of NSDL demat accounts of CAS.
- The details of IDCW i.e., Income Distribution (appreciation on NAV) and Capital Withdrawal (Equalization Reserve) in respect of Dividend transactions (Payout & Reinvestment) are included in Mutual Fund schemes held in NSDL demat account and Mutual Fund Folios of CAS.

#### 4. Asset Value under Custody

The value of assets held under custody stood at ₹ 301.88 lakh crore as on March 31, 2022. The market share of NSDL stood at 89% in total custody value as on

March 31, 2022. The value of equity securities stood at ₹ 242.93 lakh crore, while the value of debt securities (Debentures, Bonds, CPs, CDs etc.) stood at ₹ 45.86 lakh crore.



#### 5. Client Accounts

During FY 2021-22, 56.67 lakh new accounts (growth of 127% over the previous year) were opened at NSDL, taking the total number of demat accounts opened till March 31, 2022 to 4.21 crore.

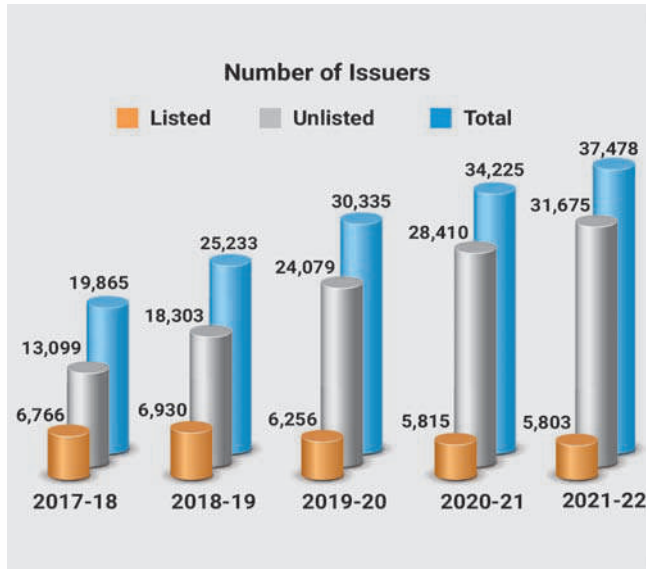
The number of active depository accounts increased from 2.17 crore as at the end of the previous year to 2.67 crore as on March 31, 2022 resulting in net increase of about 50 lakh accounts.





## 6. Issuers

During the year, the number of Issuers who signed agreements with NSDL to avail dematerialisation facilities continued to grow and crossed 37,478 by March 31, 2022 as compared to 34,225 as on March 31, 2021.



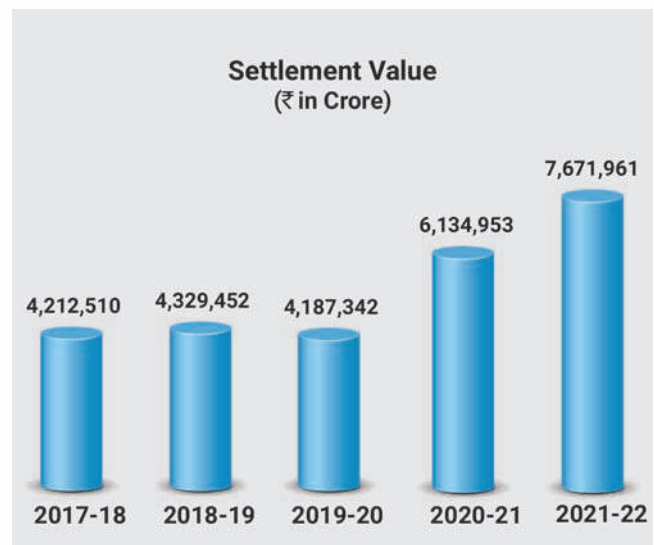
## 7. Dematerialisation of Securities

The number of securities dematerialised stood at more than 2.77 lakh crore as on March 31, 2022, against 2.43 lakh crore as on March 31, 2021, indicating a growth of over 13.99% during the year.



## 8. Settlement Volumes

During the year under review, the value of securities that were settled in NSDL in dematerialised form during FY 2021-22 was ₹ 76,71,961.41 crore as against ₹ 61,34,953.27 crore in FY 2020-21.



## 9. Foreign Portfolio Investors (FPIs)

Foreign Portfolio Investors (FPI) regime commenced in India from June 1, 2014, onwards. SEBI has assigned NSDL with the responsibility of generating FPI Registration Certificate to FPI applicants. Accordingly, NSDL has developed a web-based system viz., FPI Monitor ([www.fpi.nsd.co.in](http://www.fpi.nsd.co.in)) for the Designated Depository Participants (DDP) to register their FPI applicants online and obtain FPI registration number along with FPI certificate for the applicant. During FY 2021-22, a total of 1,195 new FPI applications were registered by DDPs on NSDL FPI registration portal as against 855 in FY 2020-21. DDPs have also renewed the registration validity of 2,437 FPIs during FY 2021-22 on the NSDL FPI portal as against 2,237 during FY 2020-21. As on March 31, 2022, the total number of FPIs which were registered on NSDL FPI website are 10,608. NSDL also monitors the investment limits of FPI investor groups which form part of same investor group

under the equity segment and Aggregate FPI Debt limits in respect of Corporate Debt. Besides, NSDL disseminates rich statistical information on NSDL FPI portal relating to investment by FPIs in India.

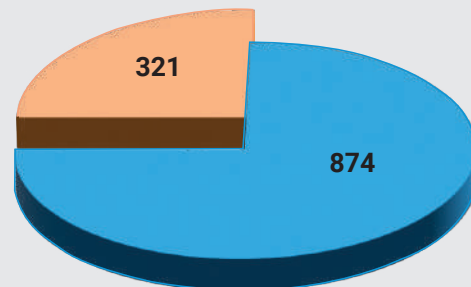
### Common Application Form (CAF)

NSDL has launched a web based online Common Application Form (CAF) on the NSDL FPI Registration portal viz., FPI Monitor [[www.fpi.nsd.co.in](http://www.fpi.nsd.co.in)] for FPI applicants on February 21, 2020. The online common application form enables FPI applicants with single window clearance facility of registration with SEBI, allotment of PAN from Income Tax Department, KYC and Opening of Bank and Demat account in India. The process flow in respect of CAF is underlined below:

During FY 2021-22, 1,195 new FPI applications were registered through NSDL's online Common Application Form (CAF) portal. Out of 1,195 CAF registrations, around 874 applicants were allotted PAN through CAF during FY 2021-22.

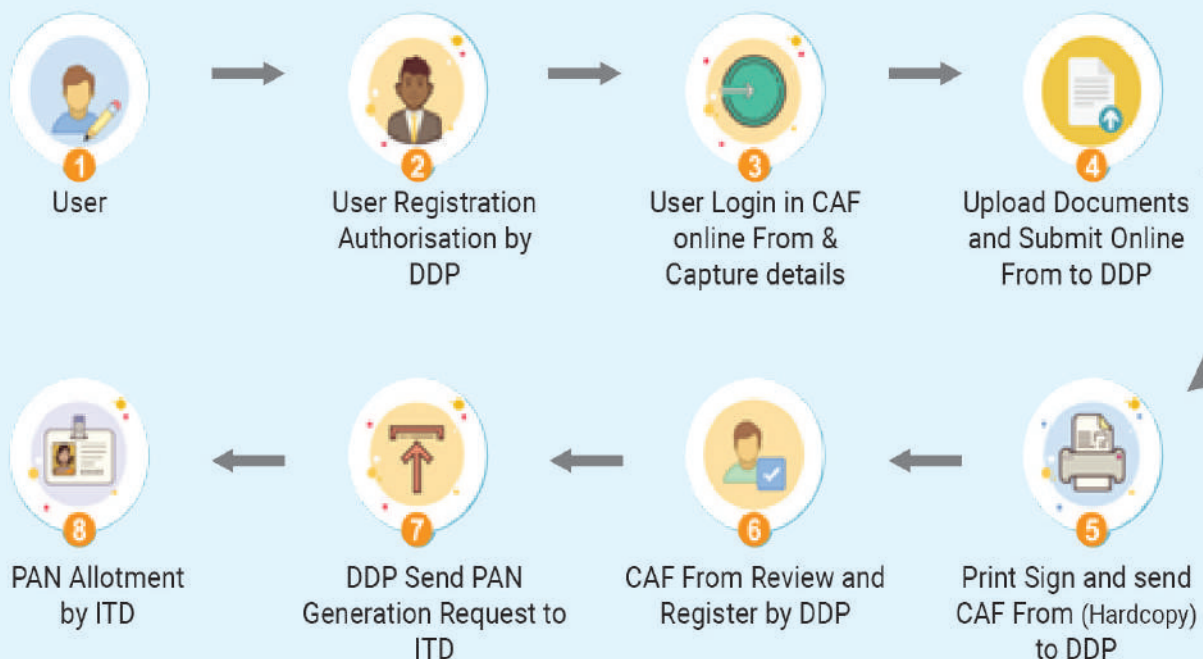
FPI Registration via CAF during FY 21-22	
FPI Registration with PAN	874
FPI Registration without PAN	321
<b>Total</b>	<b>1,195</b>

### FPI Registration on NSDL FPI portal via CAF during FY 2021-22



■ FPI Regn. with PAN    ■ FPI Regn. w/out PAN

### Common Application Form Process Flow





### NSDL FPI Portal (FPI Monitor) Offerings

NSDL FPI Portal facilitates DDPs and FPIs with following services:

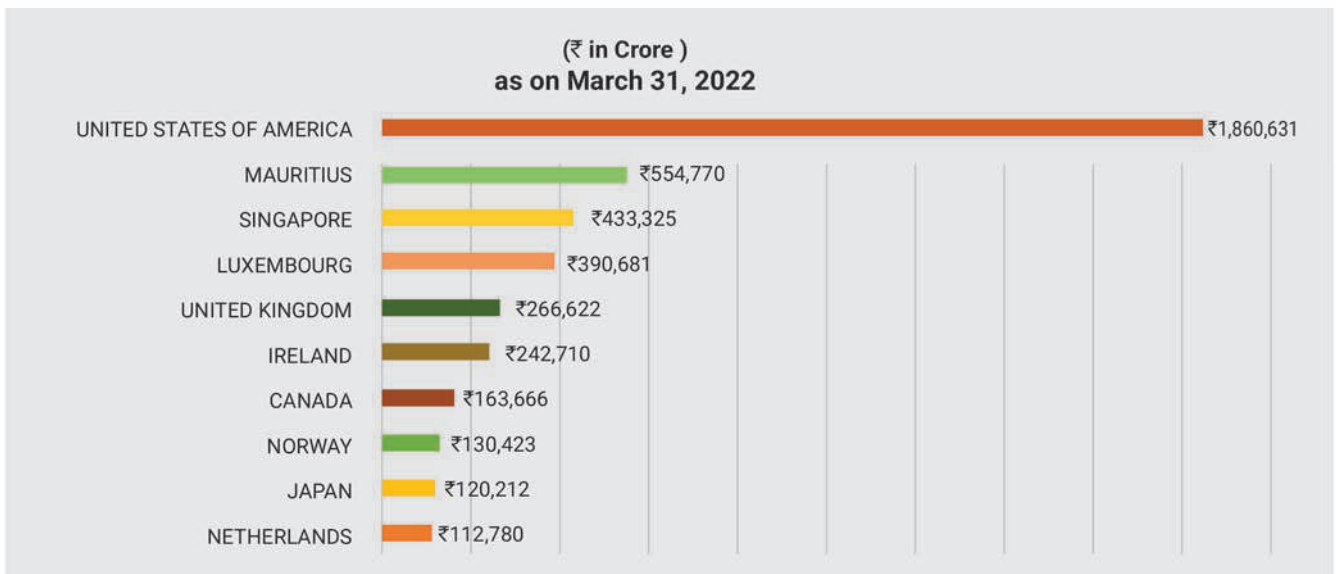


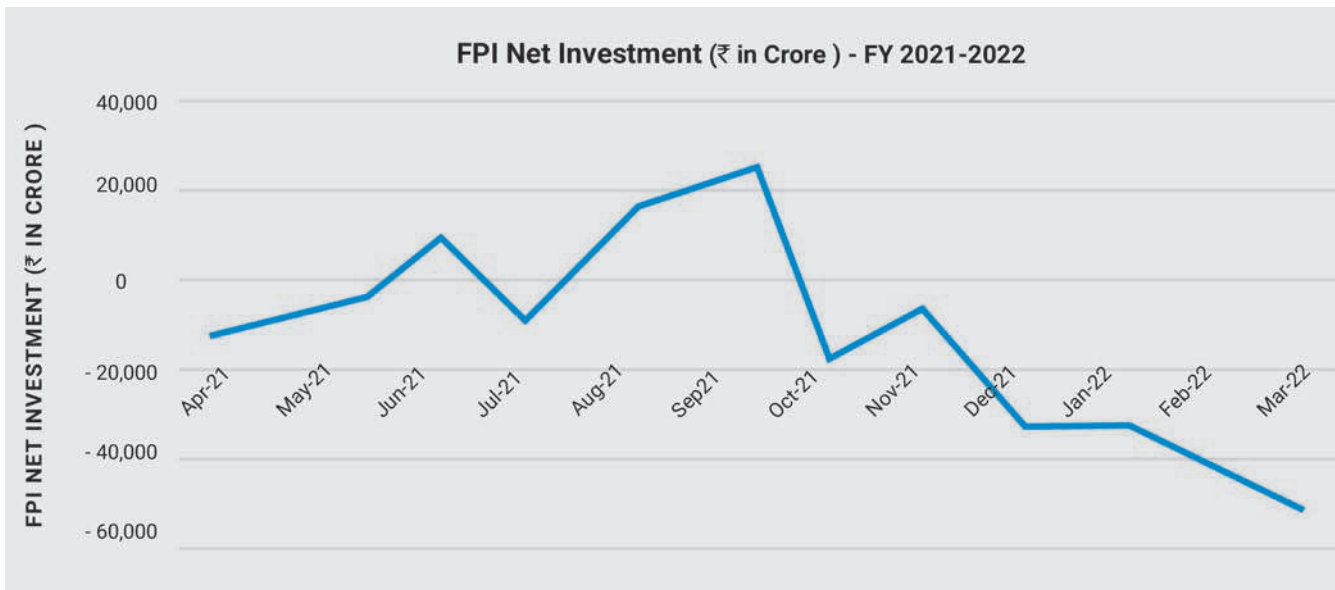
### FPI Assets Under Custody (AUC) Country-wise (top 10 countries) data

As on March 31, 2022, the total AUC of all FPIs was ₹ 50.97 lakh Crore. FPIs from US, Mauritius and Singapore constitute 55.89% of total Asset under Custody (AUC) held by all FPIs. FPIs from USA are at the Top position

holding ₹ 18.60 lakh Crore (36.50%), with Mauritius at 2nd position holding assets worth ₹ 5.54 lakh crore (10.88%) followed by Singapore at 3rd position holding assets worth ₹ 4.33 lakh crore (8.50%). The country wise FPI AUC of Top 10 countries as on March 31, 2022 is exhibited below:

Country-wise (top 10 countries) - FPI Asset under Custody (AUC)





### FPI Net Investment during FY 2021-22

During FY 2021-22, FPIs have made total net outflow of ₹ 1,22,240 crore under all segments. The equity segment have seen major outflow of ₹ 1,40,008 lakh crore whereas positive net inflows were observed in Debt segment (₹ 1,628 crore), Debt-VRR segment (₹ 12,643 crore) and Hybrid segment (₹ 3,498 crore).

### 10. Depository Participants

The total number of Depository Participants stood at 277 as on March 31, 2022. These Participants provide depository services from more than 57,026 service centres/branches located in more than 2,037 cities/towns.

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

Sr.No.	Category	Total no. of Participants
1	Bank	46
2	Clearing Corporation / Clearing House	3
3	Custodian	7
4	Financial Services Company	4
5	Foreign Bank	6
6	NBFC	2
7	Registrar & Transfer Agent	2
8	Stock Broker	207
	<b>Total</b>	<b>277*</b>

\*Includes 17 Participants which are under closure/termination process and SEBI registration is not yet cancelled/suspended.

### 11. Corporate Actions

The Corporate Action (CA) service of NSDL continued to be used extensively by Issuers in distributing securities arising

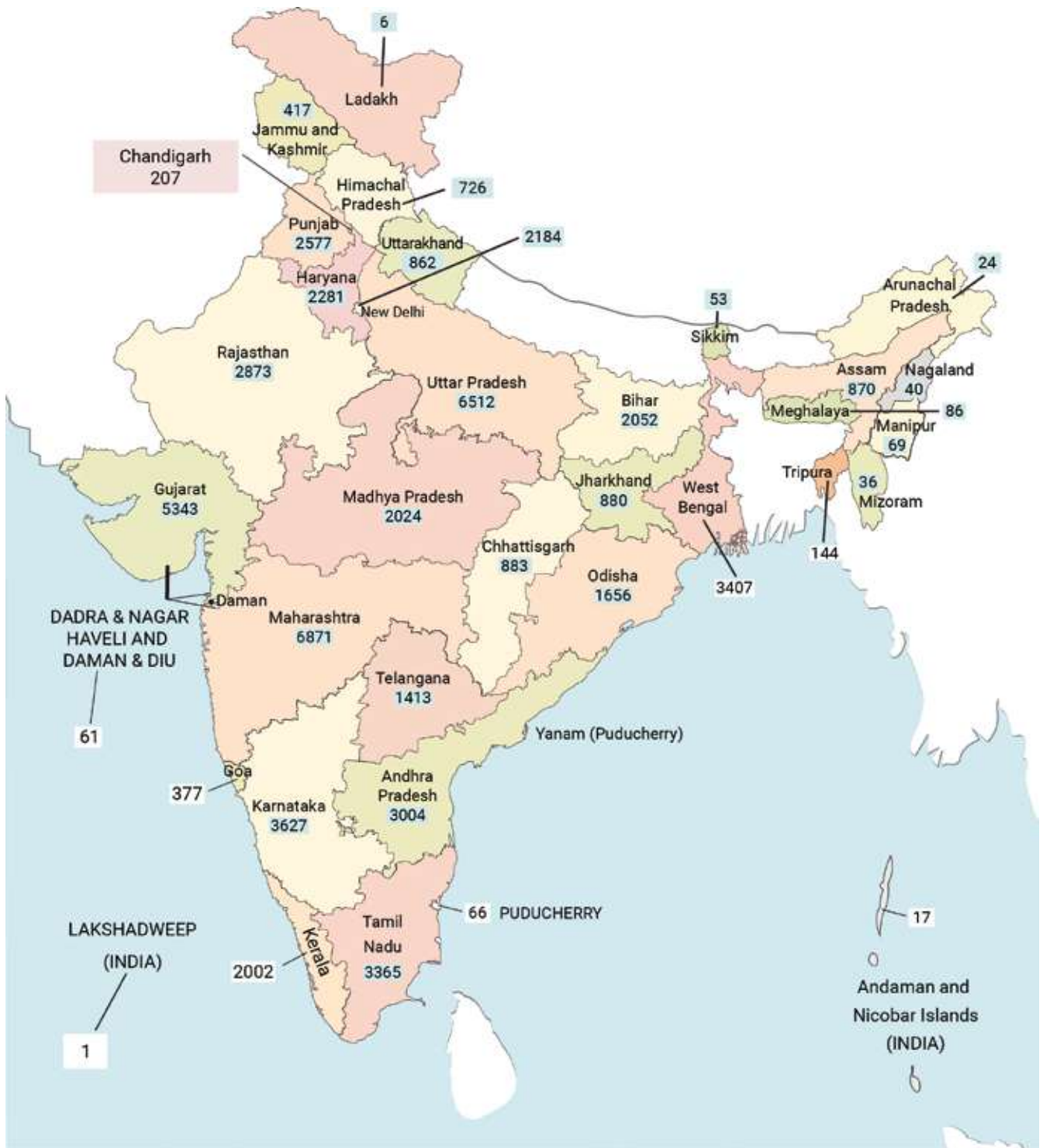
out of IPOs, Bonus, Rights issue etc., electronically. Total number of corporate actions during FY 2021-22 aggregated 4,63,649 as compared to 3,54,990 in the previous year indicating a growth of around 30.61%. Number of securities credited/debited by way of corporate actions stood at 64,796 crore as compared to 62,816 crore in the previous year.

Details of securities issued by way of electronic credits through NSDL for FY 2021-22 are as under:

Description	No. of Corporate Actions	No. of Allottees (in hundred)	No. of securities (in crore)
Equity Shares	12,937	1,14,899.76	34,699.44
Preference Shares	823	24.74	2,460.19
Bonds	4,989	3,603.57	11,703.80
Commercial Papers	4,563	1,840.28	9.99
Certificate Of Deposits	448	16.58	0.80
Securitized Instruments	697	9.97	12,997.51
Mutual Fund Units	4,37,054	42,937.29	2,028.19
Government Securities	1,904	2,895.53	9.54
Warrants	94	3.81	364.62
Alternative Investment Fund	19	0.25	0.02
Infrastructure Investment Trust	23	149.07	308.22
Real Estate Investment Trust	8	0.13	11.17
Rights Entitlements	90	7,833.15	202.57
<b>Total</b>	<b>4,63,649</b>	<b>1,74,214.13</b>	<b>64,796.07</b>



**STATE WISE SPREAD OF SERVICE CENTRES OF NSDL DEPOSITORY PARTICIPANTS**



**Total – 57,026**

**Overseas: 10 service centres**

*This map is a generalized illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features / states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.*

### 12. Corporate Bond Database

NSDL developed the Corporate Bond Database (<https://www.indiabondinfo.nsd.com/>) for dissemination of authentic and complete information on corporate bonds enabling investors to access the information at a single place in an easy, fast and transparent manner. IndiaBondInfo is a comprehensive data platform hosting reference data for 19,000+ active Indian rupee denominated corporate debt instruments such as debentures, bonds, zero coupon bonds, step up bonds, variable coupon bonds, market linked debentures etc. from more than 3,500 issuers. With evolving nature of bond market and instruments structures, NSDL consistently strive to accommodate such developments through regular enhancements in the platform and we actively seek out feedback from users and stakeholders. Recently, NSDL has introduced various user-friendly features for Credit Rating Agencies, Debenture Trustees and Exchanges.

### 13. LAS (Loan Against Securities)

NSDL has implemented Collateral Management System for Loan Against Securities (LAS) product. The Banks which are Depository Participants of NSDL can avail this facility to provide online loan to their customers against securities held by the customers in their respective Demat accounts. NSDL has now enhanced the product feature, which facilitate investors / demat account holders, having demat account with any DP of NSDL, to avail loan against their securities in a digital form with Banks/NBFCs. Investor can continue to maintain their demat account with their existing DP of NSDL for availing Loan against securities with Banks/ NBFCs.

### TECHNOLOGY

Your Company is an institution of national repute, operating across a wide range of businesses and is renowned for its capabilities in establishing and operating core infrastructure involving high-end technology.

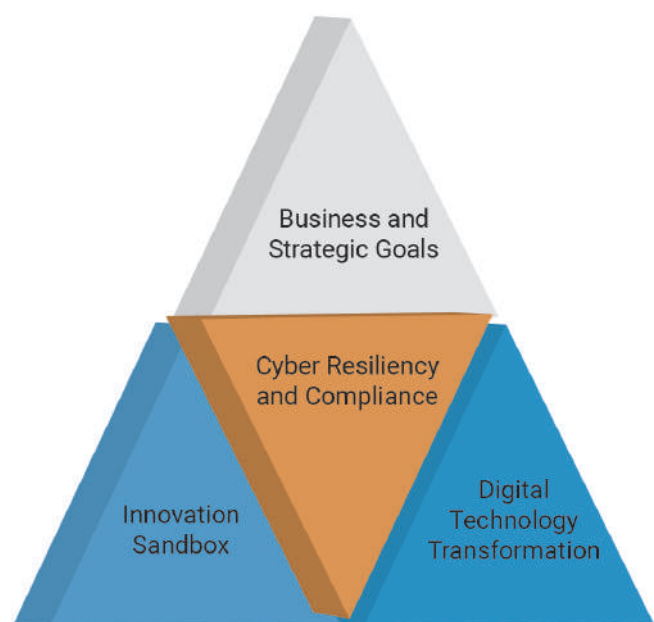
NSDL has been at the forefront in leveraging technology including the current and emerging transformational trends of mobility, digitisation and rapid growth of social media, to bring value to Business Partners and Investors. NSDL has leveraged its technology capabilities to facilitate faster and convenient processes, create best-in-class technology platforms and reduce transaction costs. Using innovative and flexible technology systems, NSDL works to support the investors and intermediaries in the capital market of the country. With resilient and compliant technology backbone in centre, NSDL aims at ensuring the safety and soundness of Indian marketplaces by developing settlement solutions

that increase efficiency, minimise systemic risk and reduce operational costs.

NSDL Technology Vision, Strategy & Architecture offerings provide the vision, strategy, and roadmap for IT systems modernisation, transformations of infrastructure and operations, aligning the technological changes with the business goals. NSDL is leveraging the best-in-class software tools and frameworks to build state of art high performant, robust and resilient platform.

SEBI had directed to ensure compliance with the decision of Technical Advisory Committee (TAC) with respect to the existence of Primary Data Centre (PDC) and Disaster Recovery Site (DRS) to be in different seismic zones. In March 2021, NSDL has relocated the Disaster Recovery Data Centre operation from Pune to Bangalore to comply with DR seismic zone policy.

As part of its commitment to the capital markets community for providing an open architecture platform enabling the ease of integration with depository services and facilitate the development of innovative products, NSDL is building API based “Innovation Sandbox” for FinTech firms to create out of box innovative solutions. In its continuous endeavour to adopt NextGen technologies, NSDL is building a Blockchain platform to embark upon a transformative journey for Indian capital markets to address transparency issues in corporate bond market.





### SECURITY OPERATIONS CENTRE

NSDL has setup an in-house Security Operations Centre (SOC) with 24x7 operations. The objective of SOC is to detect, analyse, contain, eradicate and respond to any adverse cyber security events. As part of in-house SOC, NSDL uses industry standard Tools and Technologies based on Big Data analytics platform for log analysis and correlation of network, security and server infrastructure. In-house SOC is staffed with team of security analysts/engineers which operates 24x7 for real time active monitoring, threat hunting and response to cyber security events. NSDL has adopted the MITRE ATT&CK framework which is a detailed knowledge base and model for cyber adversary behaviour, covering the various phases of an adversary’s attack lifecycle.

With changing threat landscape, NSDL has been continuously upgrading the platform and the associated infrastructure to improve on analytics, correlation, detection and response capabilities. SOC is designed to continuously evolve and increasingly mature over time for faster mean time to detect (MTTD) and mean time to respond (MTTR) to cyber threats. Periodic reviews are conducted to assess the current maturity and roadmap developed to improve the maturity over time.

### API ECONOMY AND MICROSERVICES

NSDL continues to make strides in building Application Programming Interface (API) as a bundle of code, which can facilitate secure data exchange between Depository applications and its Business Partners. These APIs are

developed as digital economy-based business models and channels for servicing NSDL Business Partners such as Brokers, Bank, AMC and RTA as well as the end investors. The usage and demand of Business-to-Business-to-Customer (B2B2C) APIs have grown significantly year on year in terms of transactions, offering a new channel for monetization of services and assets.

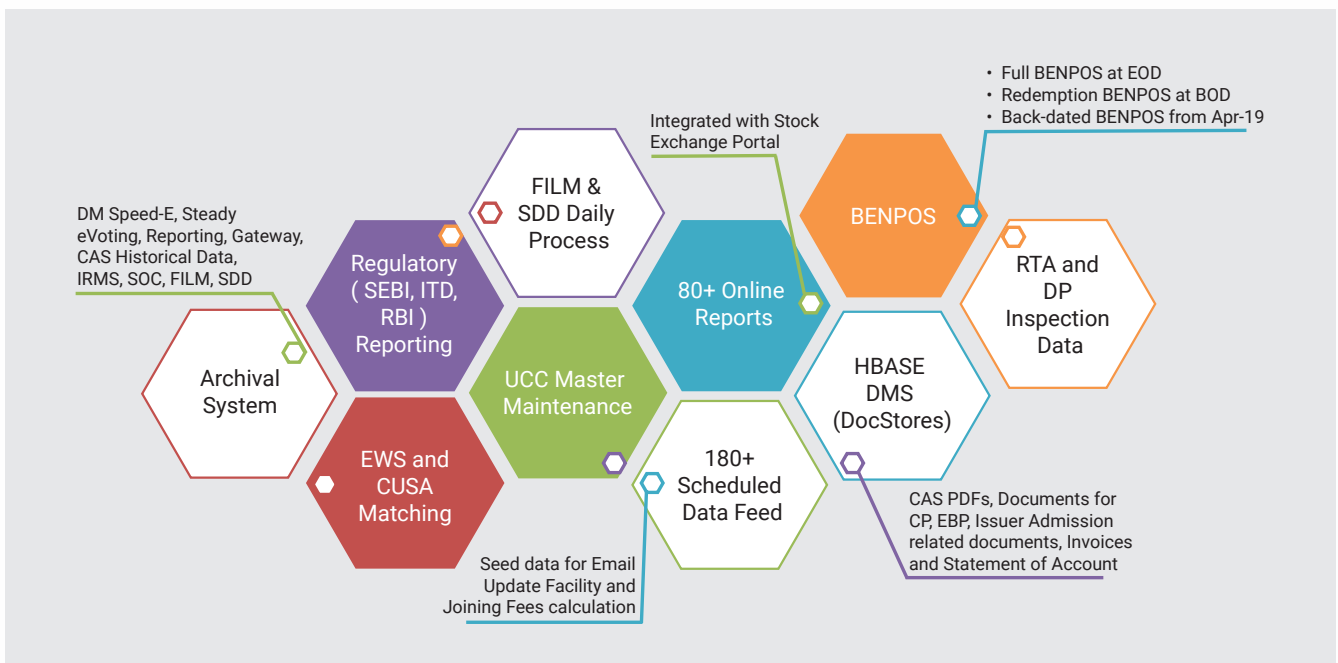
NSDL has accomplished over 100+ system integrations with its existing and new Business Partners using this channel for multiple services ranging from Account Validation, Account Opening, Account Maintenance, and Settlement Mandates for Brokers, Depository Transactions, Client Holdings and Transactions, Digital LAS and the recently launched capability of Mutual Fund Folio Conversions. APIs have helped NSDL establish an open platform for collaboration with NSDL Business Partners, deliver more engaging and efficient user experiences using set of open-industry approved tools.

Due to the increasing demand of its services, NSDL has also embarked upon the strategic initiative towards implementation of micro services architecture driven by well-balanced agile development methodology.

### BIG DATA PLATFORM

NSDL has implemented Big Data Platform - Hadoop as an Enterprise Data Lake. The data lake approach embraces all traditional and non-traditional data types. The data primarily includes all master data, transactional data, documents, historical and archive data.

#### BIG DATA PLATFORM

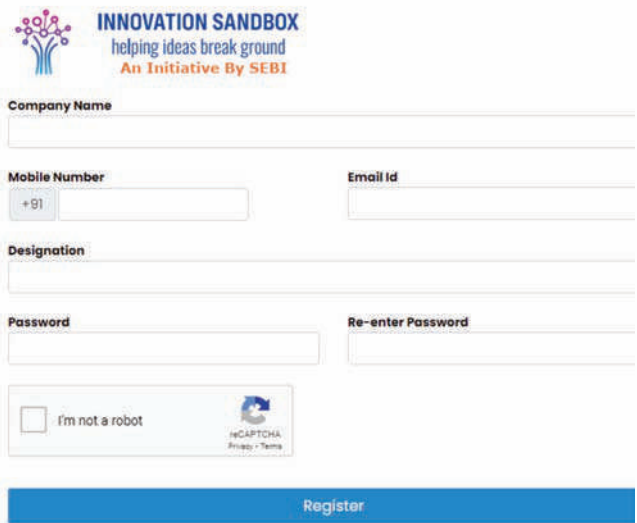


New initiatives, such as UCC seeding in Demat Account Master, Periodic alerts to Stock Exchanges for Early Warning Mechanism, e-Voting notifications to investors, regulatory reporting to various competent authorities, are implemented using the Big Data Platform. Hadoop's HBase integration has been implemented with Issuer Portal for various services like Issuer On-boarding, ISIN issuance, Commercial Paper and ease in accessing Invoices, Demand letters and ledgers.

**INNOVATION SANDBOX**

SEBI vide its circular no. SEBI/MRD/CSC/CIR/P/2019/64 dated May 20, 2019 has provided guidance for MIIIs to create an ecosystem which promotes innovation in the securities market. NSDL offers an "Innovation Sandbox", which is a testing environment where FinTech firms and entities not regulated by SEBI including individuals may use the environment for offline testing of their proposed solutions in isolation from the live market, subject to fulfilment of the eligibility criteria, based on market related data made available by Stock Exchanges, Depositories and Qualified Registrar and Share Transfer Agents (QRTAs).

NSDL is working on enriching the "Innovation Sandbox" with Developer's Kit which will enable the Fintech firms to test real market conditions and integrate fast and seamlessly with NSDL APIs in this environment. This sandbox is expected to find a balance between the innovative business models which will translate into better products and services for end investors. NSDL is also working on operating models to partner with Fintech community and develop innovative solutions for its business partners, delivery enhanced customer experience [CX] solutions and adopt NextGen technological advancements.



**DISTRIBUTED LEDGER TECHNOLOGY (BLOCKCHAIN)**

NSDL recognises the potential of Blockchain solution which is a new emerging technology for decentralized distributed ledger to record real-time transactions across partner network.

NSDL has successfully introduced a market infrastructure platform for Debenture issuance's asset cover monitoring. Over 200+ Issuers and Leading Debenture Trustees have been already on boarded on the platform. The platform will bring issuer and debenture trustee on a common platform to record asset charges and monitor asset cover ratio. The authoritative data store established via this new DLT platform will bring transparency in the debenture market.

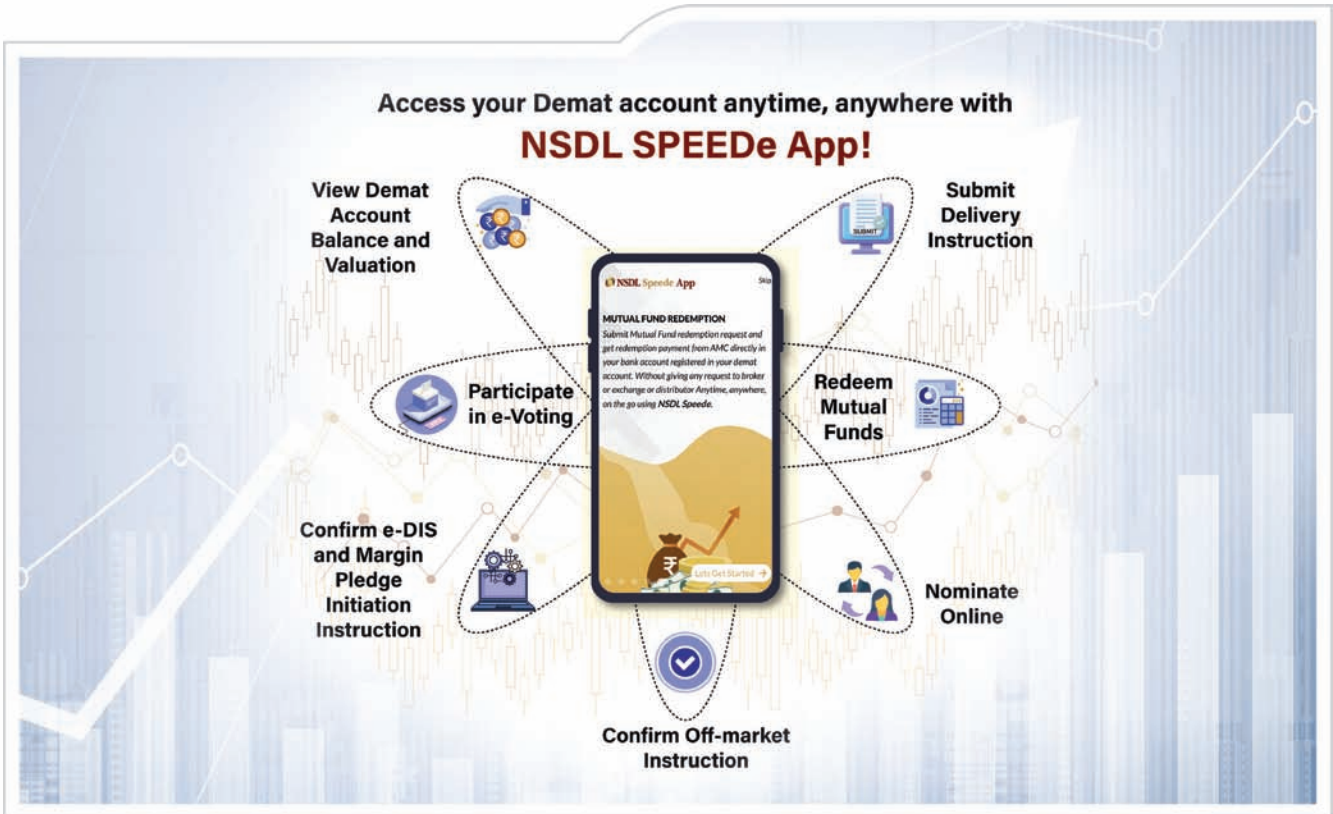
NSDL is working on building new capabilities on its DLT platform for Debentures Covenant Monitoring as well as assessing new use cases for Blockchain technology implementation.

**Distributed Ledger Technology (Blockchain)**





## ELECTRONIC INSTRUCTION PLATFORM

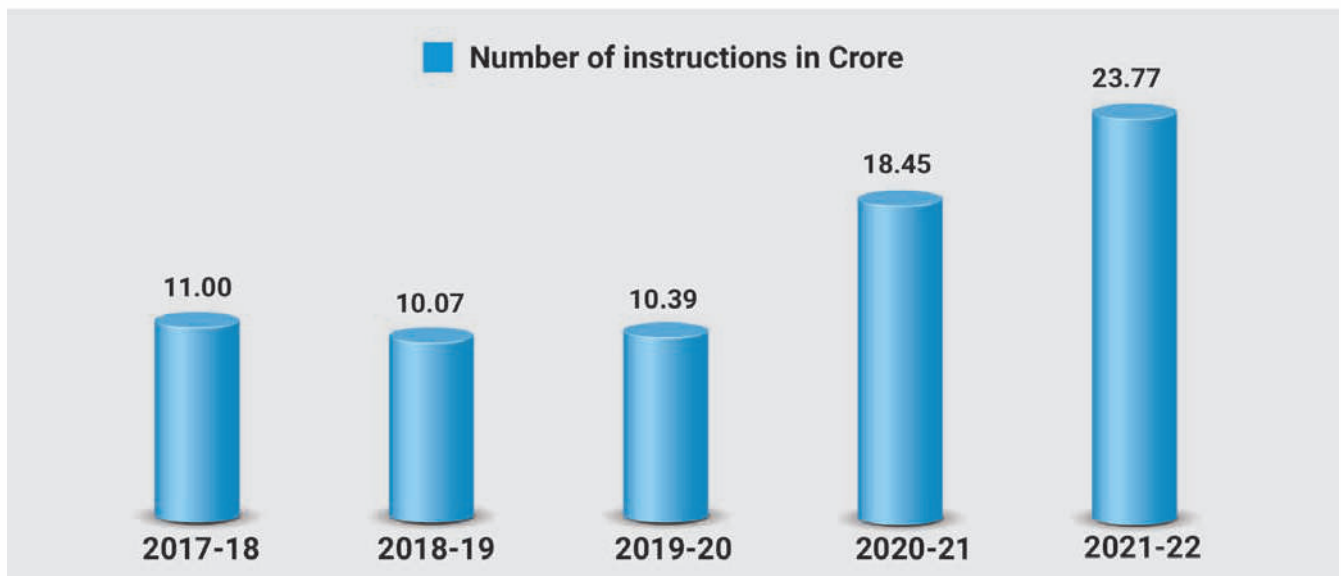


### 1. SPEED-e

SPEED-e is a common internet infrastructure that enables Depository Participants to provide depository services to their clients. The SPEED-e facility is used extensively by our Depository Participants (DPs) to offer an electronic instruction submission facility to their clients. This brings convenience to investors which reduces

the risk for DPs as well as to investors. It also provides customer delight thus enhancing the overall customer experience.

Demat account holders (including Clearing Members) subscribing to this service can submit delivery instructions to their participants electronically through SPEED-e



website instead of submitting Delivery Instruction Slips in paper form. SPEED-e users can access the service using secure internet facility. Over the years, various features viz., Statement of Holding (SoH), Account freezing, ISIN/Quantity level freezing, multiple authorisation by certain users, instructions upload facility, Mutual Fund Redemption, SPICE and SPEED-e / SPICE Direct, Pledge Instruction Submission, Confirmation and Unilateral closure by counter party were added to SPEED-e service.

As on March 31, 2022, 220 Participants have subscribed to SPEED-e service and more than 14.75 lakh users are registered for e-service facility. During FY 2021-22, more than 23.77 crore instructions were executed through SPEED-e. During the FY 2021-22, approximately 85.10% instructions out of total instructions processed on SPEED-e were processed through SPEED-e Direct facility.

## 2. Digital LAS

Digital Loan against Securities service allowed clients to avail loan against their securities in minutes by instantly pledging their securities holdings.

The Participants viz., HDFC Bank Limited and ICICI Bank Limited. have integrated with SPEED-e services which

enables demat account holder to take loan by pledging securities online on real time basis.

## 3. SPICE

Submission of Power of attorney based Instructions for Clients Electronically (SPICE) facility is in respect of demat accounts operated on the basis of Power of Attorney (POA). Many investors execute POA in favour of their stock brokers. Based on the POA, Clearing Members (CMs) submit instructions to the Participants (where clients maintain demat accounts) to debit the demat accounts of the Clients. SPICE enables such CMs to submit digitally signed instructions to Participant through the SPEED-e facility thereby eliminating the need to give paper based delivery instructions to Participants. SPICE enables Clearing Members to debit Client account and credit CM Pool account. Further, SPICE facility is enhanced to debit the Client account and credit the Margin/BO account of the CM. SPICE also includes the feature of SPICE Direct wherein auto pay-in instructions (submitted by CMs using the feature of SPICE) can be directly transmitted to NSDL.

Number of unique clients registered for SPICE facility as on March 31, 2022 – 1,48,50,040.

## Digital LAS

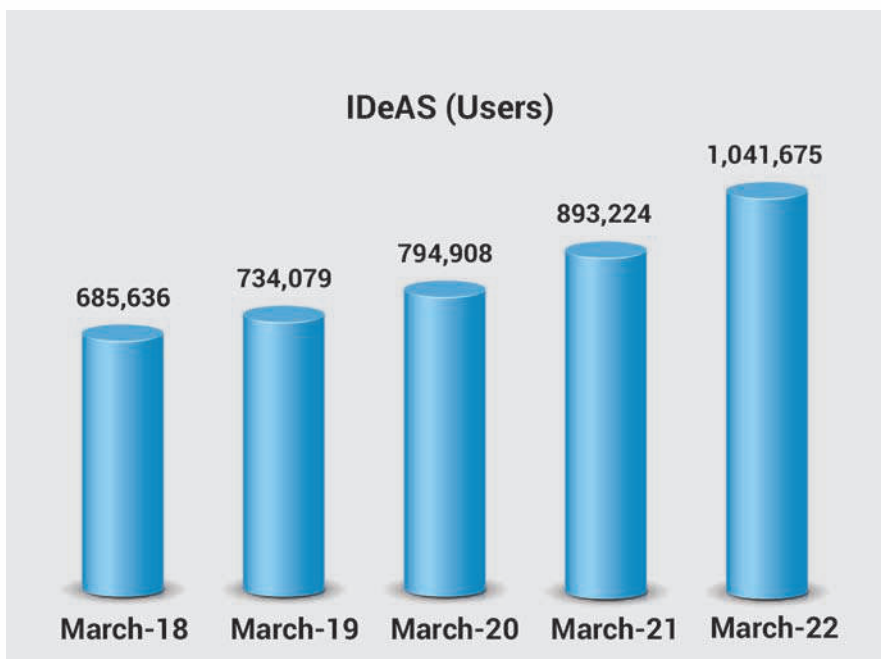




#### 4. IDeAS

Internet-based Demat Account Statement (IDeAS) is a secure internet service setup by NSDL for demat account holders to view online their latest balances along with the values and transactions in their demat account. This facility is available to all the clients including

Clearing Members who have opened a demat account with any of the Participants of NSDL. IDeAS clients can also download month wise transaction statements for the previous 12 months from the date of activation of IDeAS facility. Over the period, NSDL has enhanced its IDeAS service and enabled various facilities viz.,



Single Sign-on facility to clients for accessing e-Voting system of NSDL to cast their votes electronically in respect of resolutions of companies to be passed by Postal Ballot or a General Meeting and Interface with Income Tax Department Website to View/Download Tax Credit Statements (Form 26AS) and to provide Electronic Verification Code (EVC) during e-filing of Income Tax Return, facility to opt of eCAS, view eCAS, download eCAS of last 12 months and updation of email ID in demat account to receive eCAS.

During the FY 2021-22, number of clients using IDeAS increased to 10.42 lakh from 8.93 lakh in previous year indicating a growth of around 16.7%. As on March 31, 2022, 482 Clearing Members were using IDeAS as compared to 472 Clearing Members as on March 31, 2021. As on March 31, 2022, 260 DPs have subscribed for IDeAS.

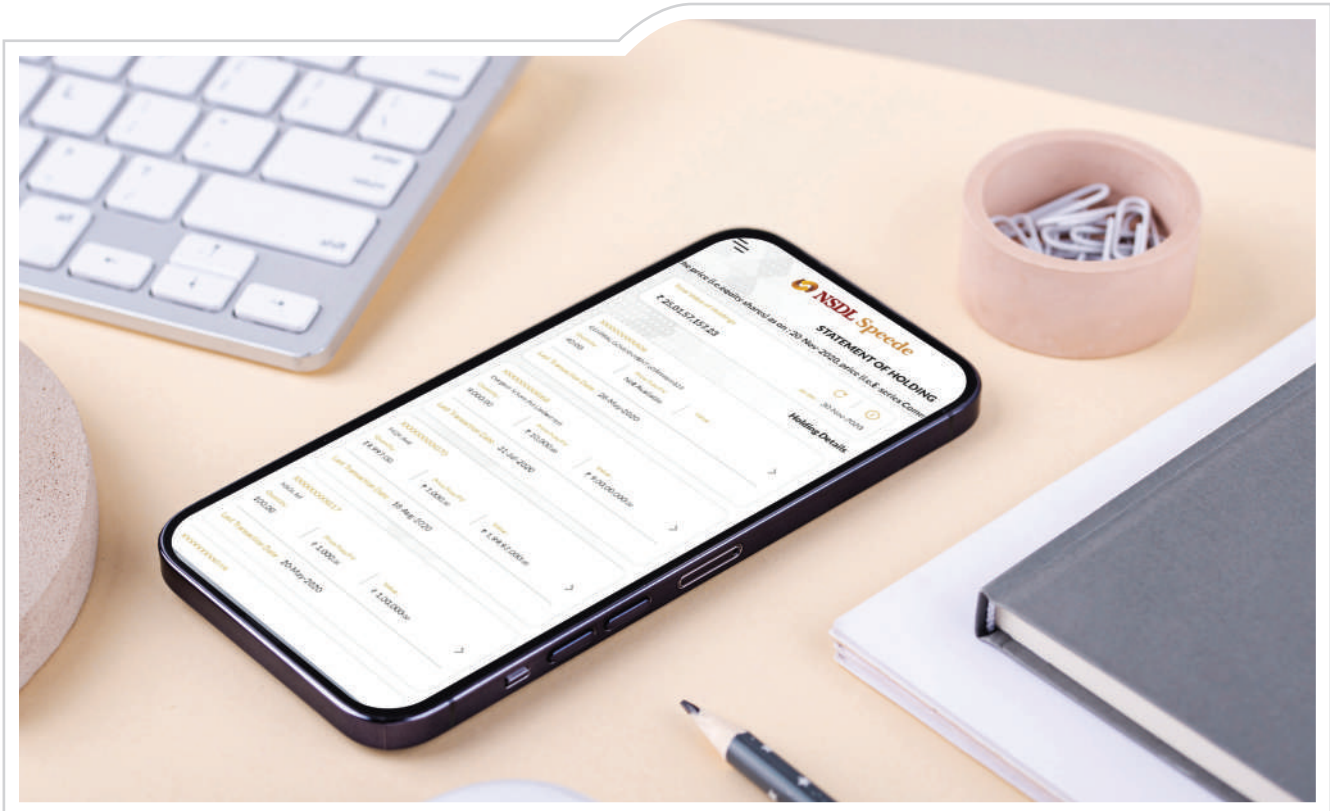
## 5. STeADY

Securities Trading-information Easy Access and Delivery (STeADY) is a facility that enables Straight Through Processing (STP) of trade information. STeADY is an Internet based facility that helps to transmit digitally signed trade information with encryption to the market participants electronically. The electronic contract notes are made available to institutional investors and their custodians for matching and to complete the settlement.

During the FY 2021-22, about 383.54 crore trade details in respect of 78.88 Lakh contract notes have been submitted through STeADY as compared to 269.27 crore trade details in respect of 37.46 Lakh contract notes during the FY 2020-21 indicating a growth over 42.43% in respect of trade details and about 110% in respect to contract notes.

	2017-18	2018-19	2019-20	2020-21	2021-22
Contract Note	26,01,825	30,40,243	33,73,778	37,46,372	78,88,639
Trade Details	85,73,69,348	1,45,71,86,496	2,92,49,88,150	2,69,27,36,873	3,83,54,40,794



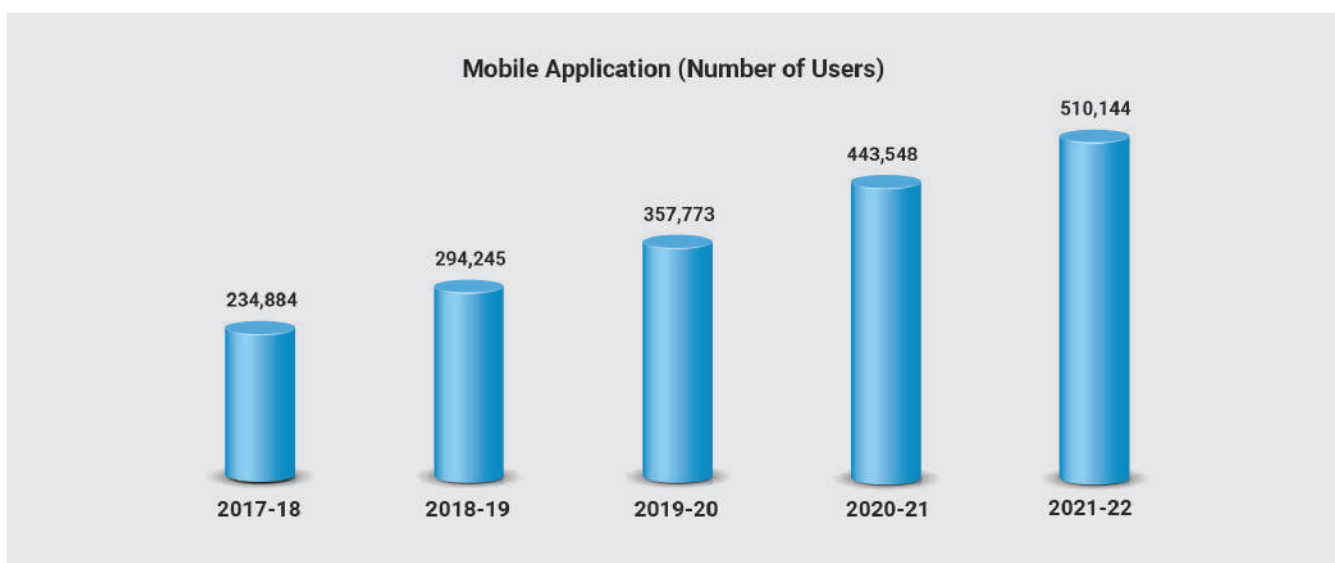


## 6. Mobile App

Mobile Application is a technology initiative of NSDL for investors to enable them to access to their demat account online, from the comfort of their home or office, on anytime, anywhere basis. NSDL Mobile App empowers the demat account holder with an ability to monitor their holdings along with the price and values of the securities. NSDL Mobile App is a secured way of tracking the portfolio. Additional feature viz., client can

exercise voting rights electronically, e-DIS launched wherein demat account holder can accept or reject electronic Delivery Instructions Slips (e-DIS) submitted by Clearing Members. Also, clients can Submit and View Delivery Instructions.

During the year, number of Users who have accessed NSDL Mobile App has increased to 5,10,144 from 4,43,548 in previous year.



### 7. TRADEs

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

As on March 31, 2022, 250.01 lakh investors were registered for using this service as compared to 217.89 investors as on March 31, 2021. During Financial Year 2021-22, a total of 12.6 crore SMS alerts have been sent to client under this service compared to 7.1 crore SMS alerts during financial year 2020-2021.

### 8. ACE

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

The total number of email alerts that have been sent to clients in FY 2021-22 are 2,75,886 for change of address in demat account.

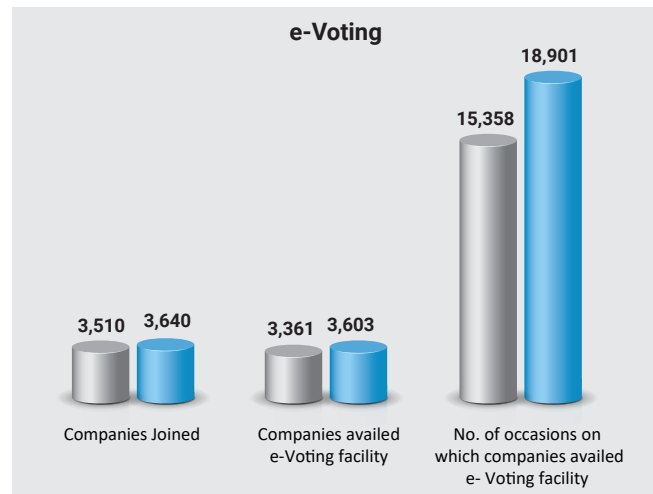
### 9. e-Voting

The e-Voting platform has facilitated many leading companies to offer e-Voting services to their Shareholders and thus has empowered their Shareholders to exercise voting rights by casting their votes electronically. This has enabled investors to take an active part in the company's overall decision-making process by participating in voting. The platform offers the companies live-streaming of meeting proceedings and instantaneous results. In addition to this, it also offers tab-based e-Voting services at the AGM

venue itself and e-notices service to the companies availing e-Voting platform.

Your company provides an e-Voting platform using secure Internet Infrastructure that enables shareholders of companies to vote electronically on resolutions of companies put to vote by shareholders. Since April 2014, e-Voting is mandatory for all listed companies. The e-Voting system of NSDL has been authorized by the Ministry of Corporate Affairs, Government of India. NSDL launched electronic voting (e-Voting) service [www.evoting.nsd.com](http://www.evoting.nsd.com) which is a platform for providing electronic voting facility for shareholders of companies. Through this platform shareholders can cast their votes electronically. Number of Companies which entered into agreement with NSDL for availing e-Voting services is 3,640 as on March 31, 2022 as against 3,510 companies a year ago.

Further, companies availed of e-voting services of NSDL on 18,901 occasions as against 15,358 occasions a year ago.



## Exercise Your Voting Rights Through NSDL's e-Voting System

### Benefits for Shareholders

Anytime, Anywhere using your desktop, laptop or mobile

Single login ID for voting across companies

Eliminates possibility of postal ballots getting lost in-transit

Available for all the shareholders whether holding shares in demat or in physical form



We are continuously working towards increasing market share in this area. Opportunities are still there for increase in market share.

### ISIN NUMBERING AGENCY

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

### INVESTOR EDUCATION & AWARENESS

#### 1. Client Accounts

During F.Y. 2021-22, 56.67 Lakhs new demat accounts were opened at NSDL as against 24.96 Lakhs demat accounts opened during F.Y. 2020-21, taking the total number of demat accounts opened till March 31, 2022 to 4.20 Crore.

The number of active demat accounts increased from 2.16 Crore as at the end of the previous year to 2.66 Crore as on March 31, 2022, resulting in net increase of 50 Lakh accounts.

#### 2. Investor Education and Awareness

After formation of NSDL Investor Protection Fund Trust as per SEBI's guidelines, activities related to promotion of investor education and awareness are undertaken through the Trust. The activities in connection with investor education and awareness are conducted as per the internal guidelines framed in compliance with SEBI's guidelines.

NSDL connects with investors through a series of awareness programs conducted across the country in association with SEBI, Exchanges, DPs and other institutions. These Programs are organized to spread awareness amongst the demat account holders and potential investors about the depository services, new services and updates important for investors, precautions to be taken by investors, important Do's and Don'ts for investors, information on grievance redressal system, procedure for claiming shares and dividend from Investor Education and Protection Authority, etc.

These programs are conducted in various languages and on different topics of interest to investors. Schedule of the programs is published in NSDL website. Website enables

investors to register online for different programs of their choice and also submit feedback about the program. NSDL engages eminent market experts to deliver some of the awareness programs.

Following activities / initiatives for promotion of investor education and awareness were undertaken during the F.Y. 2021 – 22.

- **Programmes with SEBI and Exchanges:**  
NSDL conducted 229 programs in association with SEBI, NSE and MSE during the given period. These Programs were attended by 15,756 investors
- **Programmes with Depository Participants (DPs):**  
NSDL conducted 176 programs with Depository Participants which were attended by 15,720 investors.
- **Programmes conducted for students and other sections of society:**
- ✓ **Awareness Programs conducted for students and other sections of society**
  - **NSDL Certification in Capital Market (NCCM) program conducted for students**  
During the F.Y. 2021-22, NSDL conducted 4 NCCM programs for students from different academic institutes. These programs were attended by more than 200 students to give students a holistic view of the securities market.  
  
It includes introduction to intermediaries involved in market, various products and services that NSDL offers, career opportunities available in capital market and so on.  
  
In order to make NCCM program more practical, NSDL engages market practitioners and expert external faculties to deliver these certification programs. During the period, the contents of this program were thoroughly reviewed and updated.
  - **Awareness Programs through seminars and workshops for students**  
NSDL conducted 70 training programs for students and professionals from different academic and professional institutes which were attended by around 3,000 students.
  - **Engagement with 'Poornatha' for 'Market Ka Eklavya' programs for students**  
NSDL has engaged with 'Poornatha & Company' for a new initiative 'Market Ka Eklavya' which aims at spreading awareness about securities market among

students. Core objective of this unique initiative includes paving the road for future investors and preparing them for the real world. Program intends to equip students with basic knowledge and skills about managing money at an early age. It will create awareness about financial products and build foundation of financial discipline among them. An important highlight of this program is that it will be delivered in online format in Hindi and other Indian languages.



In all, NSDL conducted / participated in 444 awareness programs / conferences during the F.Y. 2021–22. More than 35,600 investors and other stakeholders were reached through these initiatives. In view of the prevailing conditions, most of these programs were conducted in online format.

Since inception, NSDL has conducted more than 5,000 Investor Awareness Programs which have been attended by more than 4.98 lakh investors.

**1. Count of online and offline awareness programs organized by NSDL during the F.Y. 2021 – 22**

Type of Programs	Count of Programs
Online programs	392
Offline programs	52

**2. Language wise number of programs organized during the F.Y. 2021 – 22**

Sr. No.	Language	During F.Y. 2021 - 22
1	English	271
2	Hindi	127
3	Marathi	19
4	Malayalam	7
5	Bengali	6
6	Tamil	5
7	Telugu	4
8	Gujarati	4
9	Kannada	1
	<b>Total</b>	<b>444</b>

**Market Ka Eklavya**



Scan the QR code to see the corporate video

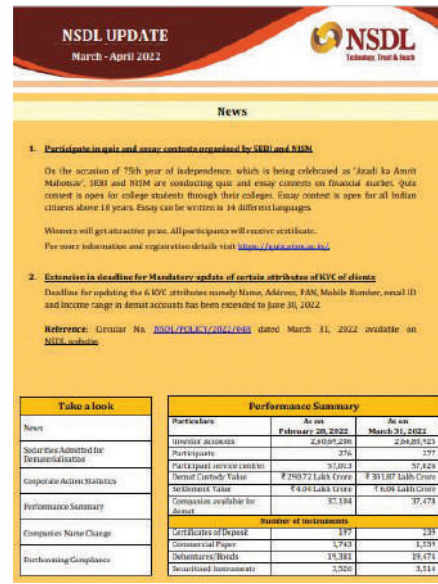
- **Awareness Programs for other sections of society**  
To reach out to other members of society such as Police, Doctors, staff of different organizations etc., NSDL conducted 23 awareness programs which were attended by more than 2,000 members.



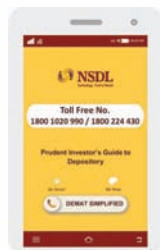
✓ **Publications from NSDL**

- **NSDL newsletters - The Financial Kaleidoscope and NSDL Update:**

NSDL publishes two monthly newsletters 'The Financial Kaleidoscope' (in English and Hindi) for investors and 'NSDL Update' for Depository Participants, RTAs and Issuer Companies. In March 2022, 'The Financial Kaleidoscope' newsletter was sent to 1.64 crore demat account holders through email (in March 2021, this count was 1.15 crore). English and Hindi versions of this newsletter published on NSDL website had 1.30 lakh downloads. This newsletter enjoys high level of reader participation, which is evident from the number of readers participating in contest inbuilt the newsletter and number of feedbacks received.



- NSDL Primer on Personal Finance**  
 NSDL has published a book titled 'NSDL Primer on Personal Finance' which provides a step wise guide to building wealth through savings and investment. This book covers in details various financial instruments available through different channels, basic guidance for tax and retirement planning among other things.
- e-Guide for Demat Account Holders**  
 e-Guide for Demat Account Holders gives investors a holistic view of the capital market, including intermediaries involved, various useful products & services that NSDL offers, etc. This e-guide is published in nine different languages namely Bengali, English, Gujarati, Hindi, Kannada, Malayalam, Marathi, Tamil and Telugu.
- Information Brochure for Investors**  
 Information Brochure for Investors provides an overview of the capital market, some pointers are - ways to become a prudent investor, information on claiming refund of unclaimed shares/dividend from Investor Education and Protection Fund (IEPF) Authority etc. This brochure is published in nine different languages namely Bengali, English, Gujarati, Hindi, Kannada, Malayalam, Marathi, Tamil and Telugu.
- Booklet on Securities Market**  
 Booklet on Securities Market is a joint publication by SEBI, Stock Exchanges and Depositories with a common objective to guide investors with the ways



of investing and take necessary precautions before investing in securities market. This booklet is published in 13 different languages namely Assamese, Bengali, English, Gujarati, Hindi, Kannada, Malayalam, Manipuri, Marathi, Oriya, Punjabi, Tamil and Telugu.



- FAQ on Demat Account**  
 Detailed FAQ covering various aspects of depository services and demat account is published on NSDL website for the benefit of existing and potential users.
- Use of social media for spreading awareness and education among investors**  
 During F.Y. 2021-22, NSDL started using the power of social media to reach out to investor community. NSDL's account were activated on LinkedIn, Twitter, Facebook and YouTube. A number of posts were published on these accounts containing message on various themes related to topics of interest to investors. Recording of webinars and videos created on different themes are posted on YouTube channel for convenient and effective reach to investors.

Follow NSDL:

### ARBITRATION

NSDL Bye-Laws provide for the settlement of claims, differences and disputes arising out of dealings in the

depository between Participants inter-se or between Participants and its clients by arbitration. For this purpose, a panel of Arbitrators has been formed to hear the disputes and pass awards. The arbitration facilities to the Participants and their clients are made available from NSDL offices located at Mumbai, New Delhi, Kolkata and Chennai. The Arbitration Committee consisting of senior executives of NSDL, who manage and supervises all aspects in the matter of settlement of disputes.

During FY 2021-22, no new arbitration proceeding was initiated by the Company or against the Company.

## QUALITY OF SERVICE

### ISO Certification

Your Company is ISO 27001:2013 & ISO 22301:2012 certified for Depository systems. The certifications are subject to periodic surveillance audits which are undertaken as per the requirements of the standards.

### Training Programmes & Certification

Your Company in association with National Stock Exchange (NSE) administers an examination on “Depository Operations” called NCFM (NSE’s Certification Programme on Financial Markets). To enable the Participant staff to take up the examination, NSDL has prepared background material on depository operations.

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

During the year, your company organised various training programmes including CPE training programmes. The module wise break-up of the training programmes are as mentioned below:

Module of CPE	No of Programmes	No. of Persons
CPE – Equity Derivatives	2	50
NSDL Depository Operations	5	78
NSDL – SHR	3	12
NSDL Training Programme on Account Opening	7	8,000
<b>Total</b>	<b>17</b>	<b>8,140</b>

## OPPORTUNITIES AND THREATS

NSDL is the first depository of the country and one of the largest depositories in the world with an overwhelmingly high market share of 90% in terms of custody value of dematerialized securities in Indian capital markets. The business of the Company mainly consists of depository operations and allied services. As part of digital initiatives, NSDL facilitates various API / Technical Integration interface between the Participants and NSDL for opening NSDL Demat Accounts, Demat Gateway for providing to brokers mandate for delivery instructions and Margin pledge instruction for margin requirements.

Further, NSDL has launched an integration with Participants to facilitate their Clients to access e-CAS and value added services on IDeAS from the Net/Mobile banking and Participant/Broking website. In addition, NSDL’s Cloud DPM system to facilitates Participants to migrate their DPM System (on premises) to NSDL Cloud, a private network. Adding to more automation, NSDL has also made available various value added services for seamless NSDL DPM system operations, i.e. NSDL STP Navigator, NSDL e-Signer & Auto Download for all its Participants. NSDL’s open architecture technology facilitates brokers to submit instructions for Clients having demat accounts with Bank based Participants, based on Client consent through eDIS or power of attorney. With an intent of strengthening the regulatory framework for Corporate Bonds in the Indian Market Infrastructure domain, NSDL upon guidance from SEBI, has developed a state-of-art DLT Blockchain based platform for the Debenture Security and Covenant Monitoring System. The platform enables Issuers and Debenture Trustees to manage the entire life cycle of corporate bonds and facilitate the monitoring of the security given and the covenants to bring about greater discipline and transparency to this market segment. It is first of its kind implementation of block chain technology in the Corporate Bond Market in India as well as in the world.

The Company derives its business mainly from activities in the Primary and Secondary Capital Markets. Buoyant capital market conditions increases volumes at the depository. However, the Company takes business competition as an opportunity for improvement and betterment of services to investors, rather than a threat.

## RISK MANAGEMENT

NSDL institutionalized implementation and active use of a risk management system and proactive reporting to senior management and Board committees supported with internal policies and procedures to demonstrate compliance. In the normal course of business, organisations are exposed to the following risks:

- a. **Business Risk:** This is attributable to the impact of market behaviour on the revenues of the Company and sustainability of business across cycles.



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

NSDL Risk mitigation strategy consists of:

- a. **Identify possible risk events** – NSDL keeps a comprehensive list of potential risks to data, operations, and personnel and their controls in form of risk registers which is regularly reviewed and updated.
- b. **Conduct risk assessment** – All business processes are subjected to a risk assessment whereas perceived risks and measures, controls, and processes are needed to reduce the effect of a threat coming to fruition is documented.
- c. **Track risks** – Risks are monitored as they evolve and the risk mitigation plan's ability to address them is evaluated periodically.
- d. **Implement actions and assess progress** – Risk mitigation plan's ability to address evolving risks are evaluated periodically and the same is revised as deemed fit.

#### **BUSINESS CONTINUITY PLANNING (BCP) & DISASTER RECOVERY**

NSDL has a policy in place, as per the SEBI circular dated March 26, 2019 and March 22, 2021 for Business Continuity Plan and Disaster Recovery and have shifted the depository operations to its Disaster Recovery Site (DRS) periodically. NSDL has been conducting mock and real scenario exercises regularly to ensure that the operations can be resumed from DR site in case primary site is struck with a disaster.

During the Pandemic, NSDL could operate with skeletal staff on-site and majority staff operating from home/remote without any business impact.

#### **INSURANCE**

Your Company has renewed its insurance policy to cover the risk of depository business, with an overall limit of ₹ 200 crore and a provision for one reinstatement of ₹ 100 crore with proportionate premium. The policy covers the Depository as well as its Participants. All Participants have subscribed to the policy. Apart from this, your Company has taken adequate insurance cover for premises and equipment's.

In addition to above your Company has obtained an insurance policy to cover the liability of the Directors and Officers of the Company and its Subsidiaries.

#### **INTERNAL CONTROLS AND AUDIT**

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

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

#### **RESOURCES COMMITTED TOWARDS REGULATORY FUNCTIONS**

The Company has incurred a total cost of ₹3,723.18 lakhs on the resources committed towards regulatory functions in FY 2021-22. The total cost comprise of direct expense of the resources actively in regulatory activities as well as expenses pertaining to the supporting teams and other administrative expenses.

#### **RISK MANAGEMENT FRAMEWORK**

The Company has adopted a Risk Management Framework based on CPMI-IOSCO principles. Further, pursuant to the SEBI (Depositories & Participants) Regulations, 2018 and recommendations of SEBI, the Company has constituted a Risk Management Committee comprising of Public Interest Directors and Independent External Person and the said Committee is chaired by a Public Interest Director.

#### **OTHER MEASURES**

Your Company has appointed a Compliance Officer and a Legal team to advice the company on issues relating to compliance with various laws. The Compliance Officer confirms on the compliance on matters relating to the

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

### CORPORATE SOCIAL RESPONSIBILITY

In terms of Section 135 of the Companies Act, 2013 (the Act) the Company has constituted the Corporate Social Responsibility (CSR) Committee under the Chairmanship of Mr. B. A. Prabhakar.

The salient features of the policy include the following:

- a. Philosophy of NSDL towards the positive impact towards employees and stakeholders in the society
- b. CSR Guiding Principles
- c. Areas of activities
- d. Implementation and Project Planning
- e. Monitoring
- f. Reporting

The Composition, meeting and attendance during the year is set out in Corporate Governance Report, which forms part of the Annual Report. The Company has formulated CSR Policy as approved by the Board and the same is disclosed on the website of the Company (<https://nsdl.co.in/publications/disclosure.php>).

National Securities Depository Limited and its associate companies or subsidiaries believe in inclusive growth by empowering and enhancing lives and thereby enabling socio-economic development in the communities where we operate. With the philosophy of 'Giving Back', NSDL undertakes various initiatives with the aim of socio-economic empowerment under the aegis of corporate social responsibility (CSR). Being a responsible corporate citizen, the Company has been implementing need based social initiatives that have meaningful and sustainable impact on the communities. Through its impact driven CSR programs/projects, NSDL has been reaching out to the underprivileged section of the society and enable them to uplift themselves by making them part of our programs designed in the areas of education, health, skill development, environmental sustainability, disaster relief, etc. The CSR programs undertaken by NSDL facilitate a holistic development of the communities. The sustainable development of communities where we operate is an essential part of our corporate social responsibility.

- **Project Artha SAMARTH (a skill development initiative in BFSI sector) -**

Skill Development is the most crucial element in India's growth story and there is a need of bridging the skill gap that exists in the country. NSDL believes in the philosophy of 'learn and earn' and aims to empower the underprivileged youth of the country by making them employable and develop entrepreneurship skills. Through Project Artha SAMARTH, NSDL reaches out to the youth in different strata of the community especially from poor socio-economic background. The identified youth are trained on various BFSI sector specific skills such as Business Correspondents (BC), Business Facilitator (BF), Insurance Agents, Mutual Fund Distributors, etc. NSDL reaches out to the unemployed youth, emerging or aspiring entrepreneurs in BFSI sector, self-employed youth in BFSI sector and youth from low income earning group, etc. for imparting various BFSI sector specific skills. NSDL emphasises more on entrepreneurship development amongst the trained youth and inculcates entrepreneurial skills during training. Moreover, the trained candidates are also provided with relevant platform to help them kick start and bring out the entrepreneur amongst them. The candidates are mobilized and enrolled in the program through a stringent evaluation procedure which includes need assessment, interest analysis, counselling, group discussions, personal interviews, etc. The comprehensive training modules have been designed to upgrade the skill-sets of youth and to open various avenues for trained youth to opt for self-employment or employment in BFSI sector. The program also encompasses assessments from industry recognized agencies, certification and guidance for entrepreneurship or employment assistance. The Company also mentors and hand holds the trained candidates post training to ensure sustainable livelihood. Till now, NSDL has successfully trained and certified around 18500+ youth on various BFSI industry specific job roles such as BC, BF, Mutual Fund Distributor and Financial Advisor who were empowered with livelihood skills. It is not just 18500+ youth but those many families who have benefitted through Artha SAMARTH program. Every year, NSDL conducts training programs on different modules/ job roles across different states of India. The Company is being reaching out to the most deserving youth who have aspirations and potential to serve BFSI industry and most importantly an inclination towards entrepreneurship. The trained candidates are also mentored to provide livelihood opportunities post successful assessment and certification. During pandemic, the training programs were conducted in online/web based mode to ensure continuous skill enhancement for the underprivileged youth.



- **Project Yogdaan (health support to Thalassemia patients)**

NSDL supports the cause of 'Thalassemia' by facilitating required medical aid to the patients suffering from this life-threatening disease. Under Project Yogdaan, the Company has identified Thalassemia patients who belong to poor socio-economic background, who undergo regular blood transfusions at Sion Hospital and Borivali Thalassemia Day Care Centre in Mumbai. These patients belong to age group of 4 months to 35 years and lack adequate financial resources. NSDL provides bed-side Leukocyte Filters to the underprivileged Thalassemia patients to ensure reaction free blood transfusions. The use of bed-side Leukocyte filters help in prevention of severe allergic reactions and infections that are caused during blood transfusion activity. The use of filters has resulted in significant reduction in febrile reactions amongst these Thalassemia patients. The Leukocyte filters are provided free of cost to all identified patients throughout the year. Apart from this, NSDL also supports these Thalassemia patients by providing free yearly DXA Scan and MRI investigations which are required for diagnosis and prevention of fatal effects of iron overload on various body organs. In the year 2021-22, NSDL could extend its support to around 435 Thalassemia patients with the help of Project Yogdaan. This uninterrupted supply of bed-side Leukocyte Filters has proved to be the most effective intervention in protecting Thalassemia patients from life threatening disease.



- **Night School Transformation Program**

For many Indian adults and children, accessing education during the day is impossible as they have to work to sustain themselves and their family members. Night Schools are the ray of hope for such students who wish to complete their education. Night schools are quintessential and can make a massive difference to an underprivileged person's life. Night school education's contribution in Indian educational ecosystem is significant as it supports the system by bridging the gap between students and quality education.

Considering the need for quality education in night schools as well, NSDL has launched the Night School Transformation Program (NSTP) with the objective of enhancing quality of education in night schools and thereby improving enrolment, attendance and academic performance of the students. NSDL has started NSTP in association with Masoom (NGO) in 9 night schools in Maharashtra covering around 750+ underprivileged students. These night schools are fulfilling the educational needs of underprivileged students from Tier-II and III cities such as Solapur, Kolhapur, Nashik, etc. The schools are provided with certain essential infra support such as library, science laboratory, e-learning material, laptops, projectors and other hardware support. NSDL endeavours to provide an effective learning environment for the night school students.



- **Mid-Day-Meal Program**

NSDL believes that good nutrition is as important as good education. No child can study well with an empty stomach.

Considering the significance of healthy and nutritional food for school students, NSDL provided mid-day-meal in the Government Schools in Lucknow, Vrindavan and Mangalore. Totally, 1,52,400 Mid-Day-Meals were distributed to more than 17,300+ students in 274 government schools. The program was carried out in association with the Akshaya Patra Foundation.



- **Eye Care for Farmers**

NSDL in association with Medical Research Foundation (Sankara Nethralaya) conducted Free Eye check-up at Chengalpattu and Check-up Camp for 200 farmers in Tamil Nadu.



The camps were organized in 2 districts namely, Thiruvannamalai and Chengalpattu which are the predominantly agricultural communities. The eye care

issue was addressed for the people working in agricultural and allied sectors. Post screening, the farmers were also provided with free spectacles as per need.

- **Project Shiksha Sahyog (an educational scholarship program)**

NSDL launched the scholarship program with the aim of bridging the gap between bright student and right education. There are many deserving bright students who can't continue with their studies due to lack of adequate financial resources. Project Shiksha Sahyog is like boon for such students. This program is a need and merit based educational support, which intends to reach out to the underprivileged students from economically backward section of society and thereby ensuring that their studies are not hampered due to lack of financial resources. The beneficiaries are identified, screened and shortlisted as per eligibility criteria and further the scholarship amount is disbursed directly to the beneficiaries. Through Shiksha Sahyog NSDL supports the underprivileged students who are pursuing higher secondary education, general degree courses and post-graduation courses in spite of various hurdles. Such students are provided with scholarships based on the total fees paid during academic year. In the year 2021-22, NSDL has supported more than 500 students in different scholarship categories and different cities in India through NSDL Shiksha Sahyog program.

The Report on CSR initiatives is set out as "Annexure-A" and forms part of this Annual Report.

### SUBSIDIARIES

As required under Section 134 of the Companies Act, 2013, the Audited Statement of Accounts, the report of the Directors and Auditors of the Subsidiary Companies are annexed and the statement containing salient features of the financial statements of subsidiaries in form AOC-1 is annexed to this report as "Annexure-B".

### HUMAN RESOURCES

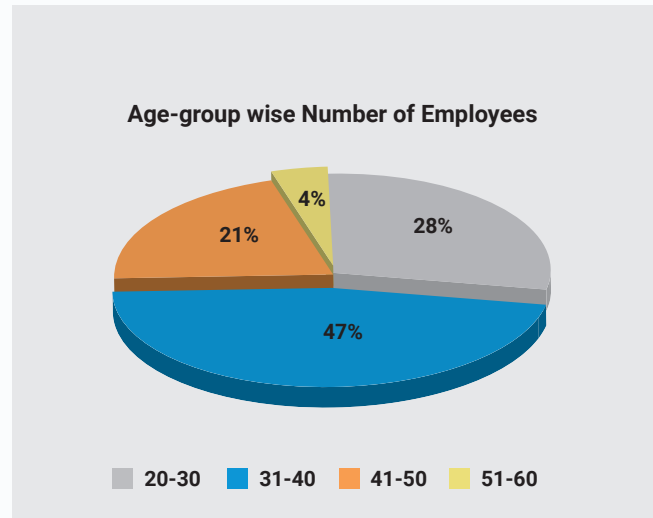
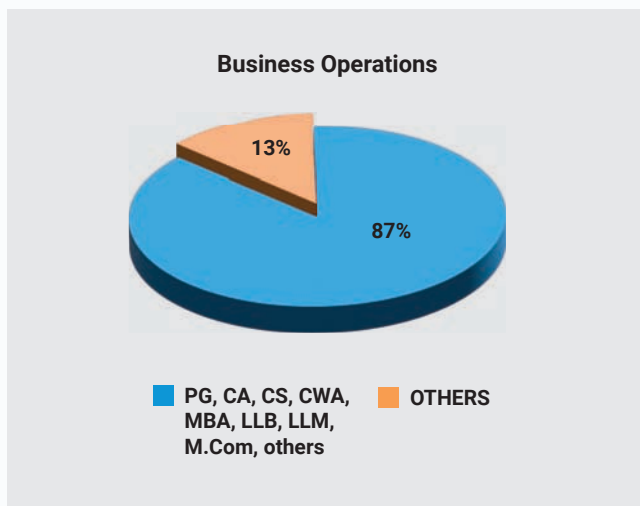
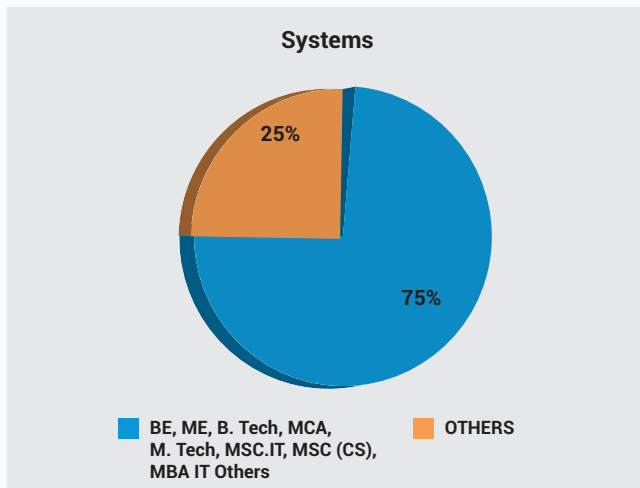
Your company emphasizes on the quality of its Human Resources as Employees are vital for the organization. The company also gives importance to employee wellness. The company has favourable work environment, which enables it to attract and retain high calibre employees. Employee relations at all locations are harmonious and cordial. The company gives utmost importance to the training and development of its employees. Various training and orientation programmes are conducted. Officials across various levels are exposed to programmes according to training needs. Company also nominates,



select employees to participate in various seminars in the capital market and other related areas both in India and abroad. A comprehensive induction programme is conducted for new recruits. Other training programmes on Information Security Policies Awareness are also conducted in order to keep abreast the employees in these areas.



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



#### KEY FINANCIAL RATIOS FOR FY 2021-22

Key Financial Ratios like Current Ratio, Return on Equity, etc., are in accordance with the prudent commercial practice adopted across the Industry in which your Company operates. Financial Ratios are disclosed along with explanation with respect to items included in numerator and denominator in Note 36 to the Standalone Financial Statements.

#### POSITIVE WORK ENVIRONMENT

The Company has formulated and adopted a policy on prevention of sexual harassment at work place and takes all necessary measures to ensure a harassment free work place and has instituted an Internal Complaints Committee for redressal of complaints and to prevent sexual harassment.

No complaints were received during FY 2021-22.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm that:

- In the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures.
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- They have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company

and for preventing and detecting fraud and other irregularities;

- They have prepared the annual accounts on a going concern basis;
- They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **DECLARATION FROM PUBLIC INTEREST DIRECTORS/ INDEPENDENT DIRECTORS**

The Company has received the necessary declarations from all the Public Interest Directors/Independent Directors, under Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 6(1) & 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Company has also received declaration from the Public Interest Directors that they meet the “fit and proper” criteria as prescribed under Regulation 23 of the SEBI (Depositories and Participants) Regulations, 2018 read with Regulation 20 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (“SECC Regulations”). In the opinion of the Board, all Independent Directors/Public Interest Directors fulfill all the applicable conditions prescribed under the Companies Act, 2013 and Rules framed thereunder, SEBI (Depositories and Participants) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **IMPLEMENTATION OF CODE OF CORPORATE GOVERNANCE**

As per the SEBI (Depositories and Participants) Regulations, 2018, the disclosure requirements and corporate governance norms as specified for the listed companies mutatis mutandis are applicable to the depository.

During the year under review, the Company is in compliance with the applicable provisions of the aforesaid regulations. The status of implementation of the Code of Corporate Governance is enclosed as “Annexure-C”.

#### **BOARD EVALUATION**

In terms of the provisions of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual

performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its committees based on a defined set of parameters as recommended by the Nomination and Remuneration Committee.

Further, in terms of the SEBI (Depositories and Participants) Regulations, 2018 read with SEBI Circular dated February 05, 2019, the Board based on the recommendation of Nomination and Remuneration Committee, has adopted the Policy for Performance Review of Public Interest Directors. The criteria for evaluation of PIDs is based on the said policy framed in accordance with the SEBI prescribed guiding principles namely qualification, experience, knowledge and competency, fulfilment of functions, ability to function as team, initiative, availability and attendance, commitment, contribution, integrity, independence, independent views and judgement. The detailed policy for performance evaluation of PIDs, as approved by the Board, may be accessed on your Company's website.

The performance of the Independent Directors was evaluated by the entire Board except the person being evaluated. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The Board carried out the evaluation of its own performance and that of its committees and individual Director keeping in mind the inputs received from the Directors.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The particulars of Loans, Guarantees or Investments made during the financial year are set out in the Notes to Accounts which forms part of this Annual Report.

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

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Disclosure of transactions with related parties is set out in Note 26 of Standalone Financial Statements, forming part of the Annual Report & Annexures thereto.

No material related party transactions were entered, during the Financial Year under review, by your Company and hence the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, in Form AOC-2, is not applicable to your Company.



## TRANSFER TO RESERVE

During the year under review, no transfer has been made to General Reserve.

## NAMES OF THE COMPANIES WHICH HAVE BECOME AND CEASED TO BE A SUBSIDIARY, JV AND ASSOCIATE COMPANY DURING THE YEAR

During the year under review, India International Bullion Holding IFSC Ltd has become Associate Company of your Company. NSDL International Depository IFSC Limited, which was incorporated as a wholly owned subsidiary of NSDL on September 10, 2021, ceased to be a Subsidiary of your Company pursuant to Strike Off. A statement containing salient features of the financial statements of subsidiaries in form AOC-1 is annexed to this report as "Annexure-B".

## DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review and as on the date of signing the report, following changes in Directors have taken place:

### 1. Appointment / Re-appointment:

- Dr. Rajani Gupte (DIN: 03172965) was re-appointed as a Public Interest Director for a further term of three years w.e.f. May 23, 2021.
- Mr. G.V. Nageswara Rao (DIN: 00799504) ceased to be MD&CEO of NSDL w.e.f. August 31, 2021.
- Ms. Padmaja Chunduru (DIN: 08058663) was appointed as MD&CEO of NSDL w.e.f. September 22, 2021.
- Mr. Rajeev Kumar (DIN: 01879049) was re-appointed as a Shareholder Director on the NSDL Board w.e.f. September 29, 2021.
- Term of Mr. B. Sambamurthy (DIN: 002346211) as a Public Interest Director was up to April 19, 2022. Accordingly, an application for Nomination of Public Interest Director on the Governing Board of NSDL has been made to SEBI vide letter dated February 17, 2022. In terms of SEBI (Depositories and Participants) Regulations, 2018, Mr. B. Sambamurthy continue to act as Public Interest Director till the time response of SEBI is received on the same.

The Company hereby confirms that necessary application was made to SEBI for appointment/re-appointment of Directors (Public Interest Director/ Managing Director & CEO) in accordance with SEBI (Depositories and Participants) Regulations, 2018 and upon receipt of such approvals, Directors (Public Interest Director / Managing Director & CEO) are appointed on the Board of NSDL.

## 2. DETAILS OF KEY MANAGERIAL PERSONNEL

As on March 31, 2022, the Company has three Key Managerial Personnel as per the Companies Act, 2013 i.e., MD&CEO, Chief Financial Officer and Company Secretary:

Sr. No.	Name of Key Managerial Personnel	Designation
1.	Ms. Padmaja Chunduru	Managing Director & CEO
2.	Mr. Chandresh Shah	Chief Financial Officer
3.	Mr. Nikhil Arya	Company Secretary

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

During the year under review, no significant and material order was passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operation in future.

## CHANGE IN THE NATURE OF BUSINESS

Your Company has not undergone any changes in the nature of the business during the financial year.

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

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 Internal Auditors of the Company review the Internal Financial Controls and their findings and recommendations are reviewed by the Audit Committee.

## PUBLIC DEPOSITS

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

## AUDITORS AND AUDITORS REPORT

M/s. Deloitte Haskins & Sells Chartered Accountants LLP (ICAI Registration No. 117364W), were re-appointed as Statutory Auditors of the Company in the Seventh Annual General Meeting, for a period of three years commencing from FY 2019-20 to FY 2021-22 (i.e., from the conclusion of the Seventh Annual General Meeting till the conclusion of Tenth Annual General Meeting).

Accordingly, Deloitte Haskins & Sells Chartered Accountants LLP are the Statutory Auditors of the Company for the financial year 2021-22 and shall continue as Statutory Auditors of the Company till the conclusion of the Tenth Annual General Meeting.

The notes on financial statement referred to in the Auditors' Report are self-explanatory and there are no qualifications, reservations or adverse remarks in their report. There are no frauds reported by auditors under sub-section (12) of section 143 of the Companies Act, 2013.

#### SECRETARIAL AUDIT REPORT

In terms of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board has appointed M/s. S. N. Ananthasubramanian & Co., Practicing Company Secretaries (Firm Registration No. P1991MH040400) to undertake the Secretarial Audit of the Company for the FY 2021-22.

The Secretarial Audit report for the financial year ended March 31, 2022 as provided by S. N. Ananthasubramanian & Co., Practicing Company Secretaries is enclosed as "Annexure-D".

The Secretarial Auditor's report does not contain any qualifications, reservations or adverse remarks in their report.

#### ANNUAL RETURN

Annual Return i.e., Form MGT-7 can be accessed, is available on the Company's website at <https://nsdl.co.in/publications/disclosure.php>

#### COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company is in compliance with Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

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

##### a. Conservation of Energy and Technology absorption -

The Company has a policy of switching off power after the office time in those areas where staff has left for the day. Staffs are strictly instructed to switch off their monitors before they leave for the day. The Company also maintains the air conditioning temperatures to conserve energy. The Company continuously strives to optimize its energy usage and efficiency.

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

Sr. No.	Particulars	FY 2021-22 (₹ in lakh)	FY 2020-21 (₹ in lakh)
1	Foreign Exchange Earnings (Miscellaneous)	21.42	Nil
2	Foreign Exchange Outgo/Expenditure incurred in foreign currency	11.79	8.67

#### PARTICULARS OF EMPLOYEES

Information required under the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Depositories and Participants) Regulations, 2018, a statement containing the remuneration details of Directors and employee is annexed as "Annexure-E" and forms part of this report.

#### OUTLOOK

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

#### ACKNOWLEDGEMENT

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

Your Directors are grateful for the support and co-operation extended by Securities and Exchange Board of India, Reserve Bank of India, Ministry of Finance, Ministry of Corporate Affairs, Depository Participants, Issuers, Registrars, Stock Exchanges, Commodity Exchanges, Investors, Vendors, Dealers, Business Associates, Bankers and Market Intermediaries. We place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

Your Directors express their deep sense of appreciation to all the employees whose outstanding professionalism, commitment and initiatives have made the organisation's growth and success possible. Finally, the Directors wish to express their gratitude to the Members for their trust and support.

For and on behalf of Board of Directors

Sd/-  
**Padmaja Chunduru**  
 Managing Director & CEO

Sd/-  
**B. A. Prabhakar**  
 Chairman

Date: August 08, 2022  
 Place: Mumbai

# ANNEXURE A

## Report on CSR Activities

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

National Securities Depository Limited (NSDL) and its associate companies or subsidiaries have been involved in various socio-economic development programs/projects that have meaningful yet sustainable impact on the communities where it operates. The Company undertakes various impact driven programs under aegis of Corporate Social Responsibility (CSR) which are mapped to the Company's CSR policy. The CSR policy enumerates specific thematic areas which are the guiding principles of the projects/programs that are being implemented by NSDL. At present, the Company endeavours to undertake CSR programs/projects in the area of education, skill development, health & sanitation, environmental sustainability, rural development & disaster relief, rehabilitation and recreation.

It is company's policy to spend the amount allocated for CSR expenditure on activities listed in Schedule VII of the Companies Act, 2013 and the rules framed thereunder. Therefore in view of the same the CSR activities for FY 2021-22 as listed out in the CSR policy were in the areas of promoting education, employment & livelihood generating skills, health & sanitation, environmental sustainability, disaster relief & rehabilitation, rural development, etc. Details of CSR policy are available on our website at the web link: <https://nsdl.co.in/downloadables/pdf/CSR%20Policy.pdf>. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

### 2. Composition of CSR Committee-

Sr. No.	Name of the Director	Designation/ Nature of Directorship	Number of Meetings of CSR Committee Held During the Year	Number of Meetings of CSR Committee attended During the Year
1	Mr. B. A. Prabhakar	Chairman	1	1
2	Prof. G. Sivakumar	Member	1	1
3	Ms. Padmaja Chunduru	Member	1	1

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

Sr. No.	Financial Year	Amount Available for Set-off from preceding financial years (₹ in Lakh)	Amount required to be setoff for the financial year, if any (₹ in Lakh)
1	2020-21	8.82	8.82

### 4. Average net profit of NSDL for last three financial years: ₹ 15,570.89 Lakh.

5. (a) Two percent of average net profit of the company as per section 135(5) - ₹ 309.97 Lakh
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - NIL
- (c) Amount required to be set off for the financial year - ₹ 8.82 Lakh
- (d) Total CSR obligation for the financial year (5a + 5b - 5c) - ₹ 301.14 Lakh

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

As a part of internal practice, the CSR funds are spent as a joint CSR initiative of NSDL and its subsidiaries or associate companies hence; the total amount spent for the FY consists of amount spent for NSDL as well as NDML as a joint CSR initiative of both the organizations. The CSR projects/programs are being implemented by NSDL as a joint initiative of both organizations. However, the expenditures were incurred out of NSDL and NDML's CSR budget separately.

The below table shows the amount spent by NSDL as a whole towards CSR obligation of NSDL as well as NDML.

Total Amount Spent for the Financial Year 2021-22 (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2,32,70,865	1,10,89,050	11/05/2022	NA	NA	NA

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

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - through implementing agency	
				State	District			Name	CSR Registration Number
1	Project Yogdaan- (Health support to Underprivileged Thalassaemia patients)	Item (i)	Yes	Maharashtra	Mumbai	35,68,040	Yes (Direct)	NA	NA
2	Mid-Day-Meal distribution in government schools at Lucknow, Mangalore and Vrindavan.	Item (i) & (ii)	Yes	Uttar Pradesh & Karnataka	Lucknow & Vrindavan Mangalore	10,00,000	No	The Akshaya Patra Foundation	CSR00000286
3	Night School Transformation Program by providing basic infrastructure for enhancing quality of education and learning environment in the night schools.	Item (ii)	Yes	Maharashtra	Mumbai, Nashik, Solapur, Satara & Kolhapur	11,50,000	No	Masoom	CSR00000360
4	Eye Screening Camps for Farmers and Donation of Screening Instrument	Item (i)	Yes	Tamil Nadu	Sirunagar (Chengalpattu District) Badhur (Thiruvannamalai District)	8,51,740	No	Medical Research Foundation	CSR00002623
5	Project Artha SAMARTH-a skill development initiative in BFSI sector to enable livelihood for deserving youth with high potential and inclination to serve BFSI sector. Primary objective is to encourage entrepreneurship amongst youth who can canvass BFSI sector specific products and services. NSDL also endeavors to facilitate employment linkages for trained youth. Two major programs are:  Mutual Fund Distributors Certification Program Business correspondence & Business Facilitator training program (BC-BF)	Item (ii)	PAN India	PAN India	PAN India	1,33,91,467	Yes (Direct)	NA	NA
6	NSDL Shiksha Sahyog (an educational scholarship program)	Item (ii)	PAN India	All States (PAN India)	PAN India	22,06,875	No	TISS	CSR00003475
<b>Total</b>						<b>2,21,68,122</b>			



- (c) Amount spent in Administrative Overheads - ₹ 11,02,743/-  
 (d) Amount spent on Impact Assessment - NA  
 (e) amount spent for the Financial Year (6b + 6c + 6d) - ₹ 2,32,70,865/-  
 (f) Excess amount for set off (computation for NSDL) -

Sr. No.	Particulars	Amount (in Lakh)
i	Two percent of average net profit of the company as per section 135(5)	301.14
ii	Total amount spent for the Financial Year	232.71
iii	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

\* It is to be noted that there is no amount available for set-off in succeeding financial years however, the unspent amount of Rs. 110.89 Lakh has been transferred to the Unspent CSR Account which shall be further utilized for on-going program i.e. NSDL Shiksha Sahyog, educational scholarship program. The Board on the recommendation of CSR Committee may alter/modify the on-going programs within permissible time period.

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakh)	Amount spent in the reporting financial year (₹ in Lakh)	Amount Transferred to any fund specified under Schedule VII as per Section 135 (6), if any			Amount remaining to be spent in succeeding financial years. (₹ in Lakh)
				Name of the Fund	Amount (in ₹ In Lakh)	Date of Transfer	
1	2018-19	-	-	-	-	-	-
2	2019-20	-	-	-	-	-	-
3	2020-21	-	-	-	-	-	-
4	2021-22	110.89	NA	NA	NA	NA	110.89
	<b>Total</b>	<b>110.89</b>					<b>110.89</b>

**Note-** The unspent amount of ₹ 110.89 Lakh shall be utilized for the on-going program as enumerated above.

Further, it is to be noted that the below mentioned sections in the CSR Annexure-II are not applicable while reporting in vthe prescribed format and hence, the details in these respective sections are not furnished.

- Details of CSR amount spent against ongoing projects for the financial year - NA
- Details of Unspent CSR amount for the preceding three financial years - NA
- Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)- NA
- In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year - NA

#### 8. Reasons for Unspent CSR Amount-

NSDL Group intends to have sustainable CSR programs with greater and long term impact on the society. The Company endeavors to implement outcome based CSR programs/projects that create shared value in the most deprived and deserving communities. The success of CSR programs/projects is mapped to the qualitative outcomes that are evaluated through quantifiable measures. Hence, the Company follows an approach wherein the CSR budget is spent in accordance with the expected project outcome. The outcome is monitored during implementation phase regularly.

During the year, we observed that certain projects were not giving desired results. As a result there was a change in some project spent and the strategy was tuned to get meaningful and desired results. While we managed to spend some amount of the budget, there was still some balance left unspent at end of the year. This amount has been transferred to a separate bank account and will be utilized in next year.

Sd/-  
**Ms. Padmaja Chunduru**  
 (Managing Director & CEO)

Sd/-  
**Mr. B.A. Prabhakar**  
 (Chairman, CSR Committee)

# ANNEXURE B

## Form AOC-1

Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014 Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

### Part "A": Subsidiaries

As on/for the year ended March 31, 2022

(₹ in Lakh)

Particulars	NSDL Database Management Limited	NSDL Payments Bank Limited
Share Capital	6,105.00	18,000.00
Reserves and Surplus	17,813.73	(4,447.74)
<b>Total Networth</b>	<b>23,918.73</b>	<b>13,552.26</b>
Total Assets	27,732.26	25,373.86
Total Liabilities	3,813.53	11,561.66
Investments	18,165.59	7,373.74
Turnover	9,274.89	29,978.72
<b>Profit / (Loss) Before Taxation</b>	<b>6,050.69</b>	<b>(752.19)</b>
Provisions for taxation	1,340.82	-
<b>Profit / (Loss) After Taxation</b>	<b>4,709.87</b>	<b>(752.19)</b>
Proposed dividend	1,221.00	-
% of Shareholding	100%	88.89% (Direct) and 11.11% (through subsidiary)

The audited financial statements of the above subsidiaries have been drawn up to the same reporting date as that of the Company, i.e., March 31, 2022.

- Names of subsidiaries which are yet to commence operations: **Nil**
- Names of subsidiaries which have been liquidated or sold during the year: **Nil**

### Part "B": Associates and Joint Ventures

As on/for the year ended March 31, 2022

(₹ in Lakh)

Particulars	India International Bullion Holding IFSC Limited
1. Latest audited Balance Sheet Date	31st March, 2022
2. Date on which the Associate was associated	13th August, 2021
3. Shares of Associate held by the company on the year end	
No. of Shares	200,000,000
Amount of Investment in Associates	2,000.00
Extent of Holding (in percentage)	20.00%
4. Description of how there is significant influence	Note 1
5. Reason why the associate is not consolidated.	NA
6. Net worth attributable to shareholding as per latest audited wBalance Sheet	1,779.01
7. Profit / (Loss) for the year	
i. Considered in Consolidation	(90.99)
ii. Not Considered in Consolidation	-

- The group has significant influence through holding 20.00% of the equity shares in the investee company in terms of Indian Accounting Standard (Ind AS) 28, Investments in Associates and Joint Ventures.
- Names of associates or joint ventures which are yet to commence operations: **Nil**
- Names of associates or joint ventures which have been liquidated or sold during the year: **Nil**

For and on behalf of Board of Directors

Date: August 08, 2022  
Place: Mumbai

Sd/-  
**Padmaja Chunduru**  
Managing Director & CEO

Sd/-  
**B. A. Prabhakar**  
Chairman



# ANNEXURE C

## Corporate Governance

### Company's philosophy on code of Corporate Governance

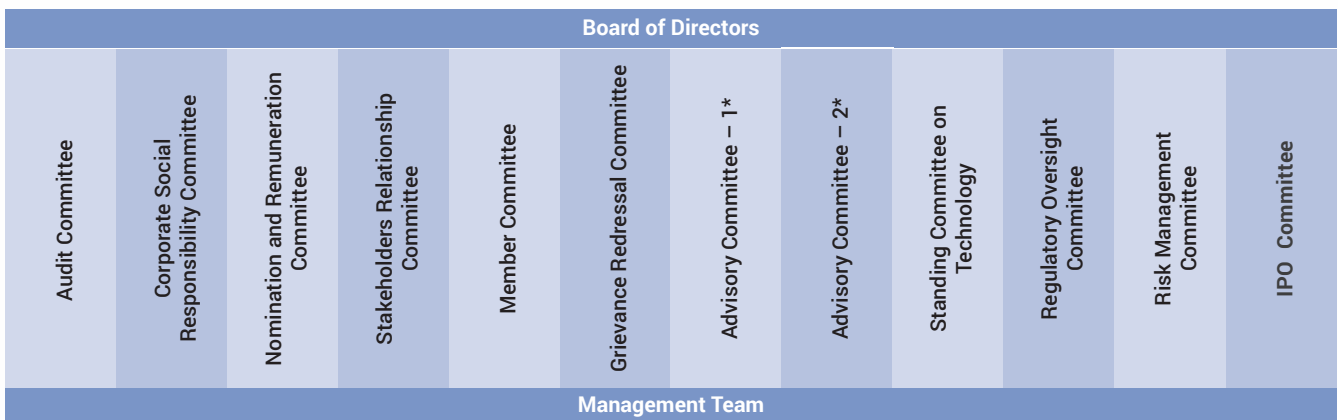
NSDL is committed to high standards of Corporate Governance which is critical to our business integrity and maintaining investors' trust. The Company's philosophy on Corporate Governance is based on the fundamental principle of fair, ethical and transparent governance practices by adopting the highest standards of professionalism, integrity, honesty, equity, transparency, accountability and ethical behavior in all facets of operations and dealing with all its stakeholders. It is also based on an effective independent Board and the separation of the Board's supervisory role from the executive management. The Board of Directors monitors the protection of the long-term interests of the stakeholders. The Board has a balanced mix of experts of eminence and integrity, who provide the vision and direction to the Company. The Company aims at complying with all applicable laws and regulations, ethically conducting its business and protecting the interests of investors and other stakeholders.

NSDL is a Public Limited Company incorporated under the Companies Act, 1956 and a Depository within the meaning of Depositories Act, 1996 whose securities are not listed on any of the stock exchanges. NSDL is additionally required to comply with the provisions of the SEBI (Depositories and Participants) Regulations, 2018, the guidelines, circulars and directives issued by SEBI from time to time. As per Regulation 31 (1) of the said regulation, the Disclosure requirements and Corporate Governance norms as specified for listed companies shall mutatis-mutandis apply to a Depository. Your Company has been practicing the Code of Corporate Governance by adopting most of the good Corporate Governance practices and continues to practice the Corporate Governance norms laid down in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Company has complied with the Corporate Governance norms prescribed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also made the relevant disclosures as required therein. For the information of its stakeholders, NSDL is furnishing this Report on Corporate Governance for the financial year ended March 31, 2022.

### Governance Structure:

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



\*Advisory Committee was reconstituted by the Governing Board at its meeting held on February 11, 2022.

NOTE: Pricing Committee was dissolved by the Governing Board at its meeting held on February 11, 2022, with immediate effect.

## Board of Directors

Your Company recognizes and embraces the importance of a diverse Board and is constituted in conformity with the Companies Act, 2013 ('the Act'), SEBI (Depositories and Participants) Regulations, 2018 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Board functions either as a full Board or through various Committees constituted to oversee specific areas. Policy formulation, setting up of goals and evaluation of performance and control functions vest with the Board.

Your Company is provided with direction and guidance by professional Board comprising eminent persons with considerable professional expertise and experience in Capital Markets, Finance, Legal, Banking, IT and other related fields.

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

NSDL Board comprises of qualified members who bring the required skills, expertise and competence that allows them to make an effective contribution to the Board and its Committees.

1. The skills/expertise/competencies/positive attributes etc. of the directors may be determined based on below parameters:
  - a. Qualification – Law, Finance, Management and Administration or any other relevant to the financial markets.
  - b. Experience – Prior experience in area of law, finance, accounting, economics, management, administration or any other area relevant to the financial market.
  - c. Knowledge and Competency – Knowledge about the regulatory norms of the Company, constructive and analytical decision making abilities, strategy expertise for understanding and reviewing the strategy.
  - d. Understanding of Technology – Technical / Professional skills in relation of Company's business, analyzing technological trends, innovation, creative ideas for business, research, innovation and digitization and ability to leverage the same for advancement of capital markets.
  - e. Leadership – Demonstrated leadership skills preferably at Board level, leadership experience with regard to managing a Company including risk management, strategic planning and guiding the Company towards benefits of the shareholders and other stakeholders.

S.N.	Name of Director	Skills / Expertise / Competence
1	Mr. B. A. Prabhakar	Mr. Prabhakar is a person of eminence, stature and an administrator having worked in various capacities including Chairman & Managing Director of Andhra Bank. He also served in various departments of Credit, Operations & Treasury of Bank of Baroda. He has also handled critical Investment Department of Bank of Baroda for a period of around 7 years. He was also Executive Director of Andhra Bank & Bank of India. He has also served on the various Boards which includes Karnataka Bank Limited, BOI Shareholding Limited, Clearing Corporation of India Limited, L&T Group of Companies. Mr. Prabhakar is a qualified Chartered Accountant.
2	Prof. G. Sivakumar	Prof. G. Sivakumar has been on the faculty of the Department of Computer Science and Engineering, IIT Bombay, since 1991. His core research interests are in the applications of Logic in diverse areas of Computer Science such as Artificial Intelligence, Software Engineering and Network Security. He is the Head of the Centre for Formal Design and Verification of Software (CFDVS) which undertakes projects related to design and verification of safety critical real-time systems. Such systems include computer based control systems used in nuclear reactors, space, avionics, process-control and robotics.  He was a Founder Member of the Open Source Software Resource Centre (with IBM and CDAC) and has chaired the Committee on Interoperability Framework for Open Standards in E-governance. He serves on several Technology Advisory Committees including those of RBI, NPCI, CCIL, NSDL and SEBI. Prof. Sivakumar has completed his B.Tech (Electrical Engineering) from IIT-Madras and Ph.D (Computer Science) from University of Illinois, Urbana-Champaign.
3	Dr. Rajani Gupte	Dr. Rajani Gupte is the Vice Chancellor of the Symbiosis International (Deemed University). She has been actively engaged with higher education for over thirty years, both as a professor and researcher. She has taught at many foreign universities as well, including the Oakland University, Michigan, US, and Bremen University of Applied Sciences, Germany. She joined Symbiosis as a founding member of the Symbiosis Institute of International Business in 1992. She was invited to be a part of a committee of eminent economists formed by NITI Aayog to interact with the Honorable Prime Minister on "Economic Policy: The Road Ahead" in January 2018, and has also been invited by NITI Aayog to be on the Consultation Group of Experts for the Education Vertical. She is an independent Director on the Governing Board of NSDL and L & T Finance Holdings Ltd and some of its subsidiaries. She received her Doctorate degree in Economics from the prestigious Gokhale Institute of Economics and Politics, Pune.



S.N.	Name of Director	Skills / Expertise / Competence
4	Mr. B. Sambamurthy	Mr. Sambamurthy Boggarapu is a Chartered Accountant with over 40 years of Banking and related experience. He has served in the past on the Boards of various organizations viz. Chairman of National Payments Corporation of India as Nominee Director from RBI, Director & CEO at the Institute for Development and Research in Banking Technology (IDRBT), an autonomous centre for development and research in banking technology set up by RBI, Chairman and Managing Director of Corporation Bank, Executive Director of Indian Bank, Non-Executive Chairman of Indian Bank Housing Finance and Indian Bank Capital Market Services, Director on the Boards of Bandhan Bank, IDBI Intec Ltd, Society for Electronic Transactions & Security, Data Security Council of India, Indian Institute of Banking & Finance. Presently, he is on the Board of Clearing Corporation of India Limited and Insurance Information Bureau of India.
5	Mr. Rajeev Kumar	Mr. Rajeev Kumar is currently at the grade of Executive Director at IDBI Bank. He is a seasoned banker with more than 25 years of experience in wholesale banking, project finance, debt syndication, investment banking, retail loans, MSME and agri lending, NPA management, financial and business restructuring. He has held key leadership positions in Corporate banking, Infrastructure financing, NPA Management, Debt Syndication. He was one of the key role players in merger of IDBI Bank with IDBI, setting up Infrastructure Debt Fund and he is also on the Board of several listed companies. He has done his B. Tech in Chemical Technology (Specialization in Plastics) from HBTI, Kanpur, MBA from Kanpur University (Specialization in Finance – Part Time), & CAIIB from Indian Institute of Bankers.
6	Ms. Priya Subbaraman	Ms. Priya Subbaraman has twenty three years of experience in financial services spanning capital markets, banking, global markets and wealth management and two years in a commodity trading firm. She is the Chief Regulatory Officer at NSEIL and runs its regulatory functions including surveillance, investigation, inspection, enforcement, membership compliance, investor services and arbitration, defaulter services and listing compliance. She is a member of the Delisting Committee of NSEIL and a Trustee of the NSE Investor Protection Fund Trust. Before joining NSEIL, she oversaw compliance in Standard Chartered Bank for Corporate, Institutional and Commercial Banking businesses across India and South Asia, including global markets, transaction banking and corporate finance. She headed compliance in Lehman Brothers, where she covered equities, primary dealer, investment banking, NBFC businesses and was also a Board member. She spent almost nine years with the Kotak Mahindra Group.
7	Ms. Padmaja Chunduru	Ms. Chunduru, is a M.Com (Banking & Finance) from Andhra University and a qualified CAIIB- Certified Associate of Indian Institute of Bankers with 37 years of Banking and related experience in India and United States of America (USA). She has worked with State Bank of India as Deputy Managing Director (Digital Banking). Prior to that, she was the Country Head of US Operations, SBI from 2014 – 2017 at New York. She has held position as a Director in Life Insurance Corporation of India. She was also Non-Executive Chairperson (Nominee Director) of Universal Sampo General Insurance Company Limited. She has also held Board positions in various institutions namely Indian Banks' Association, National Institute of Bank Management, Pune, Insurance Regulatory and Development Authority of India, Institute of Banking Personnel Selection and Indian Institute of Banking Management, Guwahati. She has extensive knowledge and experience in Banking and Financial Services.

2. Name of the Directors possessing the aforesaid skills / expertise / competencies / positive attributes described as above:

Sr.No.	Name	Category of Directors/ Designation
1	Mr. B. A. Prabhakar	Public Interest Director, Chairman
2	Prof. G. Sivakumar	Public Interest Director
3	Dr. Rajani Gupte	Public Interest Director
4	Mr. B. Sambamurthy	Public Interest Director
5	Mr. Rajeev Kumar	Shareholder Director
6	Ms. Priya Subbaraman	Shareholder Director
7	Mr. G. V. Nageswara Rao <sup>1</sup>	Managing Director & CEO
8	Ms. Padmaja Chunduru <sup>2</sup>	Managing Director & CEO

<sup>1</sup>Ceased to be MD & CEO of the Company with effect from August 31, 2021

<sup>2</sup>Appointed as MD & CEO of the Company with effect from September 22, 2021.

**i. Composition and Size of the Board and Category of Directors**

As per Regulation 24 (1) of SEBI (Depositories & Participants) Regulations, 2018, the Governing Board of every depository shall comprise of following types of Directors:

- Public Interest Directors (PID)
- Shareholder Directors (SHD)
- Managing Director (MD)

The number of Public Interest Directors shall not be lesser than the number of Shareholder Directors with the Managing Director being included in the category of Shareholder Director.

The appointment of all Directors requires prior approval of SEBI. The Public Interest Directors on the Governing Board are nominated by SEBI, who represent the interest of investors in the securities market and who do not have any association directly and indirectly, which, is in conflict with their role. The Chairman of the Board is required to be elected from among the Public Interest Directors with prior approval from SEBI. Further, all the Public Interest Directors are also appointed as Independent Directors (not liable to retire by rotation) in order to comply with the provisions of Companies Act, 2013. The Chairman and CEO are separate posts in the Company.

#### ii. Composition of the Board as on date:

Category	No. of Directors
Public Interest Directors / Independent Directors	4
Shareholder Directors	2
Managing Director & CEO	1

#### Governing Board as on date along with the changes therein during the FY 2021-2022 to till date:

Names of Directors	Category	Designation
Mr. B. A. Prabhakar	Non-Executive Independent (Public Interest Director)	Chairman
Prof. G. Sivakumar	Non-Executive Independent (Public Interest Director)	-
Dr. Rajani Gupte	Non-Executive Independent (Public Interest Director)	-
Mr. B. Sambamurthy	Non-Executive Independent (Public Interest Director)	-
Mr. Rajeev Kumar <sup>1</sup>	Non-Executive Non-Independent (Shareholder Director)	-
Ms. Priya Subbaraman	Non-Executive Non-Independent (Shareholder Director)	-
Mr. G. V. Nageswara Rao <sup>2</sup>	Executive Non-Independent (Managing Director & CEO)	Ex-MD & CEO
Ms. Padmaja Chunduru <sup>3</sup>	Executive Non-Independent (Managing Director & CEO)	MD & CEO

<sup>1</sup>Mr. Rajeev Kumar has been re-appointed as Shareholder Director with effect from September 29, 2021.

<sup>2</sup>Mr. G. V. Nageswara Rao, ceased to be Managing Director & CEO of the Company, with effect from August 31, 2021.

<sup>3</sup>Ms. Padmaja Chunduru, was appointed as Managing Director & CEO of the Company with effect from September 22, 2021.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in aforementioned Regulations and are independent of the management. Further, none of the Directors of the Company are inter-se related with each other and no Director holds any shares and convertible instruments in the Company.

The Board members including Independent Directors are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The web link providing the details of the familiarization programme(s) imparted to Independent Directors is <https://nsdl.co.in/publications/disclosure.php>

#### iii. Meetings and attendance during the FY 2021-2022

The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness. A minimum of four Board meetings are held every year. In addition, the Board also meets as and when necessary to address specific issues relating to the business. However, in case of special and urgent business, the Board also approves by way of Circular Resolution(s), important items of business which are permitted by the Companies Act. During the year under review, the Board met Eight (8) times i.e. on April 3, 2021, June 8, 2021, August 6, 2021, August 14, 2021, September 16, 2021, October 28, 2021, November 13, 2021 and February 11, 2022 respectively.



Details of attendance of the Directors at the Board meetings held during the year and the last Annual General Meeting are given hereunder:

Sr. No.	Name of the Director	Attendance Particulars		
		No. of Board Meetings held during tenure	No. of Board meetings attended	Last AGM whether attended
1	Mr. B. A. Prabhakar	8	8	Yes
2	Prof. G. Sivakumar	8	8	Yes
3	Dr. Rajani Gupte	8	8	Yes
4	Mr. B. Sambamurthy	8	8	Yes
5	Mr. Rajeev Kumar	8	6	No
6	Ms. Priya Subbaraman	8	8	Yes
7	Mr. G. V. Nageswara Rao <sup>1</sup>	4	4	NA
8	Ms. Padmaja Chanduru <sup>2</sup>	3	3	Yes

<sup>1</sup>Mr. G. V. Nageswara Rao, ceased to be Managing Director & CEO of the Company, with effect from August 31, 2021.

<sup>2</sup>Ms. Padmaja Chanduru, was appointed as Managing Director & CEO of the Company with effect from September 22, 2021.

Details of the directorships, membership/chairmanship in other Committees are given hereunder:

Sr. No.	Name of the Director	Relationship with other Directors	Other Directorships	Number of membership / Chairman in Audit / Stakeholders Relationship Committee(s) including NSDL (Refer Regulation 26(1) of Listing Regulations)	
				Member	Chairperson
1.	Mr. B. A. Prabhakar	No	5	3	1
2.	Prof. G. Sivakumar	No	3	2	0
3.	Dr. Rajani Gupte	No	3	4	1
4.	Mr. B. Sambamurthy	No	0	1	1
5.	Mr. Rajeev Kumar	No	0	0	0
6.	Ms. Priya Subbaraman	No	0	2	0
7.	Mr.G.V.Nageswara Rao <sup>1</sup>	No	0	0	0
8.	Ms. Padmaja Chanduru <sup>2</sup>	No	2	2	0

<sup>1</sup>Mr. G. V. Nageswara Rao, ceased to be Managing Director & CEO of the Company, with effect from August 31, 2021.

<sup>2</sup>Ms. Padmaja Chanduru, was appointed as Managing Director & CEO of the Company with effect from September 22, 2021.

**Note:**

- The details of Memberships/Chairmanships of Committees held by Directors as mentioned above include public limited companies, whether listed or not and all other companies including Private Limited Companies, Directorships in Foreign Companies and Section 8 Companies are excluded.
- While considering Memberships/Chairmanships of Committees, only the Audit Committee and Stakeholders' Relationship Committee in all Public Limited Companies have been considered.
- NA – Not Applicable

**Meetings of Independent Directors**

In terms of the provisions of the SEBI (Depositories and Participants) Regulations, 2018 separate meetings of the Public Interest Directors (PIDs) of the Company were held on June 8, 2021, August 14, 2021, November 13, 2021 and February 11, 2022 respectively to seek views of PIDs on critical issues. Also, a separate meeting of Independent Directors was held on February 11, 2022 for discussing matters as specified in the Schedule IV of the Companies Act, 2013.

**Name of other listed entities where Directors of the Company are Directors and category of Directorships:**

Sr. No.	Name of Director	Name of listed entities in which the concerned Director is a Director	Category of Directorships
1	Mr. B. A. Prabhakar	1. L&T Finance Holdings Limited 2. Ujjivan Small Finance Bank Limited	1. Non-Executive Non-Independent Director 2. Non-Executive Independent Director, Chairperson
2	Prof. G. Sivakumar	Nil	Nil
3	Dr. Rajani Gupte	L&T Finance Holdings Limited	Non-Executive Independent Director
4	Mr. B. Sambamurthy	Nil	Nil
5	Mr. Rajeev Kumar	Nil	Nil
6	Ms. Priya Subbaraman	Nil	Nil
7	Mr. G. V. Nageswara Rao	Nil	Nil
8	Ms. Padmaja Chunduru	Nil	Nil

**iv. Remuneration of the directors**

The sitting fees paid to the Non-Executive Directors for attending the meetings of the Board and Committees, as per limits prescribed under the Act during the year is as follows:

Sr. No	Name	Category	Sitting fees paid (in ₹)
1.	Mr. B. A. Prabhakar	Non-Executive Chairman & Public Interest Director	29,40,000
2.	Prof. G. Sivakumar	Non-Executive/Public Interest Director	27,60,000
3.	Dr. Rajani Gupte	Non-Executive/Public Interest Director	24,00,000
4.	Mr. B. Sambamurthy	Non-Executive/ Public Interest Direct	22,80,000
5.	Mr. Rajeev Kumar	Non-Executive/Shareholder Director	7,20,000
6.	Ms. Priya Subbaraman	Non-Executive/Shareholder Director	12,20,000

Apart from receiving sitting fees, none of the Non-executive Directors had material pecuniary relationship with the Company during the year under review.

**Remuneration of MD & CEO**
**1. Mr. G. V. Nageswara Rao\***

Sr. No.	Particulars of Remuneration	Amount (in ₹)
1.	Gross salary	
	a.) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	40,089,759
	b.) Value of perquisites u/s 17(2) Income Tax Act, 1961	1,456,875
	<b>Total</b>	<b>41,546,634</b>

\*Mr. G. V. Nageswara Rao, ceased to be Managing Director & CEO of the Company, with effect from August 31, 2021.

**2. Ms. Padmaja Chunduru#**

Sr. No.	Particulars of Remuneration	Amount (in ₹)
1.	Gross salary	
	a.) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	7,626,556
	b.) Value of perquisites u/s 17(2) Income Tax Act, 1961	789,795
	<b>Total</b>	<b>8,416,351</b>

#Ms. Padmaja Chunduru, was appointed as Managing Director & CEO of the Company with effect from September 22, 2021

Terms of appointment of MD & CEO are as approved by the Shareholders and SEBI.

**Directors' appointment and remuneration**

Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub-Section (3) of Section 178 of the Companies Act, 2013, is adopted by



the Board pursuant to the recommendation of the Nomination & Remuneration Committee. Further, the criteria for making payments to all the Directors are placed on the website of the Company under web link <https://nsdl.co.in/publications/disclosure.php>

### Committees of Board

The Board functions either as a full Board or through various Committees constituted to oversee specific areas with a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted various committees. Each of these Committees has been mandated to operate within a given framework as mandated under relevant Acts, Rules or Regulations thereof.

#### I. Audit Committee

Board has constituted the Audit Committee in accordance with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Brief descriptions of terms of reference are as follows:

The Audit Committee of NSDL assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and other regulatory requirements. It also recommends to the Board for appointment, replacement, reappointment, remuneration and terms of appointment of auditors of our Company including payment to statutory auditors for any services rendered by them. The Committee reviews with the management, the annual financial statements and auditors report thereon before submission to the Board for its approval with reference to Directors Responsibility Statement, changes, if any, in accounting policies and practices and reasons thereof. Major accounting entries involving estimates based on exercise by management, significant adjustments made in the financial statements arising out of the audit findings, disclosure of related party transactions and qualifications and modified opinion(s) in the draft audit report. Reviewing with the management the quarterly financial statements before submission to the Board for approval. Laying down the criteria for granting omnibus approval in accordance with the Company's policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature. The Committee's purpose is to oversee the accounting and financial process of the Company and review the quarterly and annual financial accounts of the Company. The Committee reviews reports of the Internal Auditors and Statutory Auditors and discusses their findings, suggestions, internal control system, scope of the audit, observations of the auditors and also reviews accounting policies followed by the Company. The Committee also reviews the Operations Audit Reports submitted by Operations Auditors along with management response and suggests measures for further improvements in areas of operations. NSDL has suitably modified the Terms of Reference pursuant to amendments in the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

#### i. Composition of the Audit Committee:

Sr. No.	Name of Director	Designation	Category
1.	Mr. B. Sambamurthy	Chairman	PID
2.	Mr. B. A. Prabhakar	Member	PID
3.	Prof. G. Sivakumar	Member	PID
4.	Dr. Rajani Gupte	Member	PID
5.	Ms. Priya Subbaraman	Member	SHD

#### ii. Meetings and attendance during the year:

The Committee met four (4) times during the year on June 8, 2021, August 14, 2021, November 13, 2021 and February 11, 2022 respectively. Details of attendance of each member at the Committee Meetings held during the year are as follows:

Sr. No.	Name of Director	No. of Meetings held during the tenure	No. of Meetings attended
1.	Mr. B. Sambamurthy	4	4
2.	Mr. B. A. Prabhakar	4	4
3.	Prof. G. Sivakumar	4	4
4.	Dr. Rajani Gupte	4	4
5.	Ms. Priya Subbaraman	4	3

## II. Nomination and Remuneration Committee

The Nomination and Remuneration Committee discharge such functions as defined under Section 178 of Companies Act, 2013, SEBI Circular dated January 10, 2019 on Committees of MII's under SEBI (Depositories and Participants) Regulations, 2018 and Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Brief Descriptions of Terms of Reference are as follows:

The functions of the Committee include recommending appointments of Directors to the Board, recommending appointment of MD & CEO, formulation of criteria for performance evaluation of directors and the Board as per the provisions of the Companies Act, 2013. All appointments of directors are reviewed and recommended to the Board by the Committee. The criteria, qualifications, positive attributes and independence requirements are laid down by the committee whenever a vacancy for appointment of a director arises. Identifying a Key Management Personnel in terms of compensation norms as prescribed by SEBI in SEBI (Depositories and Participants) Regulations, 2018. The Committee also determines the compensation of KMP's in terms of compensation policy along with the tenure of a Key Management Personnel, other than a Director, to be posted in a regulatory department. It is also tasked with the selection and recommendation of the MD & CEO of the Depository.

The performance evaluation criteria of Independent Director are specified in accordance with Schedule IV of Companies Act, 2013 and SEBI (Depositories and Participants) Regulations, 2018.

The Company has formulated Nomination and Remuneration Policy as approved by the Board. The salient features of the said policy are as under:

1. Remuneration of Directors, Key Managerial Personnel and other Employees
2. Board Diversity in terms of composition of Board
3. Process of recommendation of Directors

The said Policy is disclosed on the website of the Company (<https://nsdl.co.in/publications/disclosure.php>).

### i. Composition of the Committee:

Sr. No.	Name of Director	Designation	Category
1.	Prof. G. Sivakumar	Chairman	PID
2.	Mr. B. A. Prabhakar	Member	PID
3.	Dr. Rajani Gupte	Member	PID
4.	Mr. B. Sambamurthy	Member	PID

### ii. Meetings and attendance during the year:

The Committee met four (4) times during the year on May 24, 2021, July 12, 2021, August 02, 2021 and February 09, 2022 respectively. Details of attendance of each member at the Committee Meetings held during the year are as follows:

Sr. No.	Name of Director	No. of Meetings held during the tenure	No. of Meetings attended
1.	Prof. G. Sivakumar	4	4
2.	Mr. B. A. Prabhakar	4	4
3.	Dr. Rajani Gupte	4	4
4.	Mr. B. Sambamurthy	4	4

## III. Corporate Social Responsibility Committee

Board has constituted the Corporate Social Responsibility Committee in accordance with provisions of Section 135 of the Companies Act, 2013

### Brief Descriptions of the terms of reference are as follows:

The terms of reference of the Committee, inter alia, includes formulating and monitoring the implementation of the CSR Policy, evaluating the projects and amount of expenditure to be incurred on the permissible activities as prescribed under Schedule VII of the Companies Act, 2013, in accordance with the CSR Policy.



The themes for the CSR activities are in the areas of education, health or employment generating skills, etc. including education, health and hygiene aspect. However, the Company may also foray into other areas as permitted under the Companies Act, 2013.

**i. Composition of the Committee:**

Sr. No.	Name of Director	Designation	Category
1.	Mr. B. A. Prabhakar	Chairman	PID
2.	Prof. G. Sivakumar	Member	PID
3.	Ms. Padmaja Chunduru	Member	MD&CEO

**ii. Meetings and attendance during the year:**

The Committee met once during the year on June 08, 2021 and attendance details of each member for the same is as follows:

Sr. No.	Name of Director	No. of Meetings held during tenure	No. of Meetings attended
1.	Mr. B. A. Prabhakar	1	1
2.	Prof. G. Sivakumar	1	1
3.	Mr. G. V. Nageswara Rao*	1	1

\*Mr. G. V. Nageswara Rao ceased to be MD&CEO of the Company w.e.f. August 31, 2021

**IV. Stakeholders Relationship Committee**

Board has constituted the Stakeholders Relationship Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Brief Descriptions of the Terms of Reference are as follows**

The terms of reference of Committee, inter alia, includes redressal of grievances received from the security holders of the Company from time to time.

**i. Composition of Committee:**

Sr. No.	Name of Director	Chairperson/Member	Category
1.	Dr. Rajani Gupte	Chairperson	PID
2.	Mr. B. A. Prabhakar	Member	PID
3.	Ms. Priya Subbaraman	Member	SHD
4.	Ms. Padmaja Chunduru	Member	MD&CEO

**ii. Meetings and attendance during the year:**

The Committee met once during the year on February 11, 2022 and attendance details of each member for the same is as follows:

Sr. No.	Name of Director	No. of Meetings held during the tenure	No. of Meetings attended
1.	Dr. Rajani Gupte	1	1
2.	Mr. B. A. Prabhakar	1	1
3.	Ms. Priya Subbaraman	1	1
4.	Ms. Padmaja Chunduru	1	1

**V. Risk Management Committee**

Board has constituted the Risk Management Committee in accordance with Regulation 30 of SEBI (Depositories & Participants) Regulations, 2018.

**Brief Descriptions of the Terms of Reference are as follows:**

The Committee is responsible for oversight on overall risk management processes of the Company and to ensure that key strategic and business risks are identified and addressed by the management.

The terms of reference of Committee, inter alia, includes formulation, monitor and implementation of Risk Management Policy including Risk Management Framework and Risk Mitigation measures from time to time. The committee also monitors and reviews enterprise-wide risk management plan and lay down procedures to inform Board members about the risk assessment and minimization.

The aforesaid also complies with the requirements of Regulation 21 read with Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

#### i. Composition of Committee:

Sr. No.	Name of Director	Chairperson/Member	Category
1.	Dr. Rajani Gupte	Chairperson	PID
2.	Prof. G. Sivakumar	Member	PID
3.	Mr. Pazhamalai Jayaraman	Member	Independent External Person (IEP)

#### ii. Meetings and attendance during the year:

The Committee met four times during the year on June 7, 2021, August 12, 2021, November 11, 2021 and February 19, 2022 respectively and attendance details of each member for the same is as follows:

Sr. No.	Name of Director	No. of Meetings held during the tenure	No. of Meetings attended
1.	Dr. Rajani Gupte	4	4
2.	Prof. G. Sivakumar	4	4
3.	Mr. Pazhamalai Jayaraman	4	4

In addition to the Committees covered specifically in detail above as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company also has following Committees as per SEBI (Depositories and Participants) Regulations, 2018 and the committees which are formed voluntarily, namely:

- Member Committee
- Grievance Redressal Committee
- Standing Committee on Technology
- Advisory Committee – 1
- Advisory Committee – 2
- Regulatory Oversight Committee
- IPO Committee

#### General Body Meetings

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

AGM	Date	Time	Venue*	Special Resolution (if any)
Seventh	September 30, 2019	11:30 a.m.	Board Room, National Securities Depository Limited, Trade World, 'A' wing, 5th Floor, Kamala Mills Compound, Lower Parel, Mumbai- 400 013	No
Eight	September 29, 2020	12:00 Noon		No
Ninth	September 29, 2021	11:30 a.m.		No

\*The Eighth and Ninth Annual General Meeting of the Members of National Securities Depository Limited was held through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") due to outbreak of COVID-19 and the proceedings of the same was deemed to be conducted at the Registered Office of the Company.

#### Management Structure

Management Structure for running the business of the Company as a whole is in place with appropriate delegation of powers and responsibilities. MD & CEO is in overall control and responsible for the day-to-day working/operations of the Company. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various committees. Your Company has a professional and experienced management team. The MD & CEO is assisted by one Executive Director who in turn has business/functional heads reporting to him to look after the day-to-day affairs of the Company.



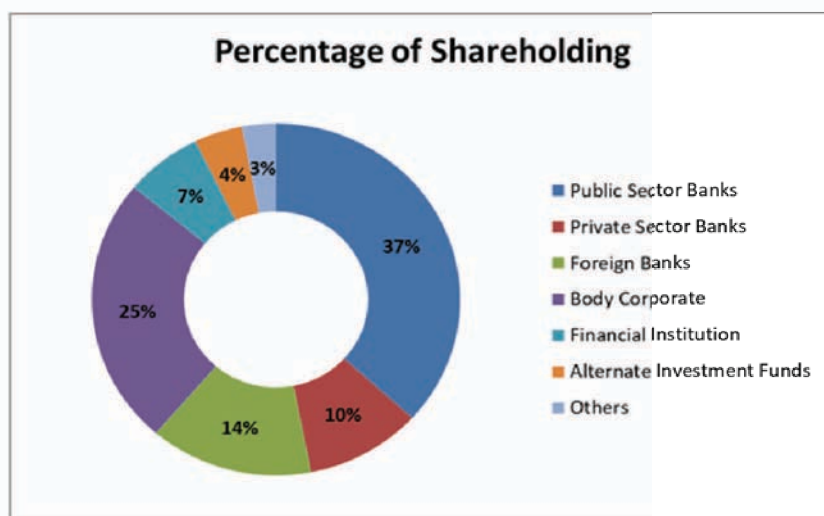
### Means of Communication

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

### General Shareholder Information

- The Tenth Annual General Meeting of the Company scheduled to be held on Tuesday, September 27, 2022 at 4:00 p.m. through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").
- **Financial year:** April 01, 2021 to March 31, 2022.
- **Dividend Payment Date:** On or before thirty days from the date of approval in the AGM.
- **Record date for dividend payment:** Friday, September 16, 2022.
- **Listing on Stock Exchange, Stock Code, Market Price Data and Performance of Stock:** The equity shares of the Company are not listed on any Stock Exchange in India or abroad, hence, these are not applicable.
- **Registrar and Transfer Agents:** NA.
- **Share Transfer System:** The equity shares of NSDL are in dematerialised form. To ensure compliance with the provisions of SEBI (Depositories and Participants) Regulations, 2018, ISIN of equity shares is suspended to prevent transfer of shares without the approval of Board of NSDL and SEBI, as applicable.
- **Distribution of shareholding as on 31st March, 2022:**

Sr. No.	Category	Percentage of Shareholding
1	Public Sector Banks	36.77
2	Private Sector Banks	10.16
3	Foreign Banks	14.38
4	Body Corporate	24.68
5	Financial Institution	6.83
6	Alternate Investment Funds (Indirect Foreign Investment)	4.22
7	Others	2.97
	<b>Total</b>	<b>100.00</b>



- **Dematerialisation of shares and liquidity:** Entire share capital is in dematerialised form.

- **Branch offices:**

<b>AHMEDABAD</b>	Unit No. 402, 4th Floor, off. C.G. Road, Navrangpura, Ahmedabad – 380 006.
<b>BENGALURU</b>	201, DBS House, 26 Cunningham Road, Bangalore – 560 052.
<b>CHENNAI</b>	6A, 6th Floor, Kences Tower, # 1 Ramkrishna Street, North Usman Road, T. Nagar, Chennai – 600 017.
<b>HYDERABAD</b>	Workenstein Collaborative Spaces Pvt Ltd, 6-3-252/2, Banjara Hills Main Rd, Erram Manzil, Mada Manzil, Banjara Hills, Hyderabad, Telangana – 500 004.
<b>KOCHI</b>	S- 105, Monlash Business Center, 4th Floor, Crescens Tower, NH-47, Changampuzha Nagar Post, Kochi – 680 233.
<b>KOLKATA</b>	Unit - 2E, 2nd Floor, The Millenium, 235/2A, Acharya Jagdish Chandra Bose Road, Kolkata – 700 020.
<b>NEW DELHI</b>	Unit No. 601, 603, 604, Tower A, 6th Floor, Naurang House, Kasturba Gandhi Marg, Connaught Place, New Delhi – 110 001.
<b>JAIPUR</b>	207, 2nd Floor, Arcade Tower, K-12, Malviya Marg, C – scheme, Jaipur – 302 001.
<b>LUCKNOW</b>	Unit No. 438, 4th Floor, Regus Business Center, Halwasia Court, Hazratganj, Lucknow – 226 001.
<b>GANDHINAGAR</b>	Unit No.625, 6th Floor, Signature building, Block 13-B, Zone- 1, Gift Sez, Gift city, Gandhinagar – 382 355.

- **Address for correspondence:** Shareholders' correspondence should be addressed to the Company Secretary at the registered office of the Company:  
Tel.: (022) 2499 4200  
E-mail id: [NikhilA@nsdl.co.in](mailto:NikhilA@nsdl.co.in) Website: [www.nsdl.co.in](http://www.nsdl.co.in)
- **Company Registration details:** The Company is registered with the Registrar of Companies, Mumbai, State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U74120MH2012PLC230380.

#### Disclosure with Mandatory Information

Company has complied with all the mandatory corporate governance requirements under the Listing Regulations. Specifically, your Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations.

#### Other Disclosures

##### i. Related Party Transactions

During the period under review, the Company had not entered into any material transaction with any of its related parties. Disclosure of transactions with related parties is set out in Note No. 26 of Standalone Financial Statements, forming part of the Annual Report and Annexures thereto. All transactions were at arm's length basis and in the ordinary course of business. The Company has put in place framework for identifying, monitoring and reporting of Related Party Transactions.

The Policy is hosted on the Company's website at <https://nsdl.co.in/publications/disclosure.php>

##### ii. Vigil mechanism / Whistle Blower Policy

The Company has established a vigil mechanism by framing a Whistle Blower Policy with a view to provide a mechanism for employees of the company to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

The Policy is hosted on the Company's website at <https://nsdl.co.in/publications/disclosure.php>

##### iii. Compliance with non-mandatory requirements [Part E of Schedule II Regulation 27(1) of the Listing Regulations]

In addition to the above, the Company also complies with many non-mandatory requirements of Part E of Schedule II Regulation 27(1) of the Listing Regulations, 2015 like separate posts of Chairperson and Chief Executive Officer, Internal Auditors report to the Audit Committee, etc.

##### iv. Relevant Policies as applicable to the Company have been disclosed on the website of the Company at <https://nsdl.co.in/publications/disclosure.php>



**A. Code of Conduct and Code of Ethics**

Your Company has adopted Code of Conduct and Code of Ethics for its Directors and Key Management Personnel as prescribed under the SEBI (Depositories and Participants) Regulations, 2018. The Code of Conduct framed under the aforesaid Regulations is available on the website of the Company.

**B. CEO and CFO Certification**

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company have furnished the compliance certificate on Company's financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 which has been appended as **Annexure I** to Corporate Governance Report.

**C. Compliance Certificate on Corporate Governance**

The requisite certificate from S. N. ANANTHASUBRAMANIAN & Co., Practicing Company Secretaries (Firm Registration No. P1991MH040400) confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Directors' Report and forms part of the Annual Report which has been appended as **Annexure II** to Corporate Governance Report.

**D. Certificate from a Company Secretary in Practice on debarment or disqualification of Directors**

M/s. S. N. ANANTHASUBRAMANIAN & Co., Practicing Company Secretaries (Firm Registration No. P1991MH040400), has given a certificate that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as the directors of NSDL by SEBI/MCA or any such statutory authority. The said certificate also forms part of this report which has been appended as **Annexure III** to Corporate Governance Report.

**E. Disclosure of non-acceptance of any recommendation of any committee of the board which is mandatorily required:**

There has been no instance where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the FY 2021-22.

**F. Fees paid to Statutory Auditors**

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all the entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

(₹ in lakh)

Types of Services	March 31, 2022
Audit Fees	21.15
Tax Audit Fees	2.55
Other Services	9.30

**G. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Number of Complaints filed during the year	Nil
Number of Complaints Disposed during the year	NA
Number of Complaints pending as on end of the Financial Year	Nil

**H. Corporate Governance Requirement as specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 has been complied mutatis mutandis applicable to the Depository.**

**I. Declaration regarding compliance by the Board Members and Key Management Personnel with the Company's Code of Conduct & Ethics.**

I, the undersigned, hereby confirm that all Directors and the Key Managerial Personnel of the Company have affirmed compliance to the Code of Conduct & Ethics as applicable to them for the FY ended March 31, 2022.

**For and on behalf of the Board**

Place: Mumbai  
Date: August 08, 2022

Sd/-  
**Padmaja Chunduru**  
Managing Director & CEO

**COMPLIANCE CERTIFICATE**

*[In terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. 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 listed entity 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:
1. Significant changes in internal control over financial reporting during the year;
  2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Sd/-  
**Padmaja Chunduru**  
Managing Director & CEO

Sd/-  
**Chandresh Shah**  
Chief Financial Officer

Date: August 08, 2022



## CORPORATE GOVERNANCE - COMPLIANCE CERTIFICATE

To the Members,

**National Securities Depository Limited**

CIN: U74120MH2012PLC230380

4th Floor, 'A' Wing, Trade World,

Kamala Mills Compound,

Senapati Bapat Marg, Lower Parel (West),

Mumbai - 400 013.

1. We have examined relevant records of **National Securities Depository Limited** (the Company) for the purpose of certifying compliance of the Corporate Governance norms as specified for the Listed Companies for the financial year ended **31st March, 2022**. In terms of Regulation 31 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended, the disclosure requirements and corporate governance norms as specified for listed companies have become mutatis mutandis applicable to a Depository.
2. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification regarding compliance of conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Chapter IV and Part C, D, and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended **31st March 2022**.
3. The compliance of the conditions of Corporate Governance as well as preparation of the Corporate Governance Report is the responsibility of the Management.
4. Our responsibility is to provide a reasonable assurance that Company has complied with the applicable conditions of Corporate Governance and our examination was limited to the procedures adopted and implementation thereof by the Company for complying with the conditions of Corporate Governance.
5. On the basis of our examination of the records produced, explanations and information furnished to us, we are of the opinion that the Company has complied with the Conditions of Corporate Governance as mutatis mutandis applicable to Depositories for the financial year ended **31st March, 2022**.
6. 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.
7. This Certificate is addressed to the Members of the Company solely for the purpose of enabling it to comply with its obligation under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty or care or for any other purpose or to any other part to whom it is shown or into whose hands it may come without our prior written consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For **S. N. ANANTHASUBRAMANIAN & Co.**

Company Secretaries

ICSI Unique Code: P1991MH040400

Peer Review Cert. No.: 606/2019

Sd/-

**S. N. Ananthasubramanian**

Partner

FCS: 4206 | COP No.: 1774

ICSI UDIN: F004206D000379339

Date: May 24, 2022 | Thane

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To the Members,  
**National Securities Depository Limited**  
 CIN: U74120MH2012PLC230380  
 4th Floor, 'A' Wing, Trade World,  
 Kamala Mills Compound,  
 Senapati Bapat Marg, Lower Parel (West),  
 Mumbai - 400 013.

**We have examined the following documents:**

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents')

as submitted by the Directors of **National Securities Depository Limited** ('the Company') having its registered office at Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai City - 400 013, to the Board of Directors of the Company ('the Board') for the Financial Year 2021-2022 and Financial Year 2022-2023 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34 (3) read with Schedule V Para C Clause 10 (i) of SEBI (LODR) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that during the financial year ended 31st March 2022, none of the Directors on the Board of the Company, as listed hereunder have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment	Date of Cessation
01	Mr. G.V Nageswara Rao (MD)	00799504	28/05/2013	31/08/2021
02	Mr. B A Prabhakar (PID)	02101808	08/05/2017	NA
03	Mr. G. Sivakumar (PID)	07537575	05/01/2018	NA
04	Dr. Rajani Rajiv Gupte (PID)	03172965	23/05/2018	NA
05	Mr. Sambamurthy Boggarapu (PID)	00246211	20/04/2019	NA
06	Mr. Rajeev Kumar (SD)	01879049	08/07/2020	NA
07	Ms. Priya Subbaraman (SD)	01620890	23/10/2020	NA
08	Ms. Padmaja Chunduru (MD)	08058663	22/09/2021	NA



MD - Managing Director  
PID - Public Interest Director  
SD - Shareholder Director

This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the financial year ended 31st March, 2022

**For S. N. ANANTHASUBRAMANIAN & Co.**  
**Company Secretaries**  
ICSI Unique Code: P1991MH040400  
Peer Review Cert. No.: 606/2019

Sd/-  
**S. N. Ananthasubramanian**  
Partner  
FCS: 4206 | COP No.: 1774  
ICSI UDIN: F004206D000297180

Date: May 10, 2022 | Thane

# ANNEXURE D

## Form MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

*[Pursuant to section 204 (1) of the Companies Act, 2013 and Regulation 31 of the SEBI (Depositories and Participants) Regulations, 2018 read with Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To  
The Members,  
**National Securities Depository Limited**  
CIN: U74120MH2012PLC230380  
4th Floor, 'A' Wing, Trade World,  
Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel (West),  
Mumbai - 400 013.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended 31st March 2022**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder - **Not applicable as the securities of the Company are not listed with any Stock Exchange;**
- iii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Provisions of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable;**
- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') –
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **Not Applicable to the Company, since the Company is not listed with any Stock Exchange;**
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **Applicable to the extent of Schedule C to the Regulations being a Market Intermediary;**



- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not Applicable to the Company, since the Company is not listed with any Stock Exchange;**
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (up to 12th August, 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August, 2021) - **Not Applicable to the Company, since the Company is not listed with any Stock Exchange;**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up to 15th August, 2021) - **Not Applicable to the Company, since the Company is not listed with any Stock Exchange;**
  - f. The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 (with effect from 16th August, 2021) - **Not Applicable to the Company, since the Company is not listed with any Stock Exchange;**
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered as Registrar and Transfer Agent during the financial year under review;**
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (up to 9th June, 2021) and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June, 2021) - **Not Applicable to the Company, since the Company is not listed with any Stock Exchange;**
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company, since the Company is not listed with any Stock Exchange;**
- v. The Company has identified and confirmed the following laws as being specifically applicable to the Company:
- 1) The Depositories Act, 1996;
  - 2) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - 3) The SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 – to the extent applicable as a recognised Depository pursuant to Regulation 31 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and
  - 4) Rules, Regulations, Circulars, Orders, Notification and Directives issued under the above statutes to the extent applicable.

We have also examined compliance with the applicable Clauses/Regulations of the following:

- (i) Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s) - **Not applicable as the Securities of the Company are not listed with any Stock Exchange.**

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

**We further report that: -**

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

- Adequate notice is given to all Directors to schedule Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance and wherever necessary with short notice for which none of the Directors have objected to; a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions of the Board and Committees thereof were carried with requisite majority.

**We further report that** based on the review of the compliance mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the Compliance Officer and taken on record by the Board of Directors at their meeting(s), we are of the opinion that management has adequate systems and processes placed in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, no events/actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. have taken place.

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

**For S. N. ANANTHASUBRAMANIAN & Co.**  
**Company Secretaries**  
ICSI Unique Code: P1991MH040400  
Peer Review Cert. No.: 606/2019

Sd/-  
**S. N. Ananthasubramanian**  
Partner  
FCS: 4206 | COP No.: 1774  
ICSI UDIN: F004206D000379185

**Date: May 24, 2022 | Thane**



## Annexure A

To

**National Securities Depository Limited**

CIN: U74120MH2012PLC230380

4th Floor, 'A' Wing, Trade World,

Kamala Mills Compound,

Senapati Bapat Marg, Lower Parel (West),

Mumbai - 400 013.

Our Secretarial Audit Report for the financial year ended 31st March, 2022 of even date is to be read along with this letter.

**Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For **S. N. ANANTHASUBRAMANIAN & Co.**

Company Secretaries

ICSI Unique Code: P1991MH040400

Peer Review Cert. No.: 606/2019

Sd/-

**S. N. Ananthasubramanian**

Partner

FCS: 4206 | COP No.: 1774

ICSI UDIN: F004206D000379185

Date: May 24, 2022 | Thane

# ANNEXURE E

## STATEMENT OF DISCLOSURE OF REMUNERATION

[Pursuant to Section 197 of the Companies Act, 2013 ("the Act") read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 28 (5) & 28 (6) of the SEBI (Depositories & Participants) Regulations, 2018]

Name	Designation	Remuneration Received (₹)	Nature of Employment (contractual or otherwise)	Qualifications	Experience (No. of Years)	Date of Commencement of Employment	Age	Last Employment and Designation	Equity Shareholding (%)	Employee is a Relative of any Director or Manager	Ratio of compensation paid to Key Management, vis-a-vis median of compensation paid to other employees of the depository	Remarks
Padmaja Chunduru	Managing Director & CEO	91,66,351	On Roll	M.Com (Banking & Finance), CAIIB	37 Years	22-09-2021	60 Years	Managing Director & CEO, Indian Bank	Nil	No	9.03	DOJ 22.09.2021
G. V. Nageswara Rao	Managing Director & CEO	3,72,29,100	On Roll	PGDM - IIM Ahmedabad, Chartered Accountant & Cost Accountant	34 Years	01-07-2013	60 Years	Managing Director & CEO, IDBI Federal Life Insurance Company Limited	Nil	No	36.67	LWD 31.08.2021
Samar Banwat	Executive Director	1,63,09,667	On Roll	B Com, CA, ICWA and CISA	26 Years	01-10-1996	50 Years	Internal Auditor, Aneja Associates	Nil	No	16.06	
Prashant Vagal	Executive Vice President	1,10,74,706	On Roll	BE (Mechanical) & MMS (Finance)	28 Years	01-01-1997	51 Years	Back Office Operation & Settlement, CIFCO Finance Limited (CFL Securities Limited)	Nil	No	10.91	
Nityanand Phatarphod	Executive Vice President	58,02,347	On Roll	B.Sc. (Physics and Maths)	36 Years	16-01-1997	60 Years	Manager (Information Processing System), Maafatal Consultancy Services India Limited	Nil	No	5.71	LWD 30.11.2021
Sunil Batra	Executive Vice President/ CTO	93,92,898	On Roll	BE (Electrical)	23 Years	04-08-2016	45 Years	Delivery Head (Senior Consultant), Tata Consultancy Services Limited (TCS)	Nil	No	9.25	
Manoj Sarangi	Senior Vice President	1,35,93,582	On Roll	BE (Electrical), M Tech, CISA, CISSP & CIPT	26 Years	13-12-2016	51 Years	Vice President & Group CISO, HCL Technologies Limited	Nil	No	13.39	



Name	Designation	Remuneration Received (₹)	Nature of Employment (contractual or otherwise)	Qualifications	Experience (No. of Years)	Date of Commencement of Employment	Age	Last Employment and Designation	Equity Shareholding (%)	Employee is a Relative of any Director or Manager	Ratio of compensation paid to Key Management, vis-a-vis median of compensation paid to other employees of the depository	Remarks
Amit Jindal	Senior Vice President	70,28,403	On Roll	B Com, CA, CS	22 Years	09-05-2017	44 Years	Vice President, Head - Compliance, Kotak Securities Limited	Nil	No	6.92	
Vishal Gupta	Vice President	67,48,465	On Roll	B Tech (Mechanical)	22 Years	09-11-2018	45 Years	Consulting Partner, Tata Consultancy Services Limited	Nil	No	6.65	
Chandresh Mahendra Shah	Vice President/ CFO	74,71,062	On Roll	B Com, CA	24 Years	01-01-2019	48 Years	CFO (General Manager) - Credit Analysis and Research Limited	Nil	No	7.36	
Jagdish Balkrishna Pandya	Senior Vice President	44,97,110	On Roll	BE in Electronics and Communication, MBA (Technology Management)	35 Years	22-03-2019	58 Years	Senior Vice President - HDFC Bank Limited	Nil	No	4.43	LWD 08.11.2021
Rakesh Mehta	Vice President	48,75,502	On Roll	BE (Industrial), MBA (Finance)	24 Years	03-09-2001	47 Years	Executive trainee-SHCIL	Nil	No	4.80	
Rahul Pratap Singh	Vice President	56,68,007	On Roll	BBA (Systems), MBE (Finance)	19 Years	18-02-2020	41 Years	Senior VP- Centrum Wealth Management	Nil	No	5.58	
Malay Shah	Vice President	62,22,425	On Roll	B Com, M Com, CS, LLB, MBL	16 Years	28-12-2020	40 Years	Counsel- Securities & Capital Markets, Corporate & M&A practice Khaitan & Co., Advocates & Solicitors	Nil	No	6.13	
Vishal Gajjar	Vice President	46,58,770	On Roll	B Com, M Com, MBA (Finance)	17 Years	06-08-2007	41 Years	Officer - Exclusive Broking Limited, Indore	Nil	No	4.59	
Manoj Kumar Yadav	Vice President	17,53,410	On Roll	BSc (Maths), MCA	19 Years	17-01-2022	43 Years	Ujivan Small Finance Bank- Head - IT Infrastructure and Security	Nil	No	1.73	DOJ 17.01.2022

**NOTES:**

\*The remuneration is total income of employees paid/payable by the company.

\*Total income includes gratuity, perquisites as applicable and excludes leave encashment.

\*None of the employees was in receipt of remuneration in excess of that drawn by the Managing Director.

\*DOJ - Date of Joining, LWD - Last Working Day

**1. Ratio of remuneration of each director to median remuneration of the employees of the company for the financial year**  
The ratio of remuneration of each director along with remuneration of CFO and Company Secretary, to the median remuneration of employees of the Company for the financial year 2021-22 is given below.

Sr. No.	Name	Designation	Remuneration (in ₹)	Ratio to median remuneration	Percentage increase / decrease in the remuneration
1.	Mr. Prabhakar Banawar	Non-Executive Chairman & Public Interest Director	29,40,000	2.90	4.26
2.	Prof. G Sivakumar	Non-Executive/Public Interest Director	27,60,000	2.72	-4.83
3.	Dr. Rajani Gupte	Non-Executive/Public Interest Director	24,00,000	2.36	7.14
4.	Mr. B Sambamurthy	Non-Executive/Public Interest Director	22,80,000	2.25	-8.06
5.	Mr. Rajeev Kumar	Non-Executive/Shareholder Director	7,20,000	0.71	157.14
6.	Ms. Priya Subbaraman	Non-Executive/Shareholder Director	12,20,000	1.20	238.89
7.	Mr. G V Nageswara Rao*	Managing Director & CEO	3,72,29,100	36.67	-
8.	Ms. Padmaja Chunduru**	Managing Director & CEO	91,66,351	9.03	-
9.	Mr. Chandresh Shah	CFO	74,71,062	7.36	2.52
10.	Mr. Nikhil Arya***	Company Secretary	15,56,957	1.53	-

\*Mr. G. V. Nageswara Rao, ceased to be Managing Director & CEO of the Company, with effect from August 31, 2021. Accordingly, the percentage increase/decrease in the remuneration is not reported.

\*\*Ms. Padmaja Chunduru, was appointed as Managing Director & CEO of the Company with effect from September 22, 2021. Accordingly, the percentage increase/decrease in the remuneration is not reported.

\*\*\*Mr. Nikhil Arya was appointed as Company Secretary of the Company with effect from February 12, 2021. Accordingly, the percentage increase/decrease in the remuneration is not reported.

**2. The percentage increase in the median remuneration of employees in the financial year**

The percentage increase in the median remuneration of employees in the financial year 2021-22 is around 5.18%.

**3. The number of permanent employees on the rolls of the company**

As on March 31, 2022, there were 394 employees on the rolls of the Company.

**4. Affirmation that the remuneration is as per the remuneration policy of the company**

The remuneration is as per the nomination and remuneration policy of the Company.



# INDEPENDENT AUDITOR'S REPORT

## To The Members of National Securities Depository Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **National Securities Depository Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the standalone financial statements and our auditor's

report thereon. The Director's Report is expected to be made available to us after the date of this auditor's report.

- Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Independent Auditor's Report (Contd.)

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

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

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.



## Independent Auditor's Report (Contd.)

- e) On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented to us that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that cause us to believe that the representation given by the Management under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
- As stated in note 12(e) to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sd/-  
**Pallavi A. Gorakshakar**  
Partner

(Membership No:105035)  
(UDIN: 22105035AJQMIH7380)

Place: Mumbai  
Date: 26th May 2022

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

We have audited the internal financial controls over financial reporting of National Securities Depository Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

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

#### Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur



## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT (contd.)

and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in

all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Deloitte Haskins & Sells Chartered Accountants LLP**  
Chartered Accountants  
(Firm’s Registration no. 117364W / W100739)

Sd/-  
**Pallavi A. Gorakshakar**  
Partner

(Membership No. 105035)  
(UDIN: 22105035AJQMIH7380)

Place: Mumbai  
Date: 26th May 2022

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

In terms of the information and explanations sought by us and given by the Company, and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we state that -

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment, were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) Based on the examination of the conveyance deed and other relevant records provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold, (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the Company) are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment, Right of Use Assets and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder, and hence reporting under clause 3(i)(e) of the Order is not applicable.
- (ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii) (a) of the Order is not applicable.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) The Company has made investments, but has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. In view thereof, reporting under clause 3(iii)(a), (c), (d), (e) and (f) of the Order is not applicable. The investments made during the year are, in our opinion, prima facie, not prejudicial to the Company’s interest.
- (iv) According to information and explanation given to us, The Company has not granted loans or provided guarantees or securities to the parties covered under Section 185 and 186 of the Act. The Company has complied with the provisions of Section 185 and 186 of the Act in respect of investments made to the parties covered under Section 186 of the Act.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) Having regard to the nature of the Company’s business / activities, reporting under clause 3(vi) of the Order is not applicable.
- (vii) (a) in respect of statutory dues:  
Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees’ State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year. We are informed that the provisions of Sales Tax, Service Tax, duty of Excise and Value Added Tax are not applicable to the Company.
- There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees’ State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:



## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT (contd.)

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ lakh)	Amount unpaid (₹ lakh)
Finance Act, 1994	Service Tax	Supreme Court	2004-05 to 2008-09	5,236.21	4,843.49
Income-tax Act, 1961	Demand arising out of Regular Assessment / Reassessment	CIT (Appeals)	2015-16	30.11	30.11
Income-tax Act, 1961	Demand arising out of Regular Assessment / Reassessment	CIT (Appeals)	2017-18	657.90	657.90
Income-tax Act, 1961	Demand arising out of Regular Assessment / Reassessment	CIT (Appeals)	2018-19	2,769.38	2,769.38
Income-tax Act, 1961	Demand arising out of Regular Assessment / Reassessment	CIT (Appeals)	2019-20	796.69	796.69

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) We report that the Company has neither taken any funds from any entity or person during the year nor it had any unutilised funds as at the beginning of the year of the funds raised through issue of shares or borrowings in the previous year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) The Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31 March 2022.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT (contd.)

any of its directors or directors of its subsidiaries, associate company or persons connected with such directors and hence provisions of section 192 of the Act are not applicable to the Company.

(xvi)(a),

(b),(c) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clauses 3(xvi)(a), (b), and (c) of the Order is not applicable.

(d) The Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions,

nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has not transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account within a period of 30 days from the end of the financial year in compliance with section 135(6) of the Act. The details of the amounts unspent, the amounts transferred and the amounts remaining to be transferred are given below:

(₹ in Lakh)

Financial year	Amount unspent on Corporate Social Responsibility activities for “Ongoing Projects” as at Balance Sheet date	Amount Transferred to Special Account within 30 days from the end of the Financial Year	Amount Transferred after the due date (Date of Transfer 11 May 2022)	Amount pending to be transferred as at the report date
2021-22	110.63	-	110.63	-

**For Deloitte Haskins & Sells Chartered Accountants LLP**  
Chartered Accountants  
(Firm’s Registration no. 117364W / W100739)

Sd/-  
**Pallavi A. Gorakshakar**  
Partner

(Membership No. 105035)  
(UDIN: 22105035AJQMIH7380)

Place: Mumbai  
Date: 26th May 2022



# BALANCE SHEET

AS AT 31ST MARCH, 2022

(₹ in Lakh)

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a) Property, plant and equipment	3	2,972.88	2,908.46
b) Other intangible assets	3	418.04	450.76
c) Right of use of assets	3	59.68	105.80
d) Intangible asset under development	3(a)	-	651.99
e) Financial assets			
i) Non-current investments	4	71,807.10	67,706.72
ii) Other financial assets	5	17,125.35	12,085.22
f) Deferred tax assets (net)	6	671.59	484.40
g) Income tax assets (net)		549.30	549.37
h) Other non-current assets	7	55.49	71.02
<b>Total Non-Current Assets</b>		<b>93,659.43</b>	<b>85,013.74</b>
<b>Current Assets</b>			
a) Financial assets			
i) Current investments	8	19,967.37	10,596.01
ii) Trade receivables	9	8,813.33	10,129.73
iii) Cash and cash equivalents	10	2,132.23	1,014.41
iv) Bank balances other than (iii) above	11	14,297.64	16,514.96
v) Other financial assets	5	162.49	448.96
b) Other current assets	7	1,542.97	1,580.25
<b>Total Current Assets</b>		<b>46,916.03</b>	<b>40,284.32</b>
<b>Total Assets</b>		<b>140,575.46</b>	<b>125,298.06</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	12	4,000.00	4,000.00
b) Other equity	13	104,040.83	87,773.16
<b>Total Equity</b>		<b>1,08,040.83</b>	<b>91,773.16</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a) Financial liabilities			
i) Lease liability	27	45.45	60.61
ii) Other financial liabilities	14	414.65	360.12
<b>Total Non-Current Liabilities</b>		<b>460.10</b>	<b>420.73</b>
<b>Current Liabilities</b>			
a) Financial liabilities			
i) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	15	151.47	214.34
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	1,516.65	1,821.73
ii) Lease liability	27	24.59	54.37
iii) Other financial liabilities	16	22,361.54	21,307.90
b) Provisions	17	2,676.30	2,817.80
c) Current tax liability (net)		1,124.15	1,940.47
d) Other current liabilities	18	4,219.83	4,947.56
<b>Total Current Liabilities</b>		<b>32,074.53</b>	<b>33,104.17</b>
<b>Total Liabilities</b>		<b>32,534.63</b>	<b>33,524.90</b>
<b>Total Equity and Liabilities</b>		<b>140,575.46</b>	<b>125,298.06</b>

See accompanying notes to the Financial Statements

1 to 43

In terms of our report attached.

For Deloitte Haskins & Sells Chartered Accountants LLP  
Chartered Accountants

Sd/-  
**Pallavi A. Gorakshakar**  
Partner

Place : Mumbai  
Date : 26th May, 2022

For and on behalf of the Board of Directors

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

Sd/-  
**Padmaja Chunduru**  
Managing Director and CEO  
DIN:08058663

Sd/-  
**Chandresh Shah**  
Chief Financial Officer

Sd/-  
**Nikhil Arya**  
Company Secretary  
A42548

# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Particulars	Notes	Year Ended 31st March, 2022	Year Ended 31st March, 2021
<b>INCOMES</b>			
Revenue from operations	19	36,928.21	33,557.82
Other income	20	5,804.26	5,311.50
<b>Total Income</b>		<b>42,732.47</b>	<b>38,869.32</b>
<b>EXPENSES</b>			
Employee benefits expense	21	6,908.45	6,488.24
Depreciation and amortisation expense	3	998.48	743.02
Finance cost	27	160.70	10.96
Contribution to investor protection fund	31	895.53	883.55
Other expenses	22	10,190.93	8,127.17
<b>Total Expenses</b>		<b>19,154.09</b>	<b>16,252.94</b>
<b>Profit before Tax</b>		<b>23,578.38</b>	<b>22,616.38</b>
<b>Tax Expense</b>			
Current tax		5,406.90	5,143.40
Deferred tax	6	(187.18)	(140.79)
<b>Total Tax Expenses</b>		<b>5,219.72</b>	<b>5,002.61</b>
<b>Profit after Tax</b>		<b>18,358.66</b>	<b>17,613.77</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss :			
i) Actuarial gain/(loss) on post retirement benefit plans		(121.60)	48.39
ii) Income tax relating to items that will not be reclassified to profit or loss		30.61	(12.18)
<b>Total Other Comprehensive Income</b>		<b>(90.99)</b>	<b>36.21</b>
<b>Total Comprehensive Income for the year</b>		<b>18,267.67</b>	<b>17,649.98</b>
Basic and Diluted earnings per equity share of ₹ 10 each	30	45.90	44.03
See accompanying notes to the Financial Statements	1 to 43		

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

Sd/-  
**Pallavi A. Gorakshakar**  
 Partner

Place : Mumbai  
 Date : 26th May, 2022

For and on behalf of the Board of Directors

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

Sd/-  
**Chandresh Shah**  
 Chief Financial Officer

Sd/-  
**Padmaja Chunduru**  
 Managing Director and CEO  
 DIN:08058663

Sd/-  
**Nikhil Arya**  
 Company Secretary  
 A42548



# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax	23,578.38	22,616.38
Adjustments for:		
Depreciation and amortisation expense	998.48	743.02
Provision for compensated absences	20.59	151.27
Provision for investor awareness	560.43	514.97
Provision for doubtful trade receivables	604.60	520.77
Bad debts written off	276.87	0.30
Contribution to investor protection fund	895.53	883.55
Fair value gain on investments in mutual funds	(703.29)	(1,214.33)
Dividend income from current investments	(44.52)	(44.44)
Dividend from subsidiary	(915.75)	(610.50)
Loss / (Profit) on sale of property, plant and equipment	219.27	22.02
Interest income	(3,645.34)	(2,998.68)
<b>Operating Profit before Working Capital Changes</b>	<b>21,845.25</b>	<b>20,584.33</b>
Changes in Working Capital:		
(Increase) / decrease other assets	52.81	(672.56)
(Increase) / decrease other financial assets	(1,505.01)	(14,934.28)
(Increase) / decrease trade receivables	434.93	(3,200.76)
Increase / (decrease) trade payables	(367.95)	202.10
Increase / (decrease) other financial liabilities	(867.22)	465.75
Increase / (decrease) provisions	(813.51)	(541.86)
Increase / (decrease) other liabilities	(727.73)	909.44
<b>Cash generated from Operations</b>	<b>18,051.57</b>	<b>2,812.16</b>
Net income tax paid	(6,223.15)	(4,141.94)
<b>Net Cash generated from / (used) in Operating Activities (A)</b>	<b>11,828.42</b>	<b>(1,329.78)</b>
<b>B. Cash Flow from Investing Activities</b>		
Capital expenditure on property, plant and equipment, intangible assets, capital advance	(591.03)	(1,294.75)
Proceeds from sale of property, plant and equipment	30.49	1.17
Investment in subsidiary / Associates	(2,000.00)	(3,000.00)
Purchase of non-current investments	(13,477.63)	(188.65)
Sale / Redemption of non-current investments	6,305.94	-
Proceeds / (Purchase) of current investments (Net)	(3,552.24)	3,795.55
Dividend received from subsidiary	915.75	610.50
Interest received	3,658.12	2,949.14
<b>Net Cash generated from / (used) in Investing Activities (B)</b>	<b>(8,710.60)</b>	<b>2,872.96</b>
<b>C. Cash Flow from Financing Activities</b>		
Dividend paid	(2,000.00)	(1,600.00)
<b>Net Cash used in Financing Activities (C)</b>	<b>(2,000.00)</b>	<b>(1,600.00)</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>1,117.82</b>	<b>(56.82)</b>
Cash and Cash Equivalents at the beginning of the year	1,014.41	1,071.23
<b>Cash and Cash Equivalents at the end of the year (Refer Note 10)</b>	<b>2,132.23</b>	<b>1,014.41</b>
See accompanying notes to the Financial Statements 1 to 43		

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

Sd/-  
**Pallavi A. Gorakshakar**  
Partner

Place : Mumbai  
Date : 26th May, 2022

For and on behalf of the Board of Directors

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

Sd/-  
**Padmaja Chunduru**  
Managing Director and CEO  
DIN:08058663

Sd/-  
**Chandresh Shah**  
Chief Financial Officer

Sd/-  
**Nikhil Arya**  
Company Secretary  
A42548

# STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2022

A. Equity Share Capital	(₹ in Lakh)
As at 1st April, 2020	4,000.00
Changes in equity share capital during the year (Note 12)	-
As at 31st March, 2021	4,000.00
Changes in equity share capital during the year (Note 12)	-
<b>As at 31st March, 2022</b>	<b>4,000.00</b>

## B. Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	General Reserve	Retained Earnings	Actuarial Gains / (Losses)	
Balance as at 1st April, 2020	36,312.82	35,457.24	(46.88)	71,723.18
Profit after tax	-	17,613.77	-	17,613.77
Dividends	-	(1,600.00)	-	(1,600.00)
Other Comprehensive Income	-	-	36.21	36.21
Balance as at 31st March, 2021	36,312.82	51,471.01	(10.67)	87,773.16
Profit after tax	-	18,358.66	-	18,358.66
Dividends	-	(2,000.00)	-	(2,000.00)
Other Comprehensive Income	-	-	(90.99)	(90.99)
<b>Balance as at 31st March, 2022</b>	<b>36,312.82</b>	<b>67,829.67</b>	<b>(101.66)</b>	<b>1,04,040.83</b>

See accompanying notes to the Financial Statements

1 to 43

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

Sd/-  
**Pallavi A. Gorakshakar**  
Partner

Place : Mumbai  
Date : 26th May, 2022

For and on behalf of the Board of Directors

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

Sd/-  
**Chandresh Shah**  
Chief Financial Officer

Sd/-  
**Padmaja Chunduru**  
Managing Director and CEO  
DIN:08058663

Sd/-  
**Nikhil Arya**  
Company Secretary  
A42548



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

## 1. General Information

### 1.1. Corporate Information

National Securities Depository Limited (“the Company”) was incorporated on 27th April 2012. The Company is a Depository registered with SEBI under the provisions of Depositories Act, 1996, and Rules and Regulations framed thereunder. The Company provides electronic infrastructure for dematerialisation of securities and facilitates electronic settlement of trades in Indian Securities Market.

## 2. Significant Accounting Policies

### 2.1. Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act.

The standalone financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Company, in denomination of Lakh with rounding off to two decimals as permitted by Schedule III to the Act.

The financial statements are prepared on a going concern basis as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

### 2.2. Basis of Preparation

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

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

orderly transaction between market participants at the measurement date.

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

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

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

**Level 3** – inputs are unobservable inputs for the assets or liability.

### 2.3. Revenue Recognition

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

### 2.4. Leasing

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

#### As a Lessee -

At the date of commencement of the lease, the

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments

have been adjusted towards rent expenses in the Statement of Profit and Loss.

### 2.5. Employee Benefits

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

#### Defined Contribution Plan

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

#### i. Superannuation

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

#### ii. Provident Fund

Employees are entitled to receive benefits in respect of provident fund, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' basic salary).

#### Defined Benefit Plans

#### i. Gratuity

The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the projected unit credit method carried out at the Balance Sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in retained earnings and is not reclassified to profit and loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

Defined benefit cost are categorised as follows:

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

### ii. Other Employee Benefits Performance Incentive and Compensated Absences

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

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

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

### 2.6. Tax on Income

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

#### i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income

Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### ii. Deferred Tax

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

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

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

#### iii. Current and Deferred Tax for the year

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

### 2.7. Property, Plant and Equipment

Property, Plant & Equipment carried at cost less accumulated depreciation and amortisation and impairment losses, if any. The cost comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

### i. Capital Work-in-Progress

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

## 2.8. Intangible Assets

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

### i. Intangible Assets under Development

Projects under which Intangible assets that are not yet ready for their intended use are carried at cost, comprising Development expenses and software expenses.

## 2.9. Depreciation and Amortisation

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

Intangible assets are amortized on a straight line basis. Computer software is amortised over 24 months or useful life, whichever is lower.

## 2.10. Provision and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Provisions are discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

### Contingent Liabilities and Assets

Contingent liabilities are when there is a possible obligation arising from past events, the existence of

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

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

## 2.11. Financial Instruments

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

## 2.12. Financial Assets

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

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

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



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include -

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

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

### Expected Credit Losses on Trade Receivables

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

### De-recognition of Financial Assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company

recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

## 2.13. Financial Liabilities and Equity Instruments

### Classification as Debt or Equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### Equity Instruments

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

### Financial Liabilities

#### i. Initial Recognition and Measurement:

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

#### ii. Subsequent Measurement

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

### Derecognition of Financial Liabilities

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

## 2.14. Cash and Cash Equivalents

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

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

### 2.15 Use of Estimates and Judgement

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

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

**Expected Credit Losses on Trade Receivables:** The Company estimates the probability of collection of trade receivable by analyzing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances are made.

**Employee Benefits:** Defined employee benefit assets / liabilities determined based on the present value of future obligations using assumptions determined

by the Company with advice from an independent qualified actuary.

### 2.16. Operating cycle

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

### 2.17. New Accounting Standards issued but not effective

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to the Company from April 1, 2022:

- i) Ind AS 101 – First time adoption of Ind AS
- ii) Ind AS 103 – Business Combination
- iii) Ind AS 109 – Financial Instrument
- iv) Ind AS 16 – Property, Plant and Equipment
- v) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
- vi) Ind AS 41 – Agriculture

Application of above standards are not expected to have any significant impact on the Company's financial statements.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

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

Gross Block	Property, Plant and Equipment										Other Intangible Assets	Right of Use of Assets
	Buildings	Computers	Data and Tele-Communication Equipment	Electrical Installations	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicle	Total	Computer Software (acquired)		
As at 31st March, 2020	3,517.82	5,538.84	1,303.06	202.15	377.91	265.44	20.05	46.30	11,271.57	9,571.87	214.50	
Additions during the year	-	1,243.29	106.69	6.71	6.48	3.58	1.14	-	1,367.89	597.43	31.72	
Deductions	-	(18.26)	(9.98)	-	(0.01)	-	-	-	(28.25)	-	-	
As at 31st March, 2021	3,517.82	6,763.87	1,399.77	208.86	384.38	269.02	21.19	46.30	12,611.21	10,169.30	246.22	
Additions during the year	-	777.51	5.66	-	100.69	0.08	3.75	-	887.69	346.34	-	
Deductions	-	(3,231.30)	(1,119.72)	(44.54)	(85.72)	(52.62)	-	(46.30)	(4,580.20)	(29.63)	-	
As at 31st March, 2022	3,517.82	4,310.08	285.71	164.32	399.35	216.48	24.94	-	8,918.70	10,486.01	246.22	

Accumulated Depreciation and Amortisation	Property, Plant and Equipment										Other Intangible Assets	Right of Use of Assets
	Buildings	Computers	Data and Tele-Communication Equipment	Electrical Installations	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicle	Total	Computer Software (acquired)		
As at 31st March, 2020	3,051.54	4,231.81	1,170.40	188.81	336.69	231.25	1.45	13.09	9,225.04	9,509.86	85.33	
Depreciation / amortisation for the year	8.92	420.48	22.49	1.37	11.47	5.04	2.15	7.33	479.25	208.68	55.09	
Deductions	-	(1.54)	-	-	-	-	-	-	(1.54)	-	-	
As at 31st March, 2021	3,060.46	4,650.75	1,192.89	190.18	348.16	236.29	3.60	20.42	9,702.75	9,718.54	140.42	
Depreciation / amortisation for the year	8.92	501.88	33.46	1.76	16.52	5.25	2.44	3.07	573.30	379.06	46.12	
Deductions	-	(3,059.92)	(1,073.22)	(42.32)	(81.28)	(50.00)	-	(23.49)	(4,330.23)	(29.63)	-	
As at 31st March, 2022	3,069.38	2,092.71	153.13	149.62	283.40	191.54	6.04	-	5,945.82	10,067.97	186.54	

Net Block	Property, Plant and Equipment										Other Intangible Assets	Right of Use of Assets
	Buildings	Computers	Data and Tele-Communication Equipment	Electrical Installations	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicle	Total Tangible Assets	Computer Software (acquired)		
As at 31st March, 2021	457.36	2,113.12	206.88	18.68	36.22	32.73	17.59	25.88	2,908.46	450.76	105.80	
As at 31st March, 2022	448.44	2,217.37	132.58	14.70	115.95	24.94	18.90	-	2,972.88	418.04	59.68	

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 3(a) : Intangible Asset Under Development (IAUD)

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Intangible Asset Under Development	-	651.99
<b>Total</b>	<b>-</b>	<b>651.99</b>

### 3 (a) (i) Intangible Asset Under Development Aging Schedule as on 31st March, 2022

(₹ in Lakh)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	-	-	-	-	-

### 3 (a) (ii) Intangible Asset Under Development Aging Schedule as on 31st March, 2021

(₹ in Lakh)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	603.25	48.74	-	-	651.99

### 3 (a) (iii) For Intangible Asset Under Development whose completion is overdue or has exceeded its cost compared to its original plan

There is no time and cost overrun for any of the projects forming part of IAUD in view of readiness of an asset for intended management use.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.)

### FOR THE YEAR ENDED 31ST MARCH, 2022

#### Note 4 : Non-Current Investments

(₹ in Lakh)

Particulars	Rate of Interest (%)	Year of Maturity	Nos.	Face Value / NAV (₹)	As at 31st March, 2022	As at 31st March, 2021
<b>(a) Investment in Equity Instruments of Subsidiaries (at cost)</b>						
1 NSDL Database Management Limited			6,10,50,000	10	6,105.00	6,105.00
2 NSDL Payments Bank Limited			16,00,00,000	10	16,000.00	16,000.00
<b>Sub-total</b>					<b>22,105.00</b>	<b>22,105.00</b>
<b>(b) Investment in Equity Instruments of Associate (at cost)</b>						
1 India International Bullion Holding IFSC Ltd			20,00,00,000	1	2,000.00	-
<b>Sub-total</b>					<b>2,000.00</b>	<b>-</b>
<b>(c) Investment in Debentures or Bonds (at amortised cost)</b>						
1 India Infrastructure Finance Company Limited	9.41	2037	3	10,00,000	34.94	35.03
2 Power Finance Corporation of India Limited *	7.35	2035	50,000	1,000	526.88	527.41
3 National Housing Bank *	8.76	2034	8,000	5,000	429.67	430.78
4 Housing and Urban Development Corporation Limited*	8.76	2034	5,000	1,000	54.73	54.92
5 India Infrastructure Finance Company Limited*	8.66	2034	70,000	1,000	854.75	863.11
6 NTPC Limited*	8.66	2033	92,899	1,000	1,129.28	1,140.93
7 NHPC Ltd*	8.67	2033	49,420	1,000	607.35	611.49
8 India Infrastructure Finance Company Limited*	7.40	2033	50,000	1,000	552.95	556.00
9 National Highway Authority of India Limited *	7.35	2031	1,89,883	1,000	2,143.78	2,152.05
10 Indian Renewable Energy Development Agency Limited*	7.49	2031	50,000	1,000	510.03	510.25
11 National Bank for Agriculture and Rural Development*	7.35	2031	4,40,010	1,000	4,754.66	4,782.57
12 Indian Railway Finance Corporation Limited *	7.35	2031	99,000	1,000	1,086.00	1,091.33
13 Housing and Urban Development Corporation Limited*	7.39	2031	1,00,000	1,000	1,125.77	1,134.64
14 Indian Railway Finance Corporation Limited *	7.28	2030	11,074	1,000	124.45	125.38
15 National Housing Bank *	8.68	2029	30,000	5,000	1,605.04	1,616.43
16 Indian Railway Finance Corporation Limited *	8.40	2029	63,000	1,000	719.72	723.83
17 NHPC Ltd*	8.54	2028	81,428	1,000	948.65	955.15
18 Power Finance Corporation of India Limited *	8.46	2028	40	10,00,000	419.61	420.01
19 Rural Electrification Corporation Limited *	8.46	2028	60,000	1,000	691.34	700.65
20 Rural Electrification Corporation Limited *	8.46	2028	157	10,00,000	1,830.87	1,854.10
21 Indian Railway Finance Corporation Limited *	8.48	2028	100	10,00,000	1,142.32	1,149.21
22 Indian Railway Finance Corporation Limited *	7.34	2028	60,000	1,000	624.92	625.67
23 India Infrastructure Finance Company Limited*	8.26	2028	80	10,00,000	880.90	885.78
24 National Housing Bank *	8.46	2028	90	10,00,000	1,008.24	1,014.04
25 Housing and Urban Development Corporation Limited*	8.56	2028	20	10,00,000	233.00	235.80
26 National Highway Authority of India Limited *	8.30	2027	1,40,000	1,000	1,505.67	1,513.69
27 Power Finance Corporation of India Limited *	8.30	2027	50,000	1,000	528.13	529.86
28 Indian Railway Finance Corporation Limited *	7.38	2027	100	10,00,000	1,116.22	1,128.69
29 Indian Railway Finance Corporation Limited *	8.10	2027	50,000	1,000	566.34	574.69
30 Rural Electrification Corporation Limited *	8.12	2027	1,00,000	1,000	1,152.65	1,167.86
31 Power Grid Corporation of India Limited	7.20	2027	150	10,00,000	1,644.50	-
32 Power Finance Corporation of India Limited	6.09	2026	100	10,00,000	1,030.35	-
33 NHPC Ltd	7.13	2026	1,000	2,00,000	2,097.39	-
34 Power Grid Corporation of India Limited	7.36	2026	150	10,00,000	1,626.87	-
35 NTPC Limited*	7.15	2025	171	10,00,000	1,925.37	219.37
36 IDFC FIRST Bank Limited	9.03	2025	5	10,00,000	55.57	55.57
37 IDFC FIRST Bank Limited	8.80	2025	4	10,00,000	42.43	42.36
38 Indian Renewable Energy Development Agency Limited*	7.17	2025	60	10,00,000	623.11	623.52
39 Power Grid Corporation of India Limited	8.85	2025	40	12,50,000	567.90	-
40 Power Grid Corporation of India Limited	9.64	2025	21	12,50,000	310.91	-
41 National Bank for Agriculture and Rural Development	5.70	2025	150	10,00,000	1,520.86	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.)

### FOR THE YEAR ENDED 31ST MARCH, 2022

#### Note 4 : Non-Current Investments

(₹ in Lakh)

Particulars	Rate of Interest (%)	Year of Maturity	Nos.	Face Value / NAV (₹)	As at 31st March, 2022	As at 31st March, 2021
42 HDB Financial Services Limited	10.19	2024	1	10,00,000	10.15	10.20
43 Housing and Urban Development Corporation Limited*	8.51	2024	50,000	1,000	527.93	537.76
44 National Housing Bank*	8.25	2024	26,384	5,000	1,429.00	-
45 Indian Railways Finance Corporation Limited*	8.23	2024	50,000	1,000	578.37	-
46 National Bank for Agriculture and Rural Development*	5.27	2024	50	10,00,000	523.40	-
47 India Infrastructure Finance Company Limited*	8.41	2024	50,000	1,000	544.20	-
48 Power Finance Corporation of India Limited	9.25	2024	6	10,00,000	63.47	-
49 Indian Railway Finance Corporation Limited *	7.18	2023	-	-	-	782.27
50 NTPC Limited*	8.41	2023	1,50,000	1,000	1,588.61	1,617.37
51 Power Finance Corporation of India Limited *	7.19	2023	-	-	-	1,042.17
52 NHPC Limited	8.18	2023	32,210	1,000	370.36	-
53 Rural Electrification Corporation Limited *	7.21	2022	-	-	-	102.93
54 Power Finance Corporation of India Limited *	7.21	2022	-	-	-	524.32
<b>Sub-total</b>					<b>45,989.61</b>	<b>34,669.19</b>
<b>(d) Investment in Mutual Funds (at FVTPL)</b>						
1 Nippon India Fixed Horizon Fund - XXXVIII - Series 05			50,00,000	12.55	-	627.66
2 Sundaram Fixed Term Plan-IK 1098 DAYS			50,00,000	12.51	-	625.63
3 Kotak FMP Series 235 - 1140 Days			50,00,000	12.56	-	627.94
4 Franklin India FMP SR 4 PL F (1286 Days)			1,00,00,000	13.02	-	1,272.88
5 Nippon India Fixed Horizon Fund - XXXIX - Series 09			1,00,00,000	13.04	-	1,274.88
6 Kotak FMP Series 248			1,00,00,000	13.09	-	1,276.54
7 Sundaram Fixed Term Plan - IS 1120 Days			50,00,000	12.33	-	603.01
8 SBI Debt fund series C 49			1,00,00,000	12.29	-	1,200.87
9 SBI Debt fund series C 50			1,00,00,000	12.24	-	1,195.33
10 Kotak FMP Series 267			50,00,000	12.24	-	598.74
<b>Sub-total</b>					-	<b>9,303.48</b>
<b>(e) Investment in ETF Bonds (at FVTPL)</b>						
1 Edelweiss Bharat Bond ETF		2023	1,00,000	1,170.44	1,170.44	1,116.98
2 Edelweiss Bharat Bond ETF		2025	49,997	1,084.16	542.05	512.07
<b>Sub-total</b>					<b>1,712.49</b>	<b>1,629.05</b>
<b>Total</b>					<b>71,807.10</b>	<b>67,706.72</b>
* Investment in tax free bonds						
Aggregate amount of quoted investment					47,702.10	45,601.72
Aggregate market value of quoted investment					49,799.15	48,812.51
Aggregate amount of unquoted investments					24,105.00	22,105.00



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 5 : Other Financial Assets

(₹ in Lakh)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-Current	Current	Non-Current	Current
Security deposits	566.24	-	563.30	-
Interest accrued on fixed deposits	-	37.41	-	50.20
Deposits with original maturity of more than twelve months*	16,559.11	-	11,521.92	-
Others**	-	125.08	-	398.76
<b>Total</b>	<b>17,125.35</b>	<b>162.49</b>	<b>12,085.22</b>	<b>448.96</b>

\* Includes FD earmarked for future payments.

\*\* Includes balances with related parties - Refer Note 26

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

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Deferred Tax Asset :</b>		
Lease Liability (Refer Note 27)	2.61	2.31
Employee benefits	275.21	273.11
Expected credit loss	453.40	301.22
	<b>731.22</b>	<b>576.64</b>
<b>Less: Deferred Tax Liability :</b>		
Property, plant and equipment	59.63	92.24
	<b>59.63</b>	<b>92.24</b>
<b>Net Deferred Tax Asset</b>	<b>671.59</b>	<b>484.40</b>

The movement in Deferred Tax Asset and Liabilities:

(₹ in Lakh)

Particulars	As at 1st April, 2021	Credited (Charged) / to Statement of Profit and Loss	As at 31st March, 2022
<b>Deferred Tax Asset :</b>			
Lease Liability (Refer Note 27)	2.31	0.30	2.61
Employee benefits	273.11	2.10	275.21
Expected credit loss	301.22	152.18	453.40
	<b>576.64</b>	<b>154.58</b>	<b>731.22</b>
<b>Less: Deferred Tax Liability :</b>			
Property, plant and equipment	92.24	(32.61)	59.63
	<b>92.24</b>	<b>(32.61)</b>	<b>59.63</b>
<b>Net Deferred Tax Asset</b>	<b>484.40</b>	<b>187.18</b>	<b>671.59</b>

The movement in Deferred Tax Asset and Liabilities:

(₹ in Lakh)

Particulars	As at 1st April, 2020	Credited (Charged) / to Statement of Profit and Loss	As at 31st March, 2021
<b>Deferred Tax Asset :</b>			
Lease Liability (Refer Note 27)	0.46	1.85	2.31
Employee Benefit	228.44	44.67	273.11
Expected credit loss	170.14	131.08	301.22
	<b>399.04</b>	<b>177.60</b>	<b>576.64</b>
<b>Less: Deferred Tax Liability :</b>			
Property, plant and equipment	55.43	36.81	92.24
	<b>55.43</b>	<b>36.81</b>	<b>92.24</b>
<b>Net Deferred Tax Asset</b>	<b>343.61</b>	<b>140.79</b>	<b>484.40</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 7 : Other Assets

(₹ in Lakh)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-Current	Current	Non-Current	Current
Prepaid expenses	55.49	240.83	71.02	179.49
Advance to employees for expenses	-	15.53	-	61.17
GST credit receivable	-	1,286.61	-	1,339.59
<b>Total</b>	<b>55.49</b>	<b>1,542.97</b>	<b>71.02</b>	<b>1,580.25</b>

### Note 8 : Current Investments

(₹ in Lakh)

Particulars	Rate of Interest (%)	Nos.	Face Value / NAV (₹)	As at 31st March, 2022	As at 31st March, 2021
<b>(a) Current portion of Long-Term Investments :</b>					
<b>Investment in Debentures or Bonds (at amortised cost)</b>					
1 Housing and Urban Development Corporation Limited*	8.10	-	-	-	604.75
2 Power Finance Corporation of India Limited *	8.20	-	-	-	939.99
3 National Highway Authority of India Limited *	8.20	-	-	-	1,050.69
4 Rural Electrification Corporation Limited *	7.93	-	-	-	960.86
5 Power Grid Corporation of India Limited	9.64	-	-	-	439.47
6 Power Finance Corporation of India Limited *	7.51	-	-	-	621.50
7 Rural Electrification Corporation Limited *	7.21	10	10,00,000	102.70	-
8 Power Finance Corporation of India Limited *	7.21	50	10,00,000	517.48	-
9 Indian Railway Finance Corporation Limited *	7.18	75,000	1,000	778.28	-
10 Power Finance Corporation of India Limited *	7.19	1,00,000	1,000	1,028.24	-
<b>Sub-total</b>				<b>2,426.70</b>	<b>4,617.26</b>
<b>(b) Other Current Investments :</b>					
<b>Investment in Mutual Funds (at FVTPL)</b>					
1 Units of Axis Liquid Fund - Direct Growth		34,034	2,364.08	804.58	777.60
2 Units of UTI Treasury Advantage Fund - Daily Dividend Reinvestment		70,122	1,104.24	774.32	708.14
3 Units of Axis Liquid Fund - Direct Plan - Daily Dividend		149	1,000.96	1.49	1.45
4 Units of IDFC Liquid Fund - Direct Plan - Daily Dividend		92	1,001.67	0.92	0.89
5 Units of HDFC Liquid Fund - Daily Dividend Reinvestment		69,313	1,019.82	706.87	685.67
6 Units of ICICI Prudential Liquid Fund Dir Growth		2,30,867	315.26	727.82	703.53
7 Units of IDBI Ultra Short Term Fund - Daily Dividend Reinvestment		92	1,031.19	0.95	0.91
8 Units of Principal Debt Opportunity Conservative Fund - Daily Dividend Reinvestment		64,707	975.01	630.90	607.18
9 Units of UTI Liquid Fund - Daily Dividend Reinvestment		68,124	1,040.74	708.99	685.79
10 Units of L&T Banking & PSU debt fund		29,88,465	21.02	628.07	601.04
11 Units of Sundaram Corporate bond fund		37,67,812	33.47	1,261.09	1,206.55
12 Units of Franklin India FMP SR 4 PL F (1286 Days)		1,00,00,000	13.27	1,326.84	-
13 Units of Nippon India Fixed Horizon Fund - XXXIX - Series 09		1,00,00,000	13.29	1,328.87	-
14 Units of Kotak FMP Series 248		1,00,00,000	13.34	1,334.21	-
15 Units of Sundaram Fixed Term Plan - IS 1120 Days		50,00,000	12.56	628.02	-
16 Units of SBI Debt fund series C 49		1,00,00,000	12.53	1,252.88	-
17 Units of SBI Debt fund series C 50		1,00,00,000	12.48	1,247.75	-
18 Units of Kotak FMP Series 267		50,00,000	12.48	623.86	-
19 Units of ICICI Prudential Mutual Fund Corporate Bond		41,21,551	24.59	1,013.34	-
20 Units of Kotak Mahindra Mutual Fund Corporate Bond		32,390	3,132.88	1,014.73	-
21 Units of UTI Corporate Bond Fund - Direct Growth Plan Growth		37,88,751	13.40	507.80	-
22 Units of IDFC Prudential Mutual Fund Corporate Bond		63,36,417	16.04	1,016.37	-
<b>Sub-total</b>				<b>17,540.67</b>	<b>5,978.75</b>
<b>Total</b>				<b>19,967.37</b>	<b>10,596.01</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 8 : Current Investments (contd.)

(₹ in Lakh)

Particulars	Rate of Interest (%)	Nos.	Face Value / NAV (₹)	As at 31st March, 2022	As at 31st March, 2021
* Investment in tax free bonds					
Note - The Repurchase Price / NAV has been considered as the Quoted Market Price					
Aggregate amount of quoted investment				19,967.37	10,596.01
Aggregate market value of quoted investment				19,947.14	10,507.46
Aggregate amount of unquoted investments				-	-

### Note 9 : Trade Receivables

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivables considered good - Secured,	290.50	382.60
Trade receivables considered good - Unsecured,	8,522.83	9,747.13
Trade receivables credit impaired - Unsecured	1,801.34	1,196.74
	<b>10,614.67</b>	<b>11,326.47</b>
Less: Expected credit loss (Refer Note 2.12)		
Trade receivables credit impaired - Unsecured	1,801.34	1,196.74
<b>Total</b>	<b>8,813.33</b>	<b>10,129.73</b>

#### Footnote:

- The average credit period on sale of services is 30 days. No interest is charged on trade receivables for the first 30 days from the date of invoice. Thereafter, interest is charged at the range of 12% to 24% p.a. on certain categories of receivables.
- The Company has appropriate levels of control procedures for new customers which ensures the potential customer's credit quality. Credit limits attributed to customers are reviewed periodically by the Management.

### Note 9 (a) Movement in Expected Credit Loss

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	1,196.74	675.97
Provision during the year	604.60	520.77
Reversal during the year	-	-
<b>Balance at the end of the year</b>	<b>1,801.34</b>	<b>1,196.74</b>

### Note 9 (b) Trade Receivables Ageing Schedule as on 31st March, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Current but not due	Less than 6 Months	6 Months -1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed, trade receivables – considered good	887.57	640.78	1,011.56	4,963.14	1,213.78	96.50	-	<b>8,813.33</b>
Undisputed, trade receivables – credit impaired - Unsecured	-	-	-	-	401.58	623.21	776.55	<b>1,801.34</b>
Less: Expected credit loss	-	-	-	-	401.58	623.21	776.55	<b>1,801.34</b>
<b>Total</b>	<b>887.57</b>	<b>640.78</b>	<b>1,011.56</b>	<b>4,963.14</b>	<b>1,213.78</b>	<b>96.50</b>	<b>-</b>	<b>8,813.33</b>

### Note 9 (c) Trade Receivables Ageing Schedule as on 31st March, 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Current but not due	Less than 6 Months	6 Months -1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed, trade receivables – considered good	3,135.65	1,349.87	2,400.12	1,432.18	1,503.40	308.51	-	<b>10,129.73</b>
Undisputed, trade receivables – credit impaired - Unsecured	-	-	-	-	241.19	523.93	431.62	<b>1,196.74</b>
Less: Expected credit loss	-	-	-	-	241.19	523.93	431.62	<b>1,196.74</b>
<b>Total</b>	<b>3,135.65</b>	<b>1,349.87</b>	<b>2,400.12</b>	<b>1,432.18</b>	<b>1,503.40</b>	<b>308.51</b>	<b>-</b>	<b>10,129.73</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 10 : Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash on hand	0.55	0.55
Cheques on hand	-	8.90
Balances with banks:		
i) in current accounts	196.43	142.20
ii) in sweep fixed deposit	1,935.25	862.76
<b>Total</b>	<b>2,132.23</b>	<b>1,014.41</b>

### Note 11 : Bank Balances other than Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Other bank balances:</b>		
i) In current accounts*	14,297.64	13,253.52
ii) In other deposit accounts with original maturity more than 3 months	-	3,261.44
<b>Total</b>	<b>14,297.64</b>	<b>16,514.96</b>

\* These balances have restriction on repatriation.

### Note 12 : Equity Share Capital

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Authorised :</b>		
100,000,000 equity shares of ₹ 10 each with voting rights	10,000.00	10,000.00
<b>Issued, Subscribed and Fully Paid - up :</b>		
40,000,000 equity shares of ₹ 10 each fully paid up with voting rights	4,000.00	4,000.00
<b>Total</b>	<b>4,000.00</b>	<b>4,000.00</b>

**Note 12 (a) :** There are no promoters as on 31st March, 2022 and 31st March, 2021.

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

(₹ in Lakh)

Name of the Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	Number of Shares held	% Holding	Number of Shares held	% Holding
IDBI Bank Ltd.	1,04,40,000	26.10	1,04,40,000	26.10
National Stock Exchange of India Ltd	96,00,000	24.00	96,00,000	24.00
HDFC Bank Limited	39,79,900	9.95	39,79,900	9.95
Administrator of the Specified Undertaking of the Unit Trust of India- Unit Scheme 1964	27,32,000	6.83	27,32,000	6.83

**Note 12 (c) :** The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, (except in case of interim dividend), is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all dues, proportionate to their shareholding.

### Note 12 (d) : Reconciliation of the Shares outstanding at the beginning and end of the year :

Particulars	No of shares	(₹ in Lakh)
Balance as at 1st April, 2020	4,00,00,000	4,000
Add: Issue of Shares	-	-
Balance as at 31st March, 2021	4,00,00,000	4,000
Add: Issue of Shares	-	-
Balance as at 31st March, 2022	4,00,00,000	4,000

**Note 12 (e) :** On 26th May, 2022, the Board of Directors of the Company have recommended a final dividend of ₹5.00 per share (PY ₹5.00 per share) in respect of the year ended 31st March, 2022, subject to approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹2,000.00 Lakh (PY ₹2,000.00 Lakh).



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 13 : Other Equity

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>General Reserve</b>		
Balance at the beginning of the year	36,312.82	36,312.82
Add: Transferred from retained earning	-	-
<b>Balance as at the end of the year</b>	<b>36,312.82</b>	<b>36,312.82</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	51,471.01	35,457.24
Profit for the year	18,358.66	17,613.77
Less: Dividend (Refer Note 12(e))	(2,000.00)	(1,600.00)
<b>Balance as at the end of the year</b>	<b>67,829.67</b>	<b>51,471.01</b>
<b>Other Comprehensive Income</b>		
Balance at the beginning of the year	(10.67)	(46.88)
Other comprehensive income for the year	(90.99)	36.21
<b>Balance as at the end of the year</b>	<b>(101.66)</b>	<b>(10.67)</b>
<b>Total</b>	<b>1,04,040.83</b>	<b>87,773.16</b>

### Note 14 : Other Financial Liabilities (Non-Current)

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Others:</b>		
Incentive payable to employees	414.65	360.12
<b>Total</b>	<b>414.65</b>	<b>360.12</b>

### Note 15 : Trade Payables

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Amounts due to micro enterprise and small enterprises*	151.47	214.34
Others	1,516.65	1,821.73
<b>Total</b>	<b>1,668.12</b>	<b>2,036.07</b>

\* Dues to micro enterprise and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

### Note 15 (a) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 200

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Principal amount remaining unpaid to any supplier as at the end of the accounting period.	151.47	214.34
Interest due thereon remaining unpaid to any supplier as at the end of the accounting period.	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
The amount of interest due and payable for the period.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting period.	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-
<b>Total</b>	<b>151.47</b>	<b>214.34</b>

### Note 15 (b) Trade Payables Ageing Schedule as on 31st March, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled dues	Current but not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Amounts due to MSME	90.49	-	60.98	-	-	-	151.47
Others	890.05	-	606.53	20.07	-	-	1,516.65
<b>Total</b>	<b>980.54</b>	<b>-</b>	<b>667.51</b>	<b>20.07</b>	<b>-</b>	<b>-</b>	<b>1,668.12</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 15 (c) Trade Payables Ageing Schedule as on 31st March, 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled dues	Current but not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Amounts due to MSME	64.22	-	150.12	-	-	-	214.34
Others	759.44	-	915.85	55.14	88.97	2.33	1,821.73
<b>Total</b>	<b>823.66</b>	<b>-</b>	<b>1,065.97</b>	<b>55.14</b>	<b>88.97</b>	<b>2.33</b>	<b>2,036.07</b>

### Note 16 : Other Financial Liabilities (Current)

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security deposit received from customers / depository participants	6,134.58	5,662.56
Payable on purchase of property, plant and equipment, intangible assets	6.74	15.94
Payable to Investor Protection Fund Trust (Refer Note 31)	231.01	900.69
Payable on redemption of NSC/KVP and government securities	1,365.94	1,290.99
Payables to staff	1,148.57	1,165.43
Gratuity payable to Fund (Refer Note 29)	361.58	290.04
Annual custody charges payable	85.12	36.15
Payable for stamp duty collection	5,106.98	4,135.97
Advance received for auction of DP demat accounts*	7,810.13	7,810.13
Corporate Social Responsibility Liability	110.89	-
<b>Total</b>	<b>22,361.54</b>	<b>21,307.90</b>

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

### Note 17 : Provisions

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Provision for Employee Benefit</b>		
Provision for compensated absences	1,007.98	987.39
<b>Other Provision</b>		
Provision for investor awareness (Refer Note 32)	1,668.32	1,830.41
<b>Total</b>	<b>2,676.30</b>	<b>2,817.80</b>

### Note 18 : Other Current Liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances from customers	3,446.74	4,195.71
Income received in advance	364.28	105.80
Statutory remittances	407.13	640.61
Others*	1.68	5.44
<b>Total</b>	<b>4,219.83</b>	<b>4,947.56</b>

\* Includes balances with related parties - Refer Note 26



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 19 : Revenue from Operations

(₹ in Lakh)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Annual fees	1,229.13	1,315.27
Custody fees	17,006.50	16,220.23
Transaction fees	18,184.10	15,615.71
Software license fees	25.42	17.10
Communication fees	422.48	374.71
Other operating income	60.58	14.80
<b>Total</b>	<b>36,928.21</b>	<b>33,557.82</b>

### Note 20 : Other Income

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest income :		
i) On non-current investments	2,718.00	2,564.01
ii) On fixed deposits with banks	927.34	434.67
iii) On overdue trade receivables	230.49	300.73
<b>Sub-total</b>	<b>3,875.83</b>	<b>3,299.41</b>
Dividend income from current Investments	44.52	44.44
Fair value gain on investments in mutual funds	703.29	1,214.33
Dividend from Subsidiary	915.75	610.50
Bad debts recovered	-	3.13
Miscellaneous income	264.87	139.69
<b>Total</b>	<b>5,804.26</b>	<b>5,311.50</b>

### Note 21 : Employee Benefits Expenses

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Salaries and wages	6,030.20	5,611.09
Contribution to provident and other funds (Refer Note 29)	663.88	666.60
Staff welfare expenses	180.89	167.04
Deputation Cost	33.48	43.51
<b>Total</b>	<b>6,908.45</b>	<b>6,488.24</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 22 : Other Expenses

(₹ in Lakh)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Annual fees	416.83	347.92
Repairs and maintenance - system	3,734.53	3,013.26
Repairs and maintenance - premises	214.42	189.00
Repairs and maintenance - others	44.23	61.41
Insurance (Refer Note 28)	112.15	99.87
Power and fuel	167.48	153.19
Rent (net of recovery)	142.58	156.16
Communication expenses	1,580.04	1,167.11
Travelling and conveyance expenses	119.99	149.67
Professional and consultancy fees	616.14	342.54
Legal charges	169.21	137.98
Printing and stationery expenses	309.99	355.08
Rates and taxes	79.67	212.49
Corporate social responsibility expense (Refer Note 33)	301.41	258.05
Seminar and business promotion expenses	43.24	39.55
Payment to auditors (net of GST set-off) :		
a) Audit fees	21.15	20.20
b) Tax audit fees	2.55	2.40
c) Other services	9.30	8.40
Directors sitting fees	123.20	110.80
Provision for investor awareness (Refer Note 32)	560.43	514.97
Provision for doubtful trade receivables	604.60	520.77
Bad debts written off	276.87	0.30
Loss on sale of Assets / written off	219.27	22.02
Miscellaneous expenses	321.65	244.03
<b>Total</b>	<b>10,190.93</b>	<b>8,127.17</b>

### Note 23 : Contingent Liabilities and Other Commitments (to the extent not provided for)

#### Contingent Liabilities

- Demand from the service tax authorities of ₹ 5,236.21 Lakh (Previous year ₹ 5,236.21 Lakh) in respect of FY 2004-05 to FY 2008-09 relate to service tax demanded in respect of depository participant services during that period. The Company has received order from the Central Excise and Service Tax Appellate Tribunal (CESTAT) on 12th June 2020, and it subsequently filed a civil appeal in the Supreme Court and the Service Tax Department has filed a counter affidavit with the Supreme Court. The Company has paid ₹ 392.72 under protest. The Company is hopeful of succeeding in appeals and does not expect any significant liability to materialise.
- Demand from income tax authorities for AY 2013-14, AY 2014-15, AY 2015-16, AY 2017-18, AY 2018-19 and AY 2019-20 are Nil (Previous year ₹ 213.61 Lakh), Nil (Previous year ₹ 338.58 Lakh), ₹ 30.11 Lakh (Previous year ₹ 519.60 Lakh), ₹ 657.90 Lakh (Previous year ₹ 1,806.25 Lakh), ₹ 2,769.38 Lakh (Previous year ₹ 2,769.38 Lakh) and ₹ 796.69 Lakh (Previous year ₹ 799.03 Lakh) respectively. The Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

#### Commitments

- Estimated amount of capital contracts not provided for (net of advances) for the year ended 31st March, 2022 is Nil (Previous year ₹ 115.49 Lakh).

### Note 24 : Expenditure in Foreign Currency

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Membership fees	11.79	3.26
Professional fees	-	5.41
<b>Total</b>	<b>11.79</b>	<b>8.67</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 25 : Segment Reporting

The Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind-AS 108, Operating Segments. The Company's business is to provide depository services to its clients in India which includes providing various services to the investors like, dematerialisation, re-materialisation, holding, transfer and pledge of securities in electronic form through close user group network of business partners (viz. Issuers / Registrars & Transfers Agents and Depository Participants) and providing facility to market intermediaries for "straight through processing", providing e-voting services to companies. All other activities of the Company revolve around the main business. Further, all activities are carried in India. As such, there are no reportable segments as per the Ind AS 108-'Operating Segments'.

### Note 26 : Related Party Disclosures

#### a) Names of Related Parties and Relationship

(i) IDBI Bank Limited	Company having substantial Interest
(ii) National Stock Exchange of India Limited	Company having substantial Interest
(iii) NSDL Database Management Limited	Wholly-owned subsidiary (control exists)
(iv) NSDL Payments Bank Limited	Wholly-owned subsidiary (control exists)
(v) India International Bullion Holding IFSC Limited	Associate Company (w.e.f. August 13, 2021)
(vi) Mr. B. A. Prabhakar	Public Interest Director
Prof. G. Sivakumar	Public Interest Director
Dr. Rajani Gupte	Public Interest Director
Mr. B. Sambamurthy	Public Interest Director
Mr. Rajeev Kumar	Shareholder Director
Ms. Priya Subbaraman	Shareholder Director
Mr. G V Nageswara Rao (Ceased to be MD & CEO w.e.f. August 31, 2021)	Managing Director and CEO
Ms. Padmaja Chunduru (appointed MD & CEO w.e.f. September 22, 2021)	Managing Director and CEO

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

(₹ in Lakh)

Sr. No.	Particulars	As at 31st March, 2022	As at 31st March, 2021
(i)	<b>Transactions during the year :</b>		
	<b>I. Companies having Substantial Interest</b>		
	<b>a) IDBI Bank Limited</b>		
	- Transaction fees	52.44	47.27
	- Annual fees	9.86	11.30
	- Annual custody fees	24.24	23.83
	- Reimbursement of expenses	3.71	1.42
	- Interest Income on fixed deposit with bank	307.00	316.72
	- Interest (waiver)/ income – other	0.90	1.14
	- Miscellaneous expenses	0.92	0.37
	- Investor awareness expense	6.57	5.25
	- Dividend paid	522.00	417.60
	<b>b) National Stock Exchange of India Limited</b>		
	- Transaction fees	221.94	142.32
	- Dividend paid	480.00	384.00
	<b>II. Subsidiary Companies</b>		
	<b>a) NSDL Database Management Limited</b>		
	- Income	136.08	124.54
	- Expense	38.71	11.39
	- Reimbursement of expense	-	53.00
	- Dividend Received	915.75	610.50
	<b>b) NSDL Payments Bank</b>		
	- Investment In subsidiary	-	3,000.00
	- Income	6.19	3.73
	- Expenses	37.26	29.56
	- Reimbursement of expenses	14.11	22.56

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

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

(₹ in Lakh)

Sr. No.	Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>III. Associate Company</b>			
<b>a) India International Bullion Holding IFSC Limited</b>			
	- Investment In Associate	2000.00	-
	- Income	0.55	-
<b>IV. Key Managerial Personnel</b>			
	a) Sitting Fees to directors	123.20	110.80
	b) Remuneration to KMPs (Refer note ii):		
	- Short-term employee benefit	512.15	479.21
	- Long-term employee benefit	-	-
(ii)	<b>(Payable)/Receivable at the end of the year :</b>		
<b>Companies having Substantial Interest</b>			
<b>a) IDBI Bank Limited</b>			
	- Security deposit payable	(30.00)	(30.00)
	- Balance in current account	0.51	0.33
	- FDs	7,124.13	5,517.63
	- Trade receivables	-	11.82
	- Trade Payables	0.05	-
<b>b) National Stock Exchange of India Limited</b>			
	- Trade receivables	52.85	94.94
<b>Subsidiary Companies</b>			
<b>a) NSDL Database Management Limited</b>			
	- Receivables (net)	16.46	17.65
<b>b) NSDL Payments Bank Limited</b>			
	- Security deposit payable	1.50	1.50
	- Balance in current account	1.63	-
	- Payables (net)	1.62	-
	- Receivables (net)	-	4.62
<b>Associate Company</b>			
<b>a) India International Bullion Holding IFSC Limited</b>			
	- Receivables (net)	0.36	-
<b>Key Managerial Personnel</b>			
	a) Payable to key managerial person	209.83	254.97

#### Notes:

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

### Note 27 : Lease Liability

#### Statement showing movement in Lease Liabilities:

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Lease Liability at the beginning of the year</b>	<b>114.98</b>	<b>131.01</b>
Add/(Less): Agreements reassessed as lease contracts	-	-
Additions	-	31.72
Deductions/Adjustments	-	-
Finance cost accrued during the period	8.75	10.96
Payment of lease liabilities	53.69	58.71
<b>Lease Liability at the end of the year</b>	<b>70.04</b>	<b>114.98</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Statement showing carrying value of Right of Use Assets:

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Right of Use Assets at the beginning of the year	105.80	129.17
Additions	-	31.72
Deductions/Adjustments	-	-
Depreciation	46.12	55.09
<b>Right of Use Assets at the end of the year</b>	<b>59.68</b>	<b>105.80</b>

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

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current lease liabilities	24.59	54.37
Non - Current lease liabilities	45.45	60.61
<b>Total</b>	<b>70.04</b>	<b>114.98</b>

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

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Due for :		
Up to One year	18.89	56.58
One year to Five years	65.37	60.20
More than Five years	12.64	37.84
<b>Total</b>	<b>96.90</b>	<b>154.62</b>

### Statement showing amount recognised in Statement of Profit and Loss:

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest on lease liabilities	8.75	10.96
Depreciation on right of use assets	46.12	55.09
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-of-use assets	-	-
Expenses relating to short-term leases	-	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-
<b>Total</b>	<b>54.87</b>	<b>66.05</b>

### Statement showing total cash outflow for leases:

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total cash outflow for leases	53.69	58.71

### Note 28 : Expenses in Note 22 has been disclosed net of recoveries as under:

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Insurance	48.97	56.32

### Note 29. Employee Benefits

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

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provident fund	245.95	228.96
ESIC	1.18	1.32
Superannuation fund	156.39	150.97
<b>Total</b>	<b>403.52</b>	<b>381.25</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 29. Employee Benefits (Contd.)

#### b) Gratuity

##### (i) Summary of Actuarial Assumptions

Particulars	As at 31st March, 2022	As at 31st March, 2021
Discount rate	7.15%	6.86%
Rate of return on plan assets	7.15%	6.86%
Salary escalation	7.00%	7.00%
Attrition rate	Slab (18%<5 Years, 4%>= 5 Years)	Slab (18%<5 Years, 4%>= 5 Years)
Mortality table	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ultimate

##### (ii) Reconciliation of Defined Benefit Obligation

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Liability at the beginning of the year</b>	<b>2,618.90</b>	<b>2,543.96</b>
Interest cost	179.66	173.50
Current service cost	220.08	274.25
Liability Transferred In/ Acquisitions	-	21.11
(Liability Transferred Out/ Divestments)	-	(9.42)
Benefits paid	(415.54)	(322.85)
Actuarial loss /(gain) on obligations	113.66	(61.65)
<b>Liability at the end of the year</b>	<b>2,716.76</b>	<b>2,618.90</b>

##### (iii) Reconciliation of Fair Value of Plan Assets

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Fair value of plan assets at the beginning of the year</b>	<b>2,328.86</b>	<b>2,389.25</b>
Interest income	159.76	162.95
Contributions by the employer	290.04	106.38
Assets Transferred In/Acquisitions	-	19.17
(Assets Transferred Out/ Divestments)	-	(12.78)
Benefits paid	(415.54)	(322.85)
Actuarial (gain)/ loss on plan assets	(7.94)	(13.26)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>2,355.18</b>	<b>2,328.86</b>

##### (iv) Amount recognised in Balance Sheet

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Present value of funded obligation	(2,716.76)	(2,618.90)
Fair value of plan assets at the end of the year	2,355.18	2,328.86
<b>Amount recognised in balance sheet</b>	<b>(361.58)</b>	<b>(290.04)</b>

##### (v) Expenses recognised in Statement of Profit and Loss

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current service cost	220.08	274.25
Interest cost	19.90	10.55
<b>Expenses recognised in the Statement of Profit and Loss</b>	<b>239.98</b>	<b>284.80</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### (vi) Expenses recognised in other Comprehensive Income

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Actuarial (gain)/ loss on obligation	113.66	(61.65)
Actuarial (gain)/loss on plan assets	7.94	13.26
<b>Net (Income)/Expense for the period recognized in OCI</b>	<b>121.60</b>	<b>(48.39)</b>

### (vii) Balance Sheet Reconciliation

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Opening net liability</b>	<b>290.04</b>	<b>154.71</b>
Expenses recognized in statement of profit and loss	239.98	284.80
Expenses recognized in OCI	121.60	(48.39)
Net Liability/(Asset) Transfer In	-	1.94
Net (Liability)/Asset Transfer Out	-	3.36
Employers contribution	(290.04)	(106.38)
<b>Amount recognised in Balance Sheet</b>	<b>361.58</b>	<b>290.04</b>

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

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

(ix) Expected contribution in the next year ₹ 303.54 Lakh (Previous year ₹ 280.36Lakh).

### (x) Sensitivity Analysis

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

(₹ in Lakh)

Particulars	Defined Benefit Obligation	
	Increase in Assumption	Decrease in Assumption
Discount rate (1% movement)	(242.56)	279.36
Future salary appreciation (1% movement)	277.00	(245.01)
Attrition rate (1% movement)	(2.03)	1.77

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

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

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

### Note 30 : Earnings Per Share

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit for the year attributable to the equity shareholders (₹ in Lakh)	18,358.66	17,613.77
Weighted average number of equity shares during the year	40,000,000	40,000,000
Basic and diluted earnings per share (₹)*	45.90	44.03
Face value of each share (₹)	10.00	10.00

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

### Note 31 : Investor Protection Fund (IPF)

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

The contribution to IPF for the year ended 31st March, 2022 works out to ₹ 895.53 Lakh (Previous year ₹ 883.55 Lakh), being 5% of the profits from depository operations of the Company before tax for the year available after making such contribution.

**31.2** Further, SEBI vide its Circular dated June 7, 2016 issued guidelines for utilization of IPF. The guidelines require administration of IPF by creation of a trust administered by Depository. As required by the Guidelines, the Company created irrevocable Trust 'National Securities Depository Limited Investor Protection Fund Trust' (NSDL IPF Trust)'. The Company transferred ₹ 1557.68 Lakh (Previous year ₹ 518.83 Lakh) to NSDL IPF Trust for the year ended 31st March, 2022. The amount as at 31st March, 2022 includes contribution to IPF for the year ended 31st March, 2022, and other amounts recovered from depository participants as required by the guidelines.

### Note 32 : Other Provisions: Provision for Investor Awareness

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

Pursuant to the Circular, the Company has set aside ₹ 560.43 Lakh (Previous year ₹ 514.97 Lakh) being 20% of incremental revenue on issuer income for year ended 31st March, 2022.

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	1,830.41	1,893.51
Addition	560.43	514.97
Payment / Utilisation	(722.52)	(578.07)
Closing Balance	1,668.32	1,830.41

### Note 33 : Expenses towards Corporate Social Responsibility

(₹ in Lakh)

Sr.No.	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
1	Amount required to be spent by the company during the year	309.96	249.23
2	Amount of expenditure incurred during the year	190.51	258.05
3	(Excess) of previous years adjusted	(8.82)	-
4	(Excess) / Shortfall at the end of the year	110.63	(8.82)
5	Total of previous years shortfall	-	-
6	Reason for shortfall	-	-
7	Nature of CSR activities	a) Project Yogdaan (support to Thalassaemia Patients) b) Support to Sankara Nethralaya d) Artha SAMARTH - Skill Development in BFSI e) NSDL Shiksha Sahyog (educational scholarship program) f) Night School Transformation Program g) Mid-Day Meal Program h) Admin and Program Monitoring	a) Project Yogdaan (support to Thalassaemia Patients) b) Traffic Island Maintenance c) Project Sahyog (COVID 19 relief program) d) Artha SAMARTH - Skill Development in BFSI e) NSDL Shiksha Sahyog (educational scholarship program) f) Admin and Program Monitoring
8	Details of related party transactions	NA	NA
9	Provision made in financial year due to any contractual obligation	NA	NA

### Note 34 : Fair Value Measurement

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Financial Assets</b>		
<b>a) Amortised Cost*</b>		
Investments in debt instrument	48,416.31	39,286.45
Trade receivables	8,813.33	10,129.73
Cash and cash equivalents	2,132.23	1,014.41
Other bank balances	14,297.64	16,514.96
Other financial assets	17,287.84	12,534.18
	<b>90,947.35</b>	<b>79,479.73</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 34 : Fair Value Measurement (contd.)

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>b) FVTPL</b>		
Investment in mutual funds	17,540.67	15,282.23
Investment in Exchange traded Fund	1,712.49	1,629.05
	<b>19,253.16</b>	<b>16,911.28</b>
<b>c) At cost</b>		
Investment in subsidiaries	22,105.00	22,105.00
Investment in Associate	2,000.00	-
	<b>24,105.00</b>	<b>22,105.00</b>
<b>Total</b>	<b>1,34,305.51</b>	<b>1,18,496.01</b>
<b>Financial Liabilities</b>		
<b>a) Amortised Cost*</b>		
Trade payables	1,668.12	2,036.07
Lease liability	70.04	114.98
Other financial liabilities	22,776.19	21,668.02
<b>Total</b>	<b>24,514.35</b>	<b>23,819.07</b>

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

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

(₹ in Lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2022	Fair value	Carrying value	Fair value hierarchy
<b>Financial Assets</b>			
Investments in debt instrument	50,493.13	48,416.31	Level 2
Trade receivables	8,813.33	8,813.33	Level 3
Cash and cash equivalents	2,132.23	2,132.23	Level 3
Other bank balances	14,297.64	14,297.64	Level 3
Other financial assets	17,287.84	17,287.84	Level 3
<b>Total</b>	<b>93,024.17</b>	<b>90,947.35</b>	
<b>Financial Liabilities</b>			
Trade payables	1,668.12	1,668.12	Level 3
Lease liability	70.04	70.04	Level 3
Other financial liabilities	22,776.19	22,776.19	Level 3
<b>Total</b>	<b>24,514.35</b>	<b>24,514.35</b>	

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

(₹ in Lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed at March 31, 2021	Fair value	Carrying value	Fair value hierarchy
<b>Financial Assets</b>			
Investments in debt instrument	42,408.69	39,286.45	Level 2
Trade receivables	10,129.73	10,129.73	Level 3
Cash and cash equivalents	1,014.41	1,014.41	Level 3
Other bank balances	16,514.96	16,514.96	Level 3
Other financial assets	12,534.18	12,534.18	Level 3
<b>Total</b>	<b>82,601.97</b>	<b>79,479.73</b>	
<b>Financial Liabilities</b>			
Trade payables	2,036.07	2,036.07	Level 3
Lease liability	114.98	114.98	Level 3
Other financial liabilities	21,668.02	21,668.02	Level 3
<b>Total</b>	<b>23,819.07</b>	<b>23,819.07</b>	

### Note 35 : Financial Instruments

#### Capital Risk Management

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Financial Risk Management

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

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

The Company is exposed to the following market risks:

#### (a) Credit Risk

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

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

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

#### (b) Liquidity Risk

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

#### (c) Market Risk

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

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

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

Particulars	(₹ in Lakh)	
	As at 31st March, 2022	As at 31st March, 2021
Mutual Fund	17,540.67	15,282.23
Exchange traded Fund	1,712.49	1,629.05
<b>Total</b>	<b>19,253.16</b>	<b>16,911.28</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Sensitivity

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

(₹ in Lakh)

Particulars	Impact on profit after tax		Impact on other components of equity	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Increase by 5%	962.66	845.56	-	-
Decrease by 5%	(962.66)	(845.56)	-	-

### Note 36 : Analytical Ratios

Sr. No.	Ratios	Numerator	Denominator	As at 31st March, 2022	As at 31st March, 2021	% Variance	Reason for variance
1	Current Ratio	Current Assets	Current Liabilities	1.46	1.22	20.2%	
2	Debt-Equity Ratio			N.A.	N.A.		
3	Debt Service Coverage Ratio			N.A.	N.A.		
4	Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	18.4%	21.0%	(12.6%)	
5	Inventory Turnover Ratio			N.A.	N.A.		
6	Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivable	3.90	3.82	2.1%	
7	Trade Payables Turnover Ratio	Other Expenses	Average Trade Payables	5.50	4.20	31.1%	Due to increase in overall system maintenance expenses
8	Net Capital Turnover Ratio	Revenue from Operations	Working capital	2.49	4.67	(46.8%)	Due to increase in current investments
9	Net Profit Ratio	Net Profit	Revenue from Operations	49.7%	52.5%	(5.3%)	
10	Return on Capital Employed Ratio	Earnings before interest and taxes	Shareholder's Equity	21.8%	24.6%	(11.4%)	
11	Return on Investment Ratio	Finance Income	Average Investment	5.2%	4.7%	9.6%	

### Note 37 : Additional Regulatory Disclosures

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.
- (vi) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) whose title deeds are not held in the name of the Company.
- (vii) There are no loans or advances in the nature of loans that are granted to promoters, directors, key managerial personnel (KMPs) and the related parties either severally or jointly with any other person, that are: a) Repayable on demand or b) Without specifying any terms or period of repayment.
- (viii) The Company is not a declared willful defaulter by any bank or financial Institution or other lender.
- (ix) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 in respect of investments in subsidiaries.

### Note 38 : Following are the details of balances outstanding on account of any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956

(₹ in Lakh)

Sr. No.	Name Of Struck Off Company	Nature of Transaction	Outstanding Balance		Relationship
			FY 2021-22	FY 2020-21	
1	Arihant capital Markets Ltd	Professional Fees	-	0.02	Vendor
2	GARDEENA HORTICULTURE	Office Expenses	-	0.02	Vendor
3	NESTIEN SHIPMENT MANAGEMENT	Postage Expenses	-	1.02	Vendor
4	Niche Technologies Pvt Ltd	Professional Fees	-	0.33	Vendor
5	RAVI MILK PRODUCTS (INDIA) Pvt Ltd	Issuers Fees	-	0.01	Customer
6	ACME HANUMANGARH SOLAR ENERGY Pvt Ltd	Issuers Fees	-	0.06	Customer
7	ACME JAIGARH SOLAR ENERGY Pvt Ltd	Issuers Fees	-	0.06	Customer
8	KNR CHIDAMBARAM INFRA Pvt Ltd	Issuers Fees	-	0.39	Customer
9	RAINBOW PAPERS Ltd	Issuers Fees	-	0.89	Customer
10	Sakchi Steel Ltd	Issuers Fees	-	0.01	Customer
11	JAMADOBA STEEL Ltd	Issuers Fees	-	0.01	Customer
12	Noamundi Steel Ltd	Issuers Fees	-	0.01	Customer
13	Dimna Steel Ltd	Issuers Fees	-	0.01	Customer
14	Straight Mile Steel Ltd	Issuers Fees	-	0.01	Customer
15	L&T INFRA CONTRACTORS Pvt Ltd	Issuers Fees	-	0.18	Customer
16	VENUGOPAL HOLDINGS LTD	Issuers Fees	-	0.06	Customer
17	MAPAEX PHARMACARE Pvt Ltd	Issuers Fees	-	0.06	Customer
18	DELUXE VYAPAAR Pvt Ltd	Issuers Fees	-	0.19	Customer
19	SPIRIT FINANCIAL ADVISORY Pvt Ltd	Issuers Fees	-	0.17	Customer
20	Reliex Mercantile Ltd	Issuers Fees	-	0.16	Customer
21	Shapoorji Pallonji Transport Projects Pvt Ltd	Issuers Fees	-	(0.18)	Customer



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 38 : (contd.)

(₹ in Lakh)

Sr. No.	Name Of Struck Off Company	Nature of Transaction	Outstanding Balance		Relationship
			FY 2021-22	FY 2020-21	
22	ALTICO HOUSING FINANCE INDIA Ltd	Issuers Fees	-	0.05	Customer
23	NEARA ENERGY Pvt Ltd	Issuers Fees	-	0.05	Customer
24	HAUL POWER Pvt Ltd	Issuers Fees	-	(0.16)	Customer
25	ELVIS INDIA Ltd	Issuers Fees	-	0.24	Customer
26	TAPIR LAND DEVELOPMENT Ltd	Issuers Fees	-	(0.06)	Customer
27	SUJAV ENTERTAINMENT Pvt Ltd	Issuers Fees	-	0.35	Customer
28	MANIKARAN STOCK & HOLDINGS Pvt Ltd	Issuers Fees	-	0.01	Customer
29	MANIKARAN CAPITAL & SHARES Pvt Ltd	Issuers Fees	-	0.01	Customer
30	NETS ENERGY AND INFRA TECH Pvt Ltd	Issuers Fees	-	(0.06)	Customer
31	THAPAR SPINNING MILLS Ltd	Issuers Fees	-	(0.01)	Customer
32	ARYASTHAN CORPORATION Ltd	Issuers Fees	-	0.11	Customer
33	TRANS ASIA CORPORATION Ltd	Issuers Fees	-	0.19	Customer
34	SMILAX CORPORATE SERVICES Pvt Ltd	Issuers Fees	-	(0.29)	Customer
35	RUTHERFORD SOLARFARMS Pvt Ltd	Issuers Fees	-	0.01	Customer
36	INTERNATIONAL FINANCE CORPORATION	Issuers Fees	-	3.54	Customer
37	EDEN RENEWABLE CONCORDE Pvt Ltd	Issuers Fees	-	0.01	Customer
38	EDEN RENEWABLE SIMPLON Pvt Ltd	Issuers Fees	-	0.01	Customer
39	EDEN RENEWABLE IENA Pvt Ltd	Issuers Fees	-	0.01	Customer
40	EDEN RENEWABLE LOURMEL Pvt Ltd	Issuers Fees	-	0.01	Customer
41	EDEN RENEWABLE BLANCHE Pvt Ltd	Issuers Fees	-	0.04	Customer
42	EDEN RENEWABLE VARENNE Pvt Ltd	Issuers Fees	-	0.01	Customer
43	EDEN RENEWABLE VILLIERS Pvt Ltd	Issuers Fees	-	0.01	Customer
44	NCC FINANCE Ltd	Issuers Fees	-	0.07	Customer
45	GPI TEXTILES Ltd	Issuers Fees	-	0.98	Customer
46	ZAVI IN STORE SOLUTIONS Pvt Ltd	Issuers Fees	-	(0.01)	Customer
47	SARTHAK METALS Ltd	Issuers Fees	-	(0.20)	Customer
48	ENTRUST ENVIRONMENT Ltd	Issuers Fees	-	(0.08)	Customer
49	Orbis Securities Pvt Ltd	Issuers Fees	-	(0.26)	Customer
50	JEEVANDHARA MULTITRADE Ltd	Issuers Fees	-	0.13	Customer
51	DRA AGRO INFRA CORPORATION Pvt Ltd	Issuers Fees	-	0.05	Customer
52	SHIBIR INDIA Ltd	Issuers Fees	-	0.06	Customer
53	EASTERN ADVISORY SERVICES Ltd	Issuers Fees	-	0.22	Customer
54	BLISS HOME Pvt Ltd	Issuers Fees	-	0.11	Customer
55	EAST WEST HOTELS Ltd	Issuers Fees	-	0.06	Customer
56	PEOPLES INVESTMENTS Ltd	Issuers Fees	-	0.31	Customer
57	SPBP TEA (INDIA) Ltd	Issuers Fees	-	1.09	Customer
58	RAVI AGRIBUSINESS INFRASTRUCTURE (INDIA) Pvt Ltd	Issuers Fees	-	0.03	Customer
59	RAVI FARMTECH (INDIA) Pvt Ltd	Issuers Fees	-	0.01	Customer

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 39 : Income Tax Expenses recognised in Statement of Profit and Loss

The income tax expense for the year can be reconciled to the accounting profit as follows: (₹ in Lakh)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Profit Before Tax from Continuing Operations</b>	<b>23,578.38</b>	<b>22,616.38</b>
Corporate tax expense rate	25.17%	25.17%
Tax on accounting profit	5,934.68	5,692.54
Effect of tax on income exempt from taxation	(975.42)	(670.78)
Effect of expenses not deductible in determining taxable income	389.82	286.50
Effect of different tax rates for capital gain on investments	47.66	-
Effect of tax on unrealised gains on investment	(177.02)	(305.65)
<b>Income Tax Expense recognised in Statement of Profit and Loss</b>	<b>5,219.72</b>	<b>5,002.61</b>

**Note 40 :** The Code on wages 2019 and Code on Social Security, 2020 (“the Codes”) relating to employee compensation and post-employment benefits that received Presidential assent have not been notified further the related rules for quantifying the financial impact have not been notified. The Company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Code becomes effective.

**Note 41 :** The management has, at the time of approving the financial statements, assessed the potential impact of the COVID-19 on the Company. Based on the current assessment, the management is of the view that impact of COVID-19 on the operations of the Company and the carrying value of its assets and liabilities is minimal.

**Note 42 :** Previous year’s figures have been regrouped / reclassified wherever necessary.

**Note 43 :** These financial statements were approved for issue by the board of directors of the company at their meeting held on 26thMay, 2022.

For and on behalf of the Board of Directors

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

Sd/-  
**Padmaja Chunduru**  
Managing Director and CEO  
DIN:08058663

Sd/-  
**Chandresh Shah**  
Chief Financial Officer

Sd/-  
**Nikhil Arya**  
Company Secretary  
A42548

Place : Mumbai  
Date : 26th May, 2022



# INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the accompanying consolidated financial statements of **National Securities Depository Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which includes the Group's share of loss in its associate, which comprise the Consolidated Balance Sheet as at 31 March 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors

in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

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

### Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associate in accordance with the Ind AS and other accounting principles generally accepted in India. The

## INDEPENDENT AUDITOR'S REPORT (contd.)

respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are



## INDEPENDENT AUDITOR'S REPORT (contd.)

the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

### Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 53,106.12 Lakhs as at 31 March, 2022, total revenues of ₹ 40,548.58 Lakhs and net cash inflows amounting to ₹ 5,217.22 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 90.44 Lakhs for the year ended 31 March, 2022, as considered in the consolidated financial statements, in respect of one associate, whose financial statements / financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and an associate and our report in terms of subsection (3) of Section 143 of the Act, in so far as it

relates to the aforesaid subsidiaries and associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the IndAS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate incorporated in India is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies and

## INDEPENDENT AUDITOR'S REPORT (contd.)

- associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies and associate company incorporated in India, the remuneration paid by the Parent and such subsidiary companies and associate company to their respective directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate.
  - ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent, its subsidiary companies and associate company incorporated in India.
  - iv. (a) The respective Managements of the Parent, its subsidiaries and associate which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associate respectively that, to the best of their knowledge and belief, as disclosed in the note 39(iii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries and associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The respective Managements of the Parent, its subsidiaries and associate which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associate respectively that, to the best of their knowledge and belief, as disclosed in the note 39(iv) to the consolidated financial statements, no funds have been received by the Parent Company or any of such subsidiaries and associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries and associate shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
  - v. The final dividend proposed in the previous year, declared and paid by the Parent and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.
- As stated in note 12(e) to the consolidated financial statements, the Board of Directors of the Parent and its subsidiary which are companies incorporated in India,



## INDEPENDENT AUDITOR'S REPORT (contd.)

whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Parent and such subsidiaries and associate at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the

Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

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

Sd/-  
**Pallavi A. Gorakshakar**  
Partner

(Membership No. 105035)  
(UDIN: 22105035AJQMNY7100)

Place : Mumbai  
Date : 26th May 2022

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of National Securities Depository Limited (hereinafter referred to as “Parent”) and its subsidiary companies, which includes internal financial controls over financial reporting of its associate company, which are companies incorporated in India, as of that date.

### Management’s Responsibility for Internal Financial Controls

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

### Auditor’s Responsibility

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

reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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



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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and associate company, which are companies incorporated in India, have, in all material respects, an

adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

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

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

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

Sd/-  
**Pallavi A. Gorakshakar**  
Partner

(Membership No. 105035)  
(UDIN: 22105035AJQMNY7100)

Place : Mumbai  
Date : 26th May 2022

# CONSOLIDATED BALANCE SHEET

## AS AT 31ST MARCH, 2022

(₹ in Lakh)

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a) Property, plant and equipment	3	3,278.81	3,289.13
b) Other intangible assets	3	1,794.92	2,503.50
c) Right of use of assets	3	253.76	857.12
d) Intangible asset under development	3(a)	330.48	1,687.15
f) Financial assets			
i) Non-current investments	4	62,985.50	56,600.81
ii) Other financial assets	5	19,111.82	14,472.62
g) Deferred tax assets (net)	6(a)	671.59	484.40
h) Income tax assets (net)		715.81	642.36
i) Other non-current assets	7	115.08	151.95
<b>Total Non-Current Assets</b>		<b>89,257.77</b>	<b>80,689.04</b>
<b>Current Assets</b>			
a) Financial assets			
i) Current investments	8	29,978.44	16,239.87
ii) Trade receivables	9	10,224.02	10,879.71
iii) Cash and cash equivalents	10	14,445.97	8,112.56
iv) Bank balances other than (iii) above	11	22,438.63	30,277.57
v) Other financial assets	5	511.81	861.91
b) Other current assets	7	2,418.08	2,814.08
<b>Total Current Assets</b>		<b>80,016.95</b>	<b>69,185.70</b>
<b>Total Assets</b>		<b>1,69,274.72</b>	<b>1,49,874.74</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	12	4,000.00	4,000.00
b) Other equity	13	1,17,161.96	97,929.53
<b>Total Equity</b>		<b>1,21,161.96</b>	<b>1,01,929.53</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a) Financial liabilities			
i) Lease liability	28	136.63	582.45
ii) Other financial liabilities	14	419.40	363.16
b) Deferred tax liability (Net)	6(b)	21.95	43.85
c) Other non-current liabilities	15	442.43	79.17
d) Provisions	18	168.76	116.82
<b>Total Non-Current Liabilities</b>		<b>1,189.17</b>	<b>1,185.45</b>
<b>Current Liabilities</b>			
a) Financial liabilities			
i) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	16	244.05	303.02
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	2,280.93	3,118.32
ii) Lease liability	28	155.87	348.53
iii) Other financial liabilities	17	33,211.69	30,647.92
b) Provisions	18	2,912.21	3,053.88
c) Current tax liability (net)		1,306.49	2,206.26
d) Other current liabilities	19	6,812.35	7,081.83
<b>Total Current Liabilities</b>		<b>46,923.59</b>	<b>46,759.76</b>
<b>Total Liabilities</b>		<b>48,112.76</b>	<b>47,945.21</b>
<b>Total Equity and Liabilities</b>		<b>1,69,274.72</b>	<b>1,49,874.74</b>

See accompanying notes to the Consolidated Financial Statements

1 to 43

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

Sd/-  
**Pallavi A. Gorakshakar**  
 Partner

Place : Mumbai  
 Date : 26th May, 2022

For and on behalf of the Board of Directors

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

Sd/-  
**Chandresh Shah**  
 Chief Financial Officer

Sd/-  
**Padmaja Chunduru**  
 Managing Director and CEO  
 DIN:08058663

Sd/-  
**Nikhil Arya**  
 Company Secretary  
 A42548



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
<b>INCOMES</b>			
Revenue from operations	20	76,110.92	46,575.20
Other income	21	6,018.34	5,855.47
<b>Total Income</b>		<b>82,129.26</b>	<b>52,430.67</b>
<b>EXPENSES</b>			
Employee benefits expense	22	10,378.72	8,806.13
Depreciation and amortisation expense	3	1,893.20	1,701.81
Finance cost	28	217.71	86.38
Contribution to investor protection fund	32	895.53	883.55
Other expenses	23	40,783.52	16,294.65
<b>Total Expenses</b>		<b>54,168.68</b>	<b>27,772.52</b>
<b>Profit before Share of Profit / (Loss) of investment accounted for using equity method and Tax</b>		<b>27,960.58</b>	<b>24,658.15</b>
Share of Loss of Associate		(140.65)	
<b>Profit before Tax</b>		<b>27,819.93</b>	<b>24,658.15</b>
<b>Tax Expense</b>			
Current tax		6,769.62	6,009.34
Deferred tax	6	(209.08)	(207.64)
<b>Total Tax Expenses</b>		<b>6,560.54</b>	<b>5,801.70</b>
<b>Profit after Tax</b>		<b>21,259.39</b>	<b>18,856.45</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss :</b>			
i) Actuarial gain/(loss) on post retirement benefit plans		(101.50)	(0.24)
ii) Income tax relating to items that will not be reclassified to profit or loss		24.33	(0.92)
<b>Items that will be reclassified to profit or loss :</b>			
i) Share of Profit of Associate		50.21	-
<b>Total Other Comprehensive Income</b>		<b>(26.96)</b>	<b>(1.16)</b>
<b>Total Comprehensive Income for the year</b>		<b>21,232.43</b>	<b>18,855.29</b>
Basic and Diluted earnings per equity share of ₹10 each	31	53.15	47.14
See accompanying notes to the Consolidated Financial Statements	1 to 43		

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

Sd/-  
**Pallavi A. Gorakshakar**  
Partner

Place : Mumbai  
Date : 26th May, 2022

For and on behalf of the Board of Directors

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

Sd/-  
**Chandresh Shah**  
Chief Financial Officer

Sd/-  
**Padmaja Chunduru**  
Managing Director and CEO  
DIN:08058663

Sd/-  
**Nikhil Arya**  
Company Secretary  
A42548

# CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax	27,819.93	24,658.15
<b>Adjustments for :</b>		
Depreciation and amortisation expense	1,893.20	1,701.81
Provision for compensated absences	72.36	284.68
Provision for investor awareness	560.43	514.97
Provision for doubtful trade receivables	624.86	587.74
Bad debts written off	303.21	3.20
Contribution to investor protection fund	895.53	883.55
Fair value gain on investments in mutual funds	(788.86)	(1,416.00)
Dividend income from current investments	(44.52)	(44.44)
Loss / (Profit) on sale of property, plant and equipment	1,687.35	67.33
Profit on sale of investments	(16.71)	(155.73)
Interest income	(4,750.97)	(3,844.41)
<b>Operating Profit before Working Capital Changes</b>	<b>28,255.81</b>	<b>23,240.85</b>
<b>Changes in Working Capital :</b>		
(Increase) / decrease other assets	385.01	(1,282.60)
(Increase) / decrease other financial assets	(4,337.09)	(13,784.68)
(Increase) / decrease trade receivables	(272.38)	(3,342.63)
Increase / (decrease) trade payables	(896.36)	749.07
Increase / (decrease) other financial liabilities	28.79	1,531.58
Increase / (decrease) provisions	(749.48)	(579.23)
Increase / (decrease) other liabilities	93.78	8,715.05
<b>Cash generated from Operations</b>	<b>22,508.08</b>	<b>15,247.41</b>
Net income tax paid	(7,742.85)	(4,893.68)
<b>Net Cash generated from Operating Activities (A)</b>	<b>14,765.23</b>	<b>10,353.73</b>
<b>B. Cash Flow from Investing Activities</b>		
Capital expenditure on property, plant and equipment, intangible assets, capital advance	(921.16)	(2,336.53)
Proceeds from sale of property, plant and equipment	30.49	1.17
Bank balances not considered as cash and cash equivalents		
i) Placed	(8,090.99)	(17,024.05)
ii) Matured	17,024.05	6,900.86
Purchase of non-current investments	(17,035.21)	6,380.13
Sale / Redemption of non-current investments	6,305.94	-
Proceeds / (Purchase) of current investments (Net)	(8,543.90)	(1,194.44)
Interest received	4,798.96	3,717.87
<b>Net Cash used in Investing Activities (B)</b>	<b>(6,431.82)</b>	<b>(3,554.99)</b>
<b>C. Cash Flow from Financing Activities</b>		
Dividend paid	(2,000.00)	(1,600.00)
<b>Net Cash used in Financing Activities (C)</b>	<b>(2,000.00)</b>	<b>(1,600.00)</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>6,333.41</b>	<b>5,198.74</b>
Cash and Cash Equivalents at the beginning of the year	8,112.56	2,913.82
<b>Cash and Cash Equivalents at the end of the year (Refer Note 10)</b>	<b>14,445.97</b>	<b>8,112.56</b>
See accompanying notes to the Consolidated Financial Statements	1 to 43	

In terms of our report attached.

 For Deloitte Haskins & Sells Chartered Accountants LLP  
 Chartered Accountants

 Sd/-  
**Pallavi A. Gorakshakar**  
 Partner

 Place : Mumbai  
 Date : 26th May, 2022

For and on behalf of the Board of Directors

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

 Sd/-  
**Chandresh Shah**  
 Chief Financial Officer

 Sd/-  
**Padmaja Chunduru**  
 Managing Director and CEO  
 DIN:08058663

 Sd/-  
**Nikhil Arya**  
 Company Secretary  
 A42548



## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

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

### B. Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	General Reserve	Retained Earnings	Actuarial Gains / (Losses)	
Balance as at 1st April, 2020	36,312.82	44,375.31	(13.89)	80,674.24
Profit after tax	-	18,856.45	-	18,856.45
Dividends	-	(1,600.00)	-	(1,600.00)
Other Comprehensive Income	-	-	(1.16)	(1.16)
Balance as at 31st March, 2021	36,312.82	61,631.76	(15.05)	97,929.53
Profit after tax	-	21,259.39	-	21,259.39
Dividends	-	(2,000.00)	-	(2,000.00)
Other Comprehensive Income	-	-	(26.96)	(26.96)
<b>Balance as at 31st March, 2022</b>	<b>36,312.82</b>	<b>80,891.15</b>	<b>(42.01)</b>	<b>1,17,161.96</b>

See accompanying notes to the Consolidated Financial Statements 1 to 43

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

Sd/-  
**Pallavi A. Gorakshakar**  
Partner

Place : Mumbai  
Date : 26th May, 2022

For and on behalf of the Board of Directors

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

Sd/-  
**Chandresh Shah**  
Chief Financial Officer

Sd/-  
**Padmaja Chunduru**  
Managing Director and CEO  
DIN:08058663

Sd/-  
**Nikhil Arya**  
Company Secretary  
A42548

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

## 1. General Information:

### Corporate Information

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

## 2. Significant Accounting Policies:

### 2.1. Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act.

The consolidated financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Holding Company, in denomination of Lakh with rounding off to two decimals as permitted by Schedule III to the Act.

The financial statements are prepared on a going concern basis as the Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

### 2.2. Basis of Preparation

These Consolidated Financial statements of the National Securities Depository Limited (“the Holding Company”) and its subsidiaries (together the ‘Group’) have been prepared in accordance with Indian

Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015, prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India and transition date is considered as April 1, 2015.

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

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

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

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

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

**Level 3** – inputs are unobservable inputs for the assets or liability.

### 2.3. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Holding Company, its subsidiaries, and associate company. Control is achieved when the Company:

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there



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

are changes to one or more of the three elements of control listed above.

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

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

### Principles of Consolidation

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

- The financial statements of the subsidiary companies are drawn upto the same reporting date as that of the Group for each of the reporting period covered by these Consolidated Financial statements.
- The financial statements of the Holding Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- Investment in Associates** - Investments in entities where the Group has significant influence (associate) is accounted under the equity method as prescribed by Indian Accounting Standard 28 Investments in Associates and Joint Ventures ("Ind AS 28"). Under the equity method, on initial recognition the investment in an associate has been recognized at cost, and the carrying amount has been increased or decreased to recognize the Group's share of the profit or loss of the investee after the date of acquisition. The Group's share of the investee's profit or loss has been recognized in the statement of profit or loss.

- Following companies have been considered in the preparation of the Consolidated Financial Statements:

Name of the Entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly at each reporting period covered under these Consolidated Financial Statements.
NSDL Database Management Limited	Subsidiary	India	National Securities Depository Limited	100%
NSDL Payments Bank Limited	Subsidiary	India	National Securities Depository Limited	100%
India International Bullion Holding IFSC Limited	Associate	India	National Securities Depository Limited	20%

- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Group's separate financial statements.

### 2.4. Revenue Recognition

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### 2.5. Leasing

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

#### As a Lessee -

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are

remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

### 2.6. Employee Benefits

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

#### Defined Contribution Plan:

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

#### i. Superannuation:

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

#### ii. Provident Fund:

Employees are entitled to receive benefits in respect of provident fund, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' basic salary).

#### Defined Benefit Plans

#### i. Gratuity:

The Group accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the projected unit credit method carried out at the Balance Sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in retained earnings and is not reclassified to profit and loss. Past service cost is recognised in



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

profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit cost are categorised as follows:

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

### ii. Other Employee Benefits: Performance Incentive and Compensated Absences:

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

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

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

### 2.7. Tax on Income

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

#### i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### ii. Deferred Tax

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

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

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

#### iii. Current and Deferred Tax for the year

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

### 2.8. Property, Plant & Equipment

Property, Plant & Equipment carried at cost less accumulated depreciation and amortisation and

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

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

**i. Capital Work-in-Progress:**

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

### 2.9 Intangible Assets

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

**i. Intangible Assets under Development**

Projects under which Intangible assets that are not yet ready for their intended use are carried at cost, comprising Development expenses and software expenses.

### 2.10. Depreciation and Amortisation

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

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

### 2.11. Provision and Contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Provisions are discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These

are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised/disclosed in the financial statements.

### Contingent Liabilities and Assets

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

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

### 2.12. Financial Instruments

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

### 2.13. Financial Assets

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

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

Income and expense is recognised on an effective interest basis for debt instrument. All other investments are classified as Fair Value Through



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

Profit or Loss (FVTPL). The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include -

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

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

### Expected Credit Losses on Trade Receivables

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

### De-recognition of Financial Assets

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

## 2.14. Financial Liabilities and Equity Instruments

### Classification as Debt or Equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### Equity Instruments:

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

### Financial Liabilities:

#### i. Initial Recognition and Measurement:

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

#### ii. Subsequent Measurement

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

### Derecognition of Financial Liabilities

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### 2.15. Cash and Cash Equivalents

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

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

### 2.16. Use of Estimates and Judgement

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

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

**Expected Credit Losses on Trade Receivables:** The Group estimates the probability of collection of trade receivable by analyzing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of

a customer deteriorates, additional allowances are made.

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

### 2.17. Operating Cycle

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

### 2.18. New Accounting Standards issued but not effective

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to the Company from April 1, 2022:

- i) Ind AS 101 – First time adoption of Ind AS
- ii) Ind AS 103 – Business Combination
- iii) Ind AS 109 – Financial Instrument
- iv) Ind AS 16 – Property, Plant and Equipment
- v) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
- vi) Ind AS 41 – Agriculture

Application of above standards are not expected to have any significant impact on the Company's financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

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

Gross Block	Property, Plant and Equipment										Other Intangible Assets	Right of Use of Assets
	Buildings	Computers	Data and Tele-Communication Equipment	Electrical Installations	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicle	Total	Computer Software (acquired)		
Description of Asset												
As at 31st March, 2020	3,517.82	6,807.52	1,440.66	211.91	413.00	282.06	51.81	46.30	12,771.08	12,469.95	1,551.75	
Additions during the year	-	1,350.63	118.75	7.70	6.62	4.43	3.13	-	1,491.26	1,463.16	31.72	
Deductions	-	(32.84)	(14.04)	(2.63)	(0.65)	(6.22)	(9.70)	-	(66.08)	-	-	
As at 31st March, 2021	3,517.82	8,125.31	1,545.37	216.98	418.97	280.27	45.24	46.30	14,196.26	13,933.11	1,583.47	
Additions during the year	-	836.18	6.58	-	101.37	0.08	3.75	-	947.96	925.10	-	
Deductions	-	(3,330.79)	(1,122.62)	(44.54)	(85.72)	(52.62)	-	(46.30)	(4,682.59)	(1,264.71)	(264.68)	
As at 31st March, 2022	3,517.82	5,630.70	429.33	172.44	434.62	227.73	48.99	-	10,461.63	13,593.50	1,318.79	

(₹ in Lakh)

Accumulated Depreciation and Amortisation	Property, Plant and Equipment										Other Intangible Assets	Right of Use of Assets
	Buildings	Computers	Data and Tele-Communication Equipment	Electrical Installations	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicle	Total	Computer Software (acquired)		
Description of Asset												
As at 31st March, 2020	3,051.54	5,178.12	1,300.29	189.76	355.07	232.15	4.65	13.09	10,324.67	10,662.68	378.70	
Depreciation / amortisation for the year	8.92	517.13	22.95	2.02	16.41	6.47	6.00	7.33	587.23	766.93	347.65	
Deductions	-	(1.54)	(3.23)	-	-	-	-	-	(4.77)	-	-	
As at 31st March, 2021	3,060.46	5,693.71	1,320.01	191.78	371.48	238.62	10.65	20.42	10,907.13	11,429.61	726.35	
Depreciation / amortisation for the year	8.92	609.82	35.70	2.52	21.37	7.00	7.34	3.07	695.74	858.78	338.68	
Deductions	-	(3,149.74)	(1,073.22)	(42.32)	(81.28)	(50.00)	-	(23.49)	(4,420.05)	(489.81)	-	
As at 31st March, 2022	3,069.38	3,153.79	282.49	151.98	311.57	195.62	17.99	-	7,182.82	11,798.58	1,065.03	

(₹ in Lakh)

Net Block	Property, Plant and Equipment										Other Intangible Assets	Right of Use of Assets
	Buildings	Computers	Data and Tele-Communication Equipment	Electrical Installations	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicle	Total Tangible Assets	Computer Software (acquired)		
Description of Asset												
As at 31st March, 2021	457.36	2,431.60	225.36	25.20	47.49	41.65	34.59	25.88	3,289.13	2,503.50	857.12	
As at 31st March, 2022	448.44	2,476.91	146.84	20.46	123.05	32.11	31.00	-	3,278.81	1,794.92	253.76	

(₹ in Lakh)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 3(a) : Intangible Asset Under Development (IAUD)

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Intangible Asset Under Development	330.48	1,687.15
<b>Total</b>	<b>330.48</b>	<b>1,687.15</b>

### 3 (a) (i) Intangible Asset Under Development Aging Schedule as on 31st March, 2022

(₹ in Lakh)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	63.84	123.04	51.03	92.57	330.48

### 3 (a) (ii) Intangible Asset Under Development Aging Schedule as on 31st March, 2021

(₹ in Lakh)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	774.24	814.47	32.57	65.87	1,687.15

### 3 (a)(iii) For Intangible Asset Under Development whose completion is overdue or has exceeded its cost compared to its original plan

There is no time and cost overrun for any of the projects forming part of IAUD in view of readiness of an asset for intended management use.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 4 : Non-Current Investments

(₹ in Lakh)

	Particulars	Rate of Interest (%)	Year of Maturity	Nos.	Face Value / NAV (₹)	As at 31st March, 2022	As at 31st March, 2021
(a)	<b>Investment in Equity Instruments of Associate (Accounted using Equity Method)</b>						
1	India International Bullion Holding IFSC Ltd			20,00,00,000	1	1,909.01	-
	<b>Sub-total</b>					<b>1,909.01</b>	<b>-</b>
(b)	<b>Investment in Debentures or Bonds (at amortised cost)</b>						
1	India Infrastructure Finance Company Limited	9.41	2037	3	10,00,000	34.94	35.03
2	Power Finance Corporation of India Limited *	7.35	2035	50,000	1,000	526.88	527.41
3	NTPC Limited*	7.37	2035	12,491	1,000	129.41	129.41
4	Power Finance Corporation of India Limited *	7.35	2035	1,540	1,000	15.92	15.92
5	Rural Electrification Corporation Limited *	7.18	2035	11,450	1,000	117.24	117.24
6	National Housing Bank *	8.76	2034	8,000	5,000	429.67	430.78
7	Housing and Urban Development Corporation Limited*	8.76	2034	5,000	1,000	54.73	54.92
8	India Infrastructure Finance Company Limited*	8.66	2034	70,000	1,000	854.75	863.11
9	India Infrastructure Finance Company Limited *	8.66	2034	30,000	1,000	339.34	341.31
10	NTPC Limited*	8.66	2033	92,899	1,000	1,129.28	1,140.93
11	NHPC Ltd*	8.67	2033	49,420	1,000	607.35	611.49
12	India Infrastructure Finance Company Limited*	7.40	2033	50,000	1,000	552.95	556.00
13	NHPC Limited *	8.67	2033	10,000	1,000	119.15	119.72
14	India Infrastructure Finance Company Limited *	7.40	2033	50,000	1,000	553.11	556.05
15	National Highway Authority of India Limited *	7.35	2031	1,89,883	1,000	2,143.78	2,152.05
16	Indian Renewable Energy Development Agency Limited*	7.49	2031	50,000	1,000	510.03	510.25
17	National Bank for Agriculture and Rural Development*	7.35	2031	4,40,010	1,000	4,754.66	4,782.57
18	Indian Railway Finance Corporation Limited *	7.35	2031	99,000	1,000	1,086.00	1,091.33
19	Housing and Urban Development Corporation Limited*	7.39	2031	1,00,000	1,000	1,125.77	1,134.64
20	National Highway Authority of India *	7.35	2031	28,313	1,000	303.88	303.88
21	National Highway Authority of India *	7.35	2031	50,000	1,000	562.96	565.14
22	National Bank For Agriculture And Rural Development *	7.35	2031	1,20,000	1,000	1,290.16	1,297.27
23	Indian Railway Finance Corporation Limited *	7.28	2030	11,074	1,000	124.45	125.38
24	National Highway Authority of India *	7.28	2030	50	10,00,000	542.13	542.61
25	Indian Railway Finance Corporation Limited *	7.28	2030	12,080	1,000	124.84	124.86
26	National Housing Bank *	8.68	2029	30,000	5,000	1,605.04	1,616.43
27	Indian Railway Finance Corporation Limited *	8.40	2029	63,000	1,000	719.72	723.83
28	Indian Railway Finance Corporation Limited *	8.63	2029	40,000	1,000	445.75	447.05
29	National Housing Bank *	8.68	2029	20,000	5,000	973.59	987.55
30	NHPC Ltd*	8.54	2028	81,428	1,000	948.65	955.15
31	Power Finance Corporation of India Limited *	8.46	2028	40	10,00,000	419.61	420.01
32	Rural Electrification Corporation Limited *	8.46	2028	60,000	1,000	691.34	700.65
33	Rural Electrification Corporation Limited *	8.46	2028	157	10,00,000	1,830.87	1,854.10
34	Indian Railway Finance Corporation Limited *	8.48	2028	100	10,00,000	1,142.32	1,149.21
35	Indian Railway Finance Corporation Limited *	7.34	2028	60,000	1,000	624.92	625.67
36	India Infrastructure Finance Company Limited*	8.26	2028	80	10,00,000	880.90	885.78
37	National Housing Bank *	8.46	2028	90	10,00,000	1,008.24	1,014.04
38	Housing and Urban Development Corporation Limited*	8.56	2028	20	10,00,000	233.00	235.80
39	Housing and Urban Development Corporation Limited *	8.56	2028	100	10,00,000	1,112.32	1,119.80
40	Housing and Urban Development Corporation Limited *	8.51	2028	50,000	1,000	551.03	554.82
41	National Housing Bank *	8.46	2028	50	10,00,000	580.41	587.29
42	NTPC Limited*	8.48	2028	1,00,000	1,000	1,157.78	1,173.50
43	National Highway Authority of India Limited *	8.30	2027	1,40,000	1,000	1,505.67	1,513.69
44	Power Finance Corporation of India Limited *	8.30	2027	50,000	1,000	528.13	529.86
45	Indian Railway Finance Corporation Limited *	7.38	2027	100	10,00,000	1,116.22	1,128.69
46	Indian Railway Finance Corporation Limited *	8.10	2027	50,000	1,000	566.34	574.69
47	Rural Electrification Corporation Limited *	8.12	2027	1,00,000	1,000	1,152.65	1,167.86
48	Power Grid Corporation of India Limited	7.20	2027	150	10,00,000	1,644.50	-
49	Power Finance Corporation of India Limited	6.09	2026	100	10,00,000	1,030.35	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 4 : Non-Current Investments (contd.)

(₹ in Lakh)

	Particulars	Rate of Interest (%)	Year of Maturity	Nos.	Face Value / NAV (₹)	As at 31st March, 2022	As at 31st March, 2021
50	NHPC Ltd	7.13	2026	1,000	2,00,000	2,097.39	-
51	Power Grid Corporation of India Limited	7.36	2026	150	10,00,000	1,626.87	-
52	Power Finance Corporation of India Limited	8.03	2026	50	10,00,000	560.16	-
53	Power Finance Corporation of India Limited	6.09	2026	50	10,00,000	518.04	-
54	Rural Electrification Corporation Limited	7.52	2026	50	10,00,000	540.24	-
55	Rural Electrification Corporation Limited	7.54	2026	50	10,00,000	532.04	-
56	Power Finance Corporation of India Limited	6.09	2026	50	10,00,000	500.58	-
57	Power Finance Corporation of India Limited	9.46	2026	21	10,00,000	232.57	-
58	NTPC Limited*	7.15	2025	171	10,00,000	1,925.37	219.37
59	IDFC FIRST Bank Limited	9.03	2025	5	10,00,000	55.57	55.57
60	IDFC FIRST Bank Limited	8.80	2025	4	10,00,000	42.43	42.36
61	Indian Renewable Energy Development Agency Limited*	7.17	2025	60	10,00,000	623.11	623.52
62	Power Grid Corporation of India Limited	8.85	2025	40	12,50,000	567.90	-
63	Power Grid Corporation of India Limited	9.64	2025	21	12,50,000	310.91	-
64	National Bank for Agriculture and Rural Development	5.70	2025	150	10,00,000	1,520.86	-
65	Rural Electrification Corporation Limited *	7.17	2025	50	10,00,000	534.34	540.37
66	Rural Electrification Corporation Limited	5.85	2025	50	10,00,000	507.86	-
67	HDB Financial Services Limited	10.19	2024	1	10,00,000	10.15	10.20
68	Housing and Urban Development Corporation Limited*	8.51	2024	50,000	1,000	527.93	537.76
69	National Housing Bank*	8.25	2024	26,384	5,000	1,429.00	-
70	Indian Railways Finance Corporation Limited*	8.23	2024	50,000	1,000	578.37	-
71	National Bank for Agriculture and Rural Development*	5.27	2024	50	10,00,000	523.40	-
72	India Infrastructure Finance Company Limited*	8.41	2024	50,000	1,000	544.20	-
73	Power Finance Corporation of India Limited	9.25	2024	6	10,00,000	63.47	-
74	Indian Railway Finance Corporation Limited *	7.18	2023	-	-	-	782.27
75	NTPC Limited*	8.41	2023	1,50,000	1,000	1,588.61	1,617.37
76	Power Finance Corporation of India Limited *	7.19	2023	-	-	-	1,042.17
77	NHPC Limited	8.18	2023	32,210	1,000	370.36	-
78	NTPC Limited*	8.41	2023	50,000	1,000	529.54	538.90
79	Rural Electrification Corporation Limited *	7.21	2022	-	-	-	102.93
80	Power Finance Corporation of India Limited *	7.21	2022	-	-	-	524.32
	<b>Sub-total</b>					<b>59,364.00</b>	<b>44,731.88</b>
<b>(c)</b>	<b>Investment in Mutual Funds (at FVTPL)</b>						
1	Nippon India Fixed Horizon Fund - XXXVIII - Series 05			50,00,000	12.55	-	627.66
2	Sundaram Fixed Term Plan-IK 1098 DAYS			50,00,000	12.51	-	625.63
3	Kotak FMP Series 235 - 1140 Days			50,00,000	12.56	-	627.94
4	Franklin India FMP SR 4 PL F (1286 Days)			1,00,00,000	13.02	-	1,272.88
5	Nippon India Fixed Horizon Fund - XXXIX - Series 09			1,00,00,000	13.04	-	1,274.88
6	Kotak FMP Series 248			1,00,00,000	13.09	-	1,276.54
7	Sundaram Fixed Term Plan - IS 1120 Days			50,00,000	12.33	-	603.01
8	SBI Debt fund series C 49			1,00,00,000	12.29	-	1,200.87
9	SBI Debt fund series C 50			1,00,00,000	12.24	-	1,195.33
10	Kotak FMP Series 267			50,00,000	12.24	-	598.74
11	SBI Mutual Fund Series 8 (1178 Days)			50,00,000	11.78	-	589.00
12	SBI Mutual Fund Series 14 (1102 Days)			30,00,000	11.58	-	347.40
	<b>Sub-total</b>					-	<b>10,239.88</b>
<b>(d)</b>	<b>Investment in ETF Bonds (at FVTPL)</b>						
1	Edelweiss Bharat Bond ETF		2023	1,00,000	1,170.44	1,170.44	1,116.98
2	Edelweiss Bharat Bond ETF		2025	49,997	1,084.16	542.05	512.07
	<b>Sub-total</b>					<b>1,712.49</b>	<b>1,629.05</b>
	<b>Total</b>					<b>62,985.50</b>	<b>56,600.81</b>
	* Investment in tax free bonds						
	Aggregate amount of quoted investment					61,076.49	56,600.81
	Aggregate market value of quoted investment					64,121.88	61,070.77
	Aggregate amount of unquoted investments					1,909.01	-



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 5 : Other Financial Assets

(₹ in Lakh)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-Current	Current	Non-Current	Current
Security deposits	1,250.63	208.66	687.29	219.98
Interest accrued on investments	-	39.15	-	-
Interest accrued on fixed deposits	10.76	171.01	7.42	261.49
Deposits with original maturity of more than twelve months*	17,598.43	-	13,721.91	-
Margin money deposits with a bank (earmarked as security for performance guarantee and other commitments)	252.00	-	56.00	-
Others	-	92.99	-	380.44
<b>Total</b>	<b>19,111.82</b>	<b>511.81</b>	<b>14,472.62</b>	<b>861.91</b>

\* Includes FD earmarked for future payments.

### Note 6: Deferred Tax Asset and Liability (net)

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

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Deferred Tax Asset :</b>		
Lease Liability (Refer Note 28)	2.61	2.31
Employee benefits	275.21	273.11
Expected credit loss	453.40	301.22
	<b>731.22</b>	<b>576.64</b>
<b>Less: Deferred Tax Liability :</b>		
Property, plant and equipment	59.63	92.24
	<b>59.63</b>	<b>92.24</b>
<b>Net Deferred Tax Asset</b>	<b>671.59</b>	<b>484.40</b>

#### The movement in Deferred Tax Asset and Liabilities:

(₹ in Lakh)

Particulars	As at 31st March, 2021	Credited (Charged) / to Statement of Profit and Loss	As at 31st March, 2022
<b>Deferred Tax Asset :</b>			
Lease Liability (Refer Note 28)	2.31	0.30	2.61
Employee benefits	273.11	2.10	275.21
Expected credit loss	301.22	152.18	453.40
	<b>576.64</b>	<b>154.58</b>	<b>731.22</b>
<b>Less: Deferred Tax Liability :</b>			
Property, plant and equipment	92.24	(32.61)	59.63
	<b>92.24</b>	<b>(32.61)</b>	<b>59.63</b>
<b>Net Deferred Tax Asset</b>	<b>484.40</b>	<b>187.18</b>	<b>671.59</b>

#### The movement in Deferred Tax Asset and Liabilities:

(₹ in Lakh)

Particulars	As at 1st April, 2020	Credited (Charged) / to Statement of Profit and Loss	As at 31st March, 2021
<b>Deferred Tax Asset :</b>			
Lease Liability (Refer Note 28)	0.46	1.85	2.31
Employee Benefit	228.44	44.67	273.11
Expected credit loss	170.14	131.08	301.22
	<b>399.04</b>	<b>177.60</b>	<b>576.64</b>
<b>Less: Deferred Tax Liability :</b>			
Property, plant and equipment	55.43	36.81	92.24
	<b>55.43</b>	<b>36.81</b>	<b>92.24</b>
<b>Net Deferred Tax Asset</b>	<b>343.61</b>	<b>140.79</b>	<b>484.40</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 6(b) : Deferred Tax Liability

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Deferred Tax Liability :</b>		
Property, plant and equipment	57.24	41.73
Fair value gain on investments	37.94	95.20
	<b>95.18</b>	<b>136.93</b>
<b>Less: Deferred Tax Asset :</b>		
Employee benefits	49.55	64.03
Expected credit loss	22.44	18.02
Lease Liability (Refer Note 28)	1.24	11.03
	<b>73.23</b>	<b>93.08</b>
<b>Net Deferred Tax Liability</b>	<b>21.95</b>	<b>43.85</b>

### The movement in Deferred Tax Liabilities and Asset

(₹ in Lakh)

Particulars	As at 31st March, 2021	Credited / (Charged) to Statement of Profit and Loss	As at 31st March, 2022
<b>Deferred Tax Liability :</b>			
Property, plant and equipment	41.73	15.51	57.24
Fair value gain on investments	95.20	(57.26)	37.94
	<b>136.93</b>	<b>(41.75)</b>	<b>95.18</b>
<b>Less: Deferred Tax Asset :</b>			
Employee benefits	64.03	(14.48)	49.55
Expected credit loss	18.02	4.42	22.44
Lease Liability (Refer Note 28)	11.03	(9.79)	1.24
	<b>93.08</b>	<b>(19.85)</b>	<b>73.23</b>
<b>Net Deferred Tax Liability</b>	<b>43.85</b>	<b>(21.90)</b>	<b>21.95</b>

### The movement in Deferred Tax Liabilities and Asset:

(₹ in Lakh)

Particulars	As at 1st April, 2020	Credited / (Charged) to Statement of Profit and Loss	As at 31st March, 2021
<b>Deferred Tax Liability :</b>			
Property, plant and equipment	25.22	16.51	41.73
Fair value gain on investments	142.45	(47.25)	95.20
	<b>167.67</b>	<b>(30.74)</b>	<b>136.93</b>
<b>Less: Deferred Tax Asset :</b>			
Employee benefits	35.33	28.70	64.03
Expected credit loss	2.76	15.26	18.02
Lease Liability (Refer Note 28)	7.62	3.41	11.03
	<b>45.71</b>	<b>47.37</b>	<b>93.08</b>
<b>Net Deferred Tax Liability</b>	<b>121.96</b>	<b>(78.11)</b>	<b>43.85</b>

### Note 7 : Other Assets

(₹ in Lakh)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-Current	Current	Non-Current	Current
Capital advances	-	12.37	47.86	-
Prepaid expenses	115.08	457.41	103.72	284.84
Advance to employees for expenses	-	16.95	-	63.85
GST credit receivable	-	1,860.60	-	1,772.83
Security deposits	-	11.45	-	6.83
Others	-	59.30	0.37	685.73
<b>Total</b>	<b>115.08</b>	<b>2,418.08</b>	<b>151.95</b>	<b>2,814.08</b>



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

### Note 8: Current Investments

(` in Lakh)

Particulars	Rate of Interest (%)	Nos.	Face Value / NAV (`)	As at 31st March, 2022	As at 31st March, 2021
<b>(a) Current portion of Long-Term Investments :</b>					
<b>Investment in Debentures or Bonds (at amortised cost)</b>					
1 Housing and Urban Development Corporation Limited*	8.1	-	-	-	604.75
2 Power Finance Corporation of India Limited *	8.2	-	-	-	939.99
3 National Highway Authority of India Limited *	8.2	-	-	-	1,050.69
4 Rural Electrification Corporation Limited *	7.93	-	-	-	960.86
5 Power Grid Corporation of India Limited	9.64	-	-	-	439.47
6 Power Finance Corporation of India Limited *	7.51	-	-	-	621.50
7 Rural Electrification Corporation Limited *	7.21	10	10,00,000	102.70	-
8 Power Finance Corporation of India Limited *	7.21	50	10,00,000	517.48	-
9 Indian Railway Finance Corporation Limited *	7.18	75,000	1,000	778.28	-
10 Power Finance Corporation of India Limited *	7.19	1,00,000	1,000	1,028.24	-
11 Indian Railway Finance Corporation Limited *	8				624.45
<b>Sub-total</b>				<b>2,426.70</b>	<b>5,241.71</b>
<b>(b) Other Current Investments</b>					
<b>Investment in Mutual Funds (at FVTPL)</b>					
1 Units of Axis Liquid Fund - Direct Growth		34,034	2,364.08	804.58	777.60
2 Units of UTI Treasury Advantage Fund - Daily Dividend Reinvestment		70,122	1,104.24	774.32	708.14
3 Units of Axis Liquid Fund -Direct Plan- Daily Dividend		149	1,000.96	1.49	1.45
4 Units of IDFC Liquid Fund - Direct Plan - Daily Dividend		92	1,001.67	0.92	0.89
5 Units of HDFC Liquid Fund- Daily Dividend Reinvestment		69,313	1,019.82	706.87	685.67
6 Units of ICICI Prudential Liquid Fund Dir Growth		2,30,867	315.26	727.82	703.53
7 Units of IDBI Ultra Short Term Fund- Daily Dividend Reinvestment		92	1,031.19	0.95	0.91
8 Units of Principal Debt Opportunity Conservative Fund- Daily Dividend Reinvestment		64,707	974.92	630.90	607.18
9 Units of UTI Liquid Fund - Daily Dividend Reinvestment		68,124	1,042.90	708.99	685.79
10 Units of L&T Banking & PSU debt fund		29,88,465	21.00	628.07	601.04
11 Units of Sundaram Corporate bond fund		37,67,812	33.45	1,261.09	1,206.55
12 Units of Franklin India FMP SR 4 PL F (1286 Days)		1,00,00,000	13.27	1,326.84	-
13 Units of Nippon India Fixed Horizon Fund - XXXIX - Series 09		1,00,00,000	13.29	1,328.87	-
14 Units of Kotak FMP Series 248		1,00,00,000	13.34	1,334.21	-
15 Units of Sundaram Fixed Term Plan - IS 1120 Days		50,00,000	12.56	628.02	-
16 Units of SBI Debt fund series C 49		1,00,00,000	12.53	1,252.88	-
17 Units of SBI Debt fund series C 50		1,00,00,000	12.48	1,247.75	-
18 Units of Kotak FMP Series 267		50,00,000	12.47	623.86	-
19 Units of ICICI Prudential Mutual Fund Corporate Bond		41,21,551	24.57	1,013.34	-
20 Units of Kotak Mahindra Mutual Fund Corporate Bond		32,390	3,131.32	1,014.73	-
21 Units of UTI Corporate Bond Fund - Direct Growth Plan Growth		37,88,751	13.40	507.80	-
22 Units of IDFC Prudential Mutual Fund Corporate Bond		63,36,417	16.03	1,016.37	-
23 Nippon Liquid Fund		8,250	5,208.03	429.65	415.14
24 SBI Liquid Fund		6,435	3,333.09	214.49	207.29
25 Franklin India Fixed Maturity Plans-Series 4 Plan B 1098 days		50,00,000		-	627.00
26 Kotak Mahindra MF FMP Series 235 -1140D Dir Growth 26Ag21		50,00,000		-	628.00
27 SBI Mutual Fund Series 8 (1178 Days)		50,00,000	12.29	614.50	-
28 SBI Mutual Fund Series 14 (1102 Days)		30,00,000	12.09	362.70	-
20 Kotak Corporate Bond Fund		16,237	3,132.88	508.68	-
30 ICICI Pru Corporate Bond Fund		20,63,369	24.59	507.31	-

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

### Note 8 : Current Investments (contd.)

(₹ in Lakh)

Particulars	Rate of Interest (%)	Nos.	Face Value / NAV (₹)	As at 31st March, 2022	As at 31st March, 2021
31 Aditya Birla Sun Life Liquid Mutual Fund- Direct Growth Plan				-	342.70
32 SBI Overnight Fund Direct Growth				-	320.72
<b>Sub-total</b>				<b>20,178.00</b>	<b>8,519.60</b>
<b>Investments in Treasury Bills</b>				<b>7,373.74</b>	<b>2,478.56</b>
<b>Total</b>				<b>29,978.44</b>	<b>16,239.87</b>

\* Investment in tax free bonds

Note - The Repurchase Price / NAV has been considered as the Quoted Market Price

Aggregate amount of quoted investment	29,978.44	16,239.87
Aggregate market value of quoted investment	29,958.21	16,146.53
Aggregate amount of unquoted investments	-	-

### Note 9 : Trade Receivables

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivables considered good - Secured,	288.00	378.38
Trade receivables considered good - Unsecured,	9,936.02	10,501.33
Trade receivables credit impaired - Unsecured	1,898.04	1,274.66
	<b>12,122.06</b>	<b>12,154.37</b>
Less: Expected credit loss (Refer Note 2.13)		
Trade receivables credit impaired - Unsecured	1,898.04	1,274.66
	1,898.04	1,274.66
<b>Total</b>	<b>10,224.02</b>	<b>10,879.71</b>

Footnote: .

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

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

### Note 9 (a) : Movement in Expected Credit Loss

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Balance at the beginning of the year</b>	<b>1,274.66</b>	<b>686.92</b>
Provision during the year	679.77	592.71
Reversal during the year	56.39	4.97
<b>Balance at the end of the year</b>	<b>1,898.04</b>	<b>1,274.66</b>

### Note 9 (b) Trade Receivables Ageing Schedule as on 31st March, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Current but not due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed, trade receivables – considered good	887.57	640.78	2,333.65	5,048.84	1,216.68	96.50	-	<b>10,224.02</b>
Undisputed, trade receivables – credit impaired - Unsecured	-	-	6.93	43.53	445.39	625.64	776.55	<b>1,898.04</b>
Less: Expected credit loss	-	-	6.93	43.53	445.39	625.64	776.55	<b>1,898.04</b>
<b>Total</b>	<b>887.57</b>	<b>640.78</b>	<b>2,333.65</b>	<b>5,048.84</b>	<b>1,216.68</b>	<b>96.50</b>	<b>-</b>	<b>10,224.02</b>



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

### Note 9 (c) Trade Receivables Ageing Schedule as on 31st March, 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Current but not due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed, trade receivables – considered good	3,135.65	1,349.87	3,122.97	1,456.41	1,506.30	308.51	-	10,879.71
Undisputed, trade receivables – credit impaired - Unsecured	-	-	6.34	38.81	273.96	523.93	431.62	1,274.66
Less: Expected credit loss	-	-	6.34	38.81	273.96	523.93	431.62	1,274.66
<b>Total</b>	<b>3,135.65</b>	<b>1,349.87</b>	<b>3,122.97</b>	<b>1,456.41</b>	<b>1,506.30</b>	<b>308.51</b>	<b>-</b>	<b>10,879.71</b>

### Note 10 : Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash on hand	0.55	0.55
Cheques on hand	-	8.90
Balances with banks:		
i) in current accounts	10,928.92	6,874.28
ii) in sweep fixed deposit	3,516.50	1,228.83
<b>Total</b>	<b>14,445.97</b>	<b>8,112.56</b>

### Note 11 : Bank Balances other than Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other bank balances:		
i) In current accounts*	14,297.64	13,253.52
ii) In other deposit accounts with original maturity more than 3 months	8,090.99	16,849.93
iii) Margin money deposits with a bank (earmarked as security for performance guarantee and other commitments)	-	174.12
iv) Others (Earmarked Deposits with original maturity for more than 3 months)	50.00	-
<b>Total</b>	<b>22,438.63</b>	<b>30,277.57</b>

\* These balances have restriction on repatriation.

### Note 12 : Equity Share Capital

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Authorised :</b>		
100,000,000 equity shares of ₹ 10 each with voting rights	10,000.00	10,000.00
<b>Issued, Subscribed and Fully Paid - up :</b>		
40,000,000 equity shares of ₹ 10 each fully paid up with voting rights	4,000.00	4,000.00
<b>Total</b>	<b>4,000.00</b>	<b>4,000.00</b>

**Note 12 (a)** There are no promoters as on 31st March, 2022 and 31st March, 2021.

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

(₹ in Lakh)

Name of the Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	Number of Shares held	% Holding	Number of Shares held	% Holding
IDBI Bank Ltd.	1,04,40,000	26.10	1,04,40,000	26.10
National Stock Exchange of India Ltd	96,00,000	24.00	96,00,000	24.00
HDFC Bank Limited	39,79,900	9.95	39,79,900	9.95
Administrator of the Specified Undertaking of the Unit Trust of India- Unit Scheme 1964	27,32,000	6.83	27,32,000	6.83

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

**Note 12 (c) :** The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, (except in case of interim dividend), is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all dues, proportionate to their shareholding.

### Note 12 : (d) Reconciliation of the Shares outstanding at the beginning and end of the year :

Particulars	No of shares	(₹ in Lakh)
Balance as at 1st April, 2020	4,00,00,000	4,000
Add: Issue of Shares	-	-
Balance as at 31st March, 2021	4,00,00,000	4,000
Add: Issue of Shares	-	-
Balance as at 31st March, 2022	4,00,00,000	4,000

**Note 12 (e) :** On 26th May, 2022, the Board of Directors of the Parent have recommended a final dividend of of ₹5.00 per share (PY ₹5.00 per share) in respect of the year ended 31st March, 2022, subject to approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹2,000.00 Lakh (PY ₹2,000.00 Lakh).

On 23th May, 2022, the Board of Directors of the Subsidiary (NSDL Database Management Limited) have recommended a final dividend of of ₹2.00 per share (PY ₹1.50 per share) in respect of the year ended 31st March, 2022, subject to approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹1,221.00 Lakh (PY ₹915.00 Lakh).

### Note 13 : Other Equity

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>General Reserve</b>		
Balance at the beginning of the year	36,312.82	36,312.82
Add: Transferred from retained earning	-	-
<b>Balance as at the end of the year</b>	<b>36,312.82</b>	<b>36,312.82</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	61,631.76	44,375.31
Profit for the year	21,259.39	18,856.45
Less: Dividend (Refer Note 12(e))	(2,000.00)	(1,600.00)
<b>Balance as at the end of the year</b>	<b>80,891.15</b>	<b>61,631.76</b>
<b>Other Comprehensive Income</b>		
Balance at the beginning of the year	(15.05)	(13.89)
Other comprehensive income for the year	(26.96)	(1.16)
<b>Balance as at the end of the year</b>	<b>(42.01)</b>	<b>(15.05)</b>
<b>Total</b>	<b>1,17,161.96</b>	<b>97,929.53</b>

### Note 14 : Other Financial Liabilities (Non-Current)

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Others:</b>		
Incentive payable to employees	414.65	360.12
Advances from customers	4.75	3.04
<b>Total</b>	<b>419.40</b>	<b>363.16</b>

### Note 15 : Other Non-Current Liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Others:</b>		
Income received in advance	442.43	79.17
<b>Total</b>	<b>442.43</b>	<b>79.17</b>

### Note 16 : Trade Payables

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Amounts due to micro enterprise and small enterprises*	244.05	303.02
Others	2,280.93	3,118.32
<b>Total</b>	<b>2,524.98</b>	<b>3,421.34</b>

\* Dues to micro enterprise and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 16 (a) : Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Principal amount remaining unpaid to any supplier as at the end of the accounting period.	244.05	303.02
Interest due thereon remaining unpaid to any supplier as at the end of the accounting period.	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
The amount of interest due and payable for the period.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting period.	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-
<b>Total</b>	<b>244.05</b>	<b>303.02</b>

### Note 16 (b) : Trade Payables Ageing Schedule as on 31st March, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled dues	Current but not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Amounts due to MSME	117.82	-	126.23	-	-	-	244.05
Others	1,272.17	-	988.69	20.07	-	-	2,280.93
<b>Total</b>	<b>1,389.99</b>	<b>-</b>	<b>1,114.92</b>	<b>20.07</b>	<b>-</b>	<b>-</b>	<b>2,524.98</b>

### Note 16 (c) : Trade Payables Ageing Schedule as on 31st March, 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled dues	Current but not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Amounts due to MSME	89.40	-	213.62	-	-	-	303.02
Others	1,145.79	-	1,826.09	55.14	88.97	2.33	3,118.32
<b>Total</b>	<b>1,235.19</b>	<b>-</b>	<b>2,039.71</b>	<b>55.14</b>	<b>88.97</b>	<b>2.33</b>	<b>3,421.34</b>

### Note 17 : Other Financial Liabilities (Current)

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security deposit received from customers / depository participants	6,256.37	5,790.13
Payables on purchase of Property, plant and equipment, intangible assets	58.40	95.31
Payable to Investor Protection Fund Trust (Refer Note 32)	231.01	900.69
Payable on redemption of NSC/KVP and government securities	1,365.94	1,290.99
Payables to staff	1,551.06	1,587.46
Gratuity payable to Fund (Refer Note 30)	400.38	365.68
Annual custody charges payable	85.12	36.15
Payable for stamp duty collection	5,106.98	4,135.97
Advance received for auction of DP demat accounts*	7,810.13	7,810.13
Corporate Social Responsibility Liability	110.89	-
Others**	10,235.41	8,635.41
<b>Total</b>	<b>33,211.69</b>	<b>30,647.92</b>

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

\*\* Includes Customer Deposits, Earnest Money Deposits, and Settlement Accounts related to Subsidiary (NSDL Payments Bank Limited).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 18 : Provisions

(₹ in Lakh)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-Current	Current	Non-Current	Current
<b>Provision for Employee Benefit</b>				
Provision for compensated absences	168.76	1,243.89	116.82	1,223.47
<b>Other Provision</b>				
Provision for investor awareness (Refer Note 33)	-	1,668.32	-	1,830.41
<b>Total</b>	<b>168.76</b>	<b>2,912.21</b>	<b>116.82</b>	<b>3,053.88</b>

### Note 19 : Other Current Liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Advances from customers	4,596.92
Income received in advance	947.39	673.46
Statutory remittances	1,100.39	894.86
Other Payables	167.65	296.32
<b>Total</b>	<b>6,812.35</b>	<b>7,081.83</b>

### Note 20 : Revenue from Operations

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Annual fees	2,414.56
Custody fees	17,004.44	16,217.76
Registration fees	901.89	326.17
Transaction fees	25,357.09	21,102.16
Software license fees	25.42	17.10
Communication fees	422.48	374.71
Income from banking services	29,924.46	6,171.46
Other operating income	60.58	14.80
<b>Total</b>	<b>76,110.92</b>	<b>46,575.20</b>

### Note 21 : Other Income

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Interest income :	
i) On non-current investments	3,491.32	3,270.45
ii) On fixed deposits with banks	1,259.65	573.96
iii) On overdue trade receivables	230.49	300.73
<b>Sub-total</b>	<b>4,981.46</b>	<b>4,145.14</b>
Dividend income from current Investments	44.52	44.44
Fair value gain on investments in mutual funds	788.86	1,416.00
Profit on sale of investments	16.71	155.73
Bad debts recovered	0.34	17.68
Extinguishment of Lease Liability	28.08	10.92
Rent recovery (Ind AS 116 - Leases)	17.97	31.43
Amounts written back	-	17.24
Miscellaneous income	140.40	16.89
<b>Total</b>	<b>6,018.34</b>	<b>5,855.47</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 22 : Employee Benefits Expenses

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Salaries and wages	9,234.30	7,748.76
Contribution to provident and other funds (Refer Note 30)	878.26	816.41
Staff welfare expenses	215.93	190.45
Deputation Cost	50.23	50.51
<b>Total</b>	<b>10,378.72</b>	<b>8,806.13</b>

### Note 23 : Other Expenses

(₹ in Lakh)

Particulars	Year ended 31st March, 2022		Year ended 31st March, 2021	
Annual fees		416.89		347.89
Repairs and maintenance - system		3,694.62		2,983.37
Repairs and maintenance - premises		234.28		206.86
Repairs and maintenance - others		528.45		471.90
System support charges		799.25		1,164.66
Insurance (Refer Note 29)		169.03		143.94
Processing charges		1,207.03		879.47
Power and fuel		167.48		153.19
Rent (net of recovery)		158.32		201.62
Communication expenses		1,640.57		1,220.44
Travelling and conveyance expenses		131.49		163.31
Professional and consultancy fees		730.22		491.96
Legal charges		169.21		137.98
Printing and stationery expenses		314.67		360.74
Rates and taxes		122.34		236.64
Corporate social responsibility expense (Refer Note 34)		372.68		322.83
Seminar and business promotion expenses		118.57		51.86
Payment to auditors (net of GST set-off) :				
(a) Audit fees	41.65		46.43	
(b) Tax audit fees	3.95		3.75	
(c) Taxation matters	1.25		1.50	
(d) Other services	24.93		17.40	
(e) Reimbursement of expenses (out of pocket expenses)	2.48	74.26	-	69.08
Directors sitting fees		206.42		180.58
Provision for investor awareness (Refer Note 33)		560.43		514.97
Provision for doubtful trade receivables		624.86		587.74
Bad debts written-off		303.21		3.20
Loss on sale of Assets / written off		230.65		63.16
IAUD written off		1,456.70		4.17
Marketing expenses		6.49		2.11
Business & remittance expenses		25,852.96		4,390.42
Miscellaneous expenses		492.44		940.56
<b>Total</b>		<b>40,783.52</b>		<b>16,294.65</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

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

#### Contingent Liabilities

- Demand from the service tax authorities of ₹ 5,236.21 Lakh (Previous year ₹ 5,236.21 Lakh) in respect of FY 2004-05 to FY 2008-09 relate to service tax demanded in respect of depository participant services during that period. The Company has received order from the Central Excise and Service Tax Appellate Tribunal (CESTAT) on 12th June 2020, and it subsequently filed a civil appeal in the Supreme Court and the Service Tax Department has filed a counter affidavit with the Supreme Court. The Holding Company has paid ₹ 392.72 under protest. The Company is hopeful of succeeding in appeals and does not expect any significant liability to materialise.
- Demand from income tax authorities for AY 2013-14, AY 2014-15, AY 2015-16, AY 2017-18, AY 2018-19, AY 2019-20, and AY 2020-21 are Nil Lakh (Previous year ₹ 213.61 Lakh), ₹ 8.55 Lakh (Previous year ₹ 347.13 Lakh), ₹ 33.33Lakh (Previous year ₹ 522.82 Lakh), ₹ 892.59. Lakh (Previous year ₹ 2,040.94), ₹ 3,065.32 Lakh (Previous year ₹ 3,065.32), ₹ 796.69 Lakh (Previous year ₹ 799.03), and ₹ 22.01 Lakh (Previous year Nil) respectively. The Group has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.
- Fixed Deposits placed with Corporation Bank for issue of Bank Guarantee to Unique Identification Authority of India (UIDAI) on behalf of NSDL Payments Bank Limited for ₹ 25.00 Lakh (Previous year ₹ 25.00 Lakh).

#### Commitments

- Estimated amount of capital contracts not provided (net of advances) for the year ended 31st March, 2022 is ₹ 216.31 Lakh (Previous year ₹ 291.83 Lakh).
- Other Commitments: Contractual guarantee: ₹ 251.67 Lakh (Previous year ₹ 230.12 Lakh).

### Note 25 : Expenditure in Foreign Currency

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Membership fees	14.01	5.48
Professional fees	-	5.41
Network Connectivity charges	168.43	132.98
<b>Total</b>	<b>182.44</b>	<b>143.87</b>

### Note 26 : Segment Reporting

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

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

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

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

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

Database Management Services (DMS) includes data management services like National Skills Registry to IT / ITes industry and transactions services like SEZ Online system on behalf of Ministry of Commerce & Industry, KYC registration agency (KRA) for centralization of the KYC records in the securities market, operations pertaining to the Repository of Insurance Policies.

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Particulars	For the year ended 31st March, 2022				For the year ended 31st March, 2021			
	Depository	Database Management	Banking Services	Total	Depository	Database Management	Banking Services	Total
<b>Segment Revenue</b>								
Revenue	36,926.15	9,260.31	29,924.46	76,110.92	33,555.35	6,848.39	6,171.46	46,575.20
Less: Inter segment revenue	-	-	-	-	-	-	-	-
<b>Total</b>	<b>36,926.15</b>	<b>9,260.31</b>	<b>29,924.46</b>	<b>76,110.92</b>	<b>33,555.35</b>	<b>6,848.39</b>	<b>6,171.46</b>	<b>46,575.20</b>
<b>Segment Results</b>	18,008.73	4,941.78	(790.56)	<b>22,159.95</b>	17,354.32	2,828.20	(1,293.46)	<b>18,889.06</b>
Add: Other unallocable income (net of unallocable expense)				896.23				1,710.33
Add: Interest income				4,981.46				4,145.14
Less: Finance cost				217.71				86.38
<b>Profit Before Tax</b>				<b>27,819.93</b>				<b>24,658.15</b>
Less: Tax expense				6,560.54				5,801.70
<b>Profit for the year</b>				<b>21,259.39</b>				<b>18,856.45</b>

(₹ in Lakh)

Particulars	For the year ended 31st March, 2022					For the year ended 31st March, 2021				
	Depository	Database Management	Banking Services	Un-allocable	Total	Depository	Database Management	Banking Services	Un-allocable	Total
Segment Assets	33,120.34	4,509.52	14,428.26	1,17,216.60	<b>1,69,274.72</b>	29,375.23	4,876.25	10,955.47	1,04,667.79	<b>1,49,874.74</b>
Segment Liabilities	17,094.09	3,572.62	11,819.97	15,626.08	<b>48,112.76</b>	18,322.77	3,641.66	10,477.15	15,503.63	<b>47,945.21</b>
Capital Expenditure	591.03	294.50	35.63	-	<b>921.16</b>	1,294.75	395.19	646.59	-	<b>2,336.53</b>
Depreciation/ Amortisation	998.48	423.38	471.34	-	<b>1,893.20</b>	743.02	338.51	620.28	-	<b>1,701.81</b>
Material non-cash items other than Depreciation/ Amortisation	2,337.43	43.93	2.67	-	<b>2,384.03</b>	1,919.59	63.53	6.34	-	<b>1,989.46</b>

### Note 27 : Related Party Disclosures

#### a) Names of Related Parties and Relationship

(i)	IDBI Bank Limited	Company having substantial Interest
(ii)	National Stock Exchange of India Limited	Company having substantial Interest
(iii)	Mr. B. A. Prabhakar	Public Interest Director
	Prof. G. Sivakumar	Public Interest Director
	Dr. Rajani Gupte	Public Interest Director
	Mr. B. Sambamurthy	Public Interest Director
	Mr. Rajeev Kumar	Shareholder Director
	Ms. Priya Subbaraman	Shareholder Director
	Mr. G V Nageswara Rao (Ceased to be MD&CEO w.e.f. August 31, 2021)	Managing Director and CEO
	Ms. Padmaja Chunduru (appointed MD&CEO w.e.f. September 22, 2021)	Managing Director and CEO

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

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

(₹ in Lakh)

Sr. No.	Particulars	As at 31st March, 2022	As at 31st March, 2021
(i)	<b>Transactions during the year :</b>		
	<b>I. Companies having Substantial Interest</b>		
	<b>a) IDBI Bank Limited</b>		
	- Transaction fees	52.44	47.27
	- Annual fees	9.86	11.30
	- Annual custody fees	24.24	23.83
	- Reimbursement of expenses	3.71	1.42
	- Interest Income on fixed deposit with bank	307.00	316.72
	- Interest (waiver)/ income – other	0.90	1.14
	- Miscellaneous expenses	0.92	0.37
	- Investor awareness expense	6.57	5.25
	- Dividend paid	522.00	417.60
	<b>b) National Stock Exchange of India Limited</b>		
	- Transaction fees	221.94	142.32
	- Dividend paid	480.00	384.00
	<b>II. Key Managerial Personnel</b>		
	a) Sitting Fees to directors	123.20	110.80
	b) Remuneration to KMPs (Refer note ii):		
	- Short-term employee benefit	512.15	479.21
	- Long-term employee benefit	-	-
(ii)	<b>(Payable)/Receivable at the end of the year :</b>		
	<b>Companies having Substantial Interest</b>		
	<b>a) IDBI Bank Limited</b>		
	- Security deposit payable	(30.00)	(30.00)
	- Balance in current account	0.51	0.33
	- FDs	7,124.13	5,517.63
	- Trade receivables	-	11.82
	- Trade Payables	0.05	-
	<b>b) National Stock Exchange of India Limited</b>		
	- Trade receivables	52.85	94.94
	<b>Key Managerial Personnel</b>		
	a) Payable to key managerial person	209.83	254.97

#### Notes:

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

### Note 28 : Lease Liability

#### Statement showing movement in Lease Liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Lease Liability at the beginning of the year</b>	<b>930.98</b>	<b>1,214.28</b>
Add/(Less): Agreements reassessed as lease contracts	-	-
Additions	-	31.72
Deductions/Adjustments	299.38	-
Finance cost accrued during the period	60.31	84.97
Payment of lease liabilities	399.41	399.99
<b>Lease Liability at the end of the year</b>	<b>292.50</b>	<b>930.98</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Statement showing carrying value of Right of Use Assets:

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Right of Use Assets at the beginning of the year	857.12	1,173.05
Additions	-	31.72
Deductions/Adjustments	264.68	-
Depreciation	338.68	347.65
Right of Use Assets at the end of the year	253.76	857.12

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

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current lease liabilities	155.87	348.53
Non - Current lease liabilities	136.63	582.45
<b>Total</b>	<b>292.50</b>	<b>930.98</b>

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

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Due for :		
Up to One year	153.60	402.30
One year to Five years	158.96	612.97
More than Five years	12.64	37.84
<b>Total</b>	<b>325.20</b>	<b>1,053.11</b>

### Statement showing amount recognised in Statement of Profit and Loss:

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest on lease liabilities	60.31	84.97
Depreciation on right of use assets	338.68	347.65
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-of-use assets	-	-
Expenses relating to short-term leases	-	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-
<b>Total</b>	<b>398.99</b>	<b>432.62</b>

### Statement showing total cash outflow for leases:

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total cash outflow for leases	399.41	399.99

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

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Insurance	48.97	56.32

### Note 30. Employee Benefits

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

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provident fund	363.28	315.02
ESIC	1.18	1.32
Superannuation fund	192.83	175.83
<b>Total</b>	<b>557.29</b>	<b>492.17</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### b) Gratuity

#### (i) Summary of Actuarial Assumptions

Particulars	As at 31st March, 2022	As at 31st March, 2021
Discount rate	6.09% - 7.15%	5.58% - 6.86%
Rate of return on plan assets	6.09% - 7.15%	5.58% - 6.86%
Salary escalation	7.00%	7.00%
Attrition rate		
- Less than 5 years	18% - 20%	18% - 20%
- More than 5 years	4% - 5%	4% - 5%
Mortality table	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ultimate

#### (ii) Reconciliation of Defined Benefit Obligation

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Liability at the beginning of the year	3,076.00	2,904.02
Interest cost	208.91	197.94
Current service cost	284.50	314.72
Benefits paid	(499.94)	(326.05)
Actuarial loss /(gain) on obligations	92.03	(14.63)
<b>Closing defined benefit obligation</b>	<b>3,161.50</b>	<b>3,076.00</b>

#### (iii) Reconciliation of Fair Value of Plan Assets

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Fair value of plan assets at the beginning of the year	2,710.69	2,745.23
Interest income	184.16	186.97
Contributions by the employer	375.68	119.43
Benefits paid	(499.94)	(326.05)
Actuarial (gain)/loss on plan assets	(9.47)	(14.89)
<b>Closing Fair Value of Plan Assets</b>	<b>2,761.12</b>	<b>2,710.69</b>

#### (iv) Amount to be recognized in Balance Sheet:

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Present value of funded obligation	(3,161.50)	(3,076.00)
Fair value of plan assets at the end of the year	2,761.12	2,710.69
<b>Amount recognized in Balance Sheet</b>	<b>(400.38)</b>	<b>(365.31)</b>

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

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current service cost	284.50	314.72
Interest cost	24.75	10.97
<b>Expenses recognized in the Statement of Profit &amp; Loss</b>	<b>309.25</b>	<b>325.69</b>

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

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Actuarial (gain)/ loss on obligation	92.03	(14.63)
Actuarial (Gain) or Loss on plan assets	9.47	14.89
<b>Net (Income)/Expense for the period recognized in OCI</b>	<b>101.50</b>	<b>0.26</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### (vii) Balance Sheet Reconciliation:

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening net liability	365.31	158.79
Expenses recognized in statement of profit or loss	309.25	325.69
Expenses recognized in OCI	101.50	0.26
Employers contribution	(375.68)	(119.43)
<b>Amount recognized in Balance Sheet</b>	<b>400.38</b>	<b>365.31</b>

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

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

(ix) Expected contribution in the next year ₹ 393.39 Lakh (Previous year ₹ 354.75Lakh)

### (x) Sensitivity Analysis

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

(₹ in Lakh)

Particulars	Defined Benefit Obligation	
	Increase in Assumption	Decrease in Assumption
Discount rate (1% movement)	(283.34)	326.84
Future salary appreciation (1% movement)	323.96	(286.11)
Attrition rate (1% movement)	(4.48)	4.30

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

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

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

### Note 31 : Earnings Per Share

Particulars	As at 31st March, 2022	As at 31st March, 2021
Profit for the year attributable to the equity shareholders (₹ in Lakh)	21,259.39	18,856.45
Weighted average Number of equity shares during the year	40,000,000	40,000,000
Basic and Diluted Earnings per Share(₹)*	53.15	47.14
Face value of each share (₹)	10.00	10.00

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

### Note 32 : Investor Protection Fund (IPF)

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

The contribution to IPF for the period ended 31st March, 2022 works out to ₹ 895.53 Lakh (Previous year ₹ 883.55 Lakh), being 5% of the profits from depository operations of the Holding Company before tax for the year available after making such contribution.

32.2 Further, SEBI vide its Circular dated June 7, 2016 issued guidelines for utilization of IPF. The guidelines require administration of IPF by creation of a trust administered by Depository. As required by the Guidelines, the Holding Company created irrevocable Trust 'National Securities Depository Limited Investor Protection Fund Trust' (NSDL IPF Trust). The Holding Company transferred ₹ 1557.68 Lakh (Previous year ₹ 518.83 Lakh) to NSDL IPF Trust for the period ended 31st March, 2022. The amount as at 31st March, 2022 includes contribution to IPF for the year ended 31st March, 2022, and other amounts recovered from depository participants as required by the guidelines.

### Note 33 : Other Provisions : Provision for Investor Awareness

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

Pursuant to the Circular, the Holding Company has set aside ₹ 560.43 Lakh (Previous year ₹ 514.97 Lakh) being 20% of incremental revenue on issuer income for the year ended March 31, 2022.

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Opening Balance</b>	<b>1,830.41</b>	<b>1,893.51</b>
Addition	560.43	514.97
Payment / Utilisation	(722.52)	(578.07)
<b>Closing Balance</b>	<b>1,668.32</b>	<b>1,830.41</b>

### Note 34 : Expenses towards Corporate Social Responsibility:

(₹ in Lakh)

Sr. No.	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
1	Amount required to be spent by the company during the year	377.74	310.06
2	Amount of expenditure incurred during the year	261.78	322.83
3	(Excess) of previous years adjusted	(12.77)	-
4	(Excess) / Shortfall at the end of the year	103.19	(12.77)
5	Total of previous years shortfall	-	-
6	Reason for shortfall	-	-
7	Nature of CSR activities	a) Project Yogdaan (support to Thalassaemia Patients) b) Support to Sankara Nethralaya d) Artha SAMARTH - Skill Development in BFSI e) NSDL Shiksha Sahyog (educational scholarship program) f) Night School Transformation Program g) Mid-Day Meal Program h) Admin and Program Monitoring	a) Project Yogdaan (support to Thalassaemia Patients) b) Traffic Island Maintenance c) Project Sahyog (COVID 19 relief program) d) Artha SAMARTH - Skill Development in BFSI e) NSDL Shiksha Sahyog (educational scholarship program) f) Admin and Program Monitoring
8	Details of related party transactions	NA	NA
9	Provision made in financial year due to any contractual obligation	NA	NA

### Note 35 : Fair Value Measurement:

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Financial Assets</b>		
<b>a) Amortised Cost*</b>		
Investments in debt instrument	69,164.44	52,452.15
Trade receivables	10,224.02	10,879.71
Cash and cash equivalents	14,445.97	8,112.56
Other bank balances	22,438.63	30,277.57
Other financial assets	19,623.63	15,334.53
	<b>1,35,896.69</b>	<b>1,17,056.52</b>
<b>b) FVTPL</b>		
Investment in mutual funds	20,178.00	18,759.48
Investment in Exchange traded Fund	1,712.49	1,629.05
	<b>21,890.49</b>	<b>20,388.53</b>
<b>Total</b>	<b>1,57,787.18</b>	<b>1,37,445.05</b>
<b>Financial Liabilities</b>		
<b>a) Amortised Cost*</b>		
Trade payables	2,524.98	3,421.34
Lease liability	292.50	930.98
Other financial liabilities	33,631.09	31,011.08
<b>Total</b>	<b>36,448.57</b>	<b>35,363.40</b>

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

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

(₹ in Lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2022	Fair value	Carrying value	Fair value hierarchy
<b>Financial Assets</b>			
Investments in debt instrument	72,189.60	69,164.44	Level 2
Trade receivables	10,224.02	10,224.02	Level 3
Cash and cash equivalents	14,445.97	14,445.97	Level 3
Other bank balances	22,438.63	22,438.63	Level 3
Other financial assets	19,623.63	19,623.63	Level 3
<b>Total</b>	<b>1,38,921.85</b>	<b>1,35,896.69</b>	
<b>Financial Liabilities</b>			
Trade payables	2,524.98	2,524.98	Level 3
Lease liability	292.50	292.50	Level 3
Other financial liabilities	33,631.09	33,631.09	Level 3
<b>Total</b>	<b>36,448.57</b>	<b>36,448.57</b>	

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

(₹ in Lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed at March 31, 2021	Fair value	Carrying value	Fair value hierarchy
<b>Financial Assets</b>			
Investments in debt instrument	54,350.21	52,452.15	Level 2
Trade receivables	10,879.71	10,879.71	Level 3
Cash and cash equivalents	8,112.56	8,112.56	Level 3
Other bank balances	30,277.57	30,277.57	Level 3
Other financial assets	15,334.53	15,334.53	Level 3
<b>Total</b>	<b>1,18,954.58</b>	<b>1,17,056.52</b>	
<b>Financial Liabilities</b>			
Trade payables	3,421.34	3,421.34	Level 3
Lease liability	930.98	930.98	Level 3
Other financial liabilities	31,011.08	31,011.08	Level 3
<b>Total</b>	<b>35,363.40</b>	<b>35,363.40</b>	

### Note 36 : Financial Instruments

#### Capital Risk Management

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

#### Financial Risk Management:

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

The Group is exposed to the following market risks:

### (a) Credit Risk

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

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

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

### (b) Liquidity Risk

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

### (c) Market Risk

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

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

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

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Mutual Fund	20,178.00	18,759.48
Exchange traded Fund	1,712.49	1,629.05
<b>Total</b>	<b>21,890.49</b>	<b>20,388.53</b>

### Sensitivity

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

(₹ in Lakh)

Particulars	Impact on profit after tax		Impact on other components of equity	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Increase by 5%	1,094.52	1,019.43	-	-
Decrease by 5%	(1,094.52)	(1,019.43)	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

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

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

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Profit Before Tax from Continuing Operations	27,819.93	24,658.15
Corporate tax expense rate	25.17%	25.17%
Tax on accounting profit	7,457.52	6,675.63
Effect of income that is exempt from taxation	(1,150.79)	(848.58)
Effect of expenses that are not deductible in determining taxable profit	410.82	321.50
Effect of different tax rates for capital gain on investments	47.66	-
Effect of tax on unrealised gains on investment	(209.02)	(366.65)
Others	4.35	(19.80)
<b>Income Tax Expense recognised in Statement of Profit and Loss</b>	<b>6,560.54</b>	<b>5,801.70</b>

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

(₹ in Lakh)

Name of Entity in the Group	Net Assets (Total Assets less Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
National Securities Depository Limited	69.26%	83,920.86	81.73%	17,376.06	(337.50%)	(90.99)	81.41%	17,285.07
	<i>68.34%</i>	<i>69,655.13</i>	<i>89.71%</i>	<i>16,915.95</i>	<i>3121.55%</i>	<i>36.21</i>	<i>89.91%</i>	<i>16,952.16</i>
NSDL Database Management Limited	17.98%	21,785.85	22.69%	4,823.99	69.29%	18.68	22.81%	4,842.67
	<i>17.63%</i>	<i>17,974.02</i>	<i>17.08%</i>	<i>3,220.19</i>	<i>(2884.48%)</i>	<i>(33.46)</i>	<i>16.90%</i>	<i>3,186.73</i>
NSDL Payments Bank Limited	11.18%	13,546.24	(3.76%)	(800.01)	(18.03%)	(4.86)	(3.79%)	(804.87)
	<i>14.03%</i>	<i>14,300.38</i>	<i>(6.79%)</i>	<i>(1,279.69)</i>	<i>(337.07%)</i>	<i>(3.91)</i>	<i>6.81%</i>	<i>(1,283.60)</i>
India International Bullion Holding IFSC Ltd	1.58%	1,909.01	(0.66%)	(140.65)	186.24%	50.21	(0.43%)	(90.44)
	-	-	-	-	-	-	-	-
<b>Total</b>	<b>100.00%</b>	<b>1,21,161.96</b>	<b>100.00%</b>	<b>21,259.39</b>	<b>-100.00%</b>	<b>(26.96)</b>	<b>100.00%</b>	<b>21,232.43</b>
	<i>100.00%</i>	<i>1,01,929.53</i>	<i>100.00%</i>	<i>8,856.45</i>	<i>100.00%</i>	<i>(1.16)</i>	<i>100.00%</i>	<i>18,855.29</i>

Note – Figures in italics are in respect of previous year.

### Note 39 : Additional Regulatory Disclosures

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (iv) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.
- (vi) There are no loans or advances in the nature of loans that are granted to promoters, directors, key managerial personnel (KMPs) and the related parties either severally or jointly with any other person, that are: a) Repayable on demand or b) Without specifying any terms or period of repayment.
- (vii) The Group is not a declared willful defaulter by any bank or financial Institution or other lender.
- (viii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 in respect of investments in subsidiaries.

### Note 40 : Following are the details of balances outstanding on account of any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956

(₹ in Lakh)

Sr. No.	Name Of Struck Off Company	Nature of Transaction	Outstanding Balance		Relationship
			FY 2021-22	FY 2020-21	
1	Arihant capital Markets Ltd	Professional Fees	-	0.02	Vendor
2	GARDEENA HORTICULTURE	Office Expenses	-	0.02	Vendor
3	NESTIEN SHIPMENT MANAGEMENT	Postage Expenses	-	1.02	Vendor
4	Niche Technologies Pvt Ltd	Professional Fees	-	0.33	Vendor
5	RAVI MILK PRODUCTS (INDIA) Pvt Ltd	Issuers Fees	-	0.01	Customer
6	ACME HANUMANGARH SOLAR ENERGY Pvt Ltd	Issuers Fees	-	0.06	Customer
7	ACME JAIGARH SOLAR ENERGY Pvt Ltd	Issuers Fees	-	0.06	Customer
8	KNR CHIDAMBARAM INFRA Pvt Ltd	Issuers Fees	-	0.39	Customer
9	RAINBOW PAPERS Ltd	Issuers Fees	-	0.89	Customer
10	Sakchi Steel Ltd	Issuers Fees	-	0.01	Customer
11	JAMADOBA STEEL Ltd	Issuers Fees	-	0.01	Customer
12	Noamundi Steel Ltd	Issuers Fees	-	0.01	Customer
13	Dimna Steel Ltd	Issuers Fees	-	0.01	Customer
14	Straight Mile Steel Ltd	Issuers Fees	-	0.01	Customer
15	L&T INFRA CONTRACTORS Pvt Ltd	Issuers Fees	-	0.18	Customer
16	VENUGOPAL HOLDINGS LTD	Issuers Fees	-	0.06	Customer
17	MAPAEX PHARMACARE Pvt Ltd	Issuers Fees	-	0.06	Customer
18	DELUXE VYAPAAR Pvt Ltd	Issuers Fees	-	0.19	Customer
19	SPIRIT FINANCIAL ADVISORY Pvt Ltd	Issuers Fees	-	0.17	Customer
20	Reliex Mercantile Ltd	Issuers Fees	-	0.16	Customer
21	Shapoorji Pallonji Transport Projects Pvt Ltd	Issuers Fees	-	(0.18)	Customer
22	ALTICO HOUSING FINANCE INDIA Ltd	Issuers Fees	-	0.05	Customer
23	NEARA ENERGY Pvt Ltd	Issuers Fees	-	0.05	Customer
24	HAUL POWER Pvt Ltd	Issuers Fees	-	(0.16)	Customer
25	ELVIS INDIA Ltd	Issuers Fees	-	0.24	Customer
26	TAPIR LAND DEVELOPMENT Ltd	Issuers Fees	-	(0.06)	Customer
27	SUJAV ENTERTAINMENT Pvt Ltd	Issuers Fees	-	0.35	Customer
28	MANIKARAN STOCK & HOLDINGS Pvt Ltd	Issuers Fees	-	0.01	Customer
29	MANIKARAN CAPITAL & SHARES Pvt Ltd	Issuers Fees	-	0.01	Customer
30	NETS ENERGY AND INFRA TECH Pvt Ltd	Issuers Fees	-	(0.06)	Customer
31	THAPAR SPINNING MILLS Ltd	Issuers Fees	-	(0.01)	Customer
32	ARYASTHAN CORPORATION Ltd	Issuers Fees	-	0.11	Customer



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Sr. No.	Name Of Struck Off Company	Nature of Transaction	Outstanding Balance		Relationship
			FY 2021-22	FY 2020-21	
33	TRANS ASIA CORPORATION Ltd	Issuers Fees	-	0.19	Customer
34	SMILAX CORPORATE SERVICES Pvt Ltd	Issuers Fees	-	(0.29)	Customer
35	RUTHERFORD SOLARFARMS Pvt Ltd	Issuers Fees	-	0.01	Customer
36	INTERNATIONAL FINANCE CORPORATION	Issuers Fees	-	3.54	Customer
37	EDEN RENEWABLE CONCORDE Pvt Ltd	Issuers Fees	-	0.01	Customer
38	EDEN RENEWABLE SIMPLON Pvt Ltd	Issuers Fees	-	0.01	Customer
39	EDEN RENEWABLE IENA Pvt Ltd	Issuers Fees	-	0.01	Customer
40	EDEN RENEWABLE LOURMEL Pvt Ltd	Issuers Fees	-	0.01	Customer
41	EDEN RENEWABLE BLANCHE Pvt Ltd	Issuers Fees	-	0.04	Customer
42	EDEN RENEWABLE VARENNE Pvt Ltd	Issuers Fees	-	0.01	Customer
43	EDEN RENEWABLE VILLIERS Pvt Ltd	Issuers Fees	-	0.01	Customer
44	NCC FINANCE Ltd	Issuers Fees	-	0.07	Customer
45	GPI TEXTILES Ltd	Issuers Fees	-	0.98	Customer
46	ZAVI IN STORE SOLUTIONS Pvt Ltd	Issuers Fees	-	(0.01)	Customer
47	SARTHAK METALS Ltd	Issuers Fees	-	(0.20)	Customer
48	ENTRUST ENVIRONMENT Ltd	Issuers Fees	-	(0.08)	Customer
49	Orbis Securities Pvt Ltd	Issuers Fees	-	(0.26)	Customer
50	JEEVANDHARA MULTITRADE Ltd	Issuers Fees	-	0.13	Customer
51	DRA AGRO INFRA CORPORATION Pvt Ltd	Issuers Fees	-	0.05	Customer
52	SHIBIR INDIA Ltd	Issuers Fees	-	0.06	Customer
53	EASTERN ADVISORY SERVICES Ltd	Issuers Fees	-	0.22	Customer
54	BLISS HOME Pvt Ltd	Issuers Fees	-	0.11	Customer
55	EAST WEST HOTELS Ltd	Issuers Fees	-	0.06	Customer
56	PEOPLES INVESTMENTS Ltd	Issuers Fees	-	0.31	Customer
57	SPBP TEA (INDIA) Ltd	Issuers Fees	-	1.09	Customer
58	RAVI AGRIBUSINESS INFRASTRUCTURE (INDIA) Pvt Ltd	Issuers Fees	-	0.03	Customer
59	RAVI FARMTECH (INDIA) Pvt Ltd	Issuers Fees	-	0.01	Customer
60	Fine Lifestyle Brands Ltd	Receivables	0.12	0.06	Customer
61	Technology Venture Fund	Receivables	0.12	0.06	Customer
62	Zipgo Technologies Pvt Ltd	Receivables	0.12	0.35	Customer
63	GOR Medical Gas Equipment P Ltd.	Receivables	(0.01)	(0.01)	Customer
64	P.P. Jewels Pvt. Ltd.	Receivables	(0.08)	(0.08)	Customer
65	PC Impex Pvt Ltd	Receivables	(0.01)	(0.01)	Customer
66	Wiltech Software Solutions Private Ltd.	Receivables	0.01	0.01	Customer
67	Managed Data Center Services Limited	Receivables	(0.10)	(0.10)	Customer
68	Surat Cigarettes Pvt Ltd	Receivables	(0.01)	(0.01)	Customer
69	Fominaya (India) Private Limited	Receivables	0.02	0.02	Customer
70	Dyno Electrics Pvt Ltd	Receivables	(0.01)	(0.01)	Customer
71	Resonance Outsourcing Services Private Limited	Receivables	(0.02)	(0.02)	Customer
72	Jungsan Diamond Tools India Private Limited	Receivables	(0.09)	(0.09)	Customer
73	Costal Energy Limited	Receivables	(0.01)	(0.01)	Customer
74	Nutmeg Infotech Private Limited	Receivables	(0.02)	(0.02)	Customer
75	Galaxe Solutions India Pvt. Ltd.	Receivables	(0.20)	(0.30)	Customer
76	Parkview Warehouses Pvt. Ltd.	Receivables	(0.02)	(0.02)	Customer
77	M/s. N.Y. System	Receivables	(0.10)	(0.10)	Customer
78	Itek Business Solutions Pvt Ltd	Receivables	(0.08)	(0.08)	Customer
79	M/s. Ozone Warehousing Private Limited	Receivables	(0.02)	(0.02)	Customer
80	Shree Krishna Well Pack Pvt.Ltd.	Receivables	(0.01)	(0.01)	Customer
81	SOD Technologies Pvt Ltd	Receivables	(0.06)	(0.06)	Customer
82	Smartek21 Pvt. Ltd.	Receivables	(0.21)	(0.21)	Customer

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Sr. No.	Name Of Struck Off Company	Nature of Transaction	Outstanding Balance		Relationship
			FY 2021-22	FY 2020-21	
83	M/s. Enlit Softech Private Limited	Receivables	0.04	0.04	Customer
84	Vividia Communications Pvt Ltd	Receivables	0.01	0.01	Customer
85	Vens IT Solutions Private Limited	Receivables	(0.01)	(0.01)	Customer
86	Colonialistslandmark Cosmetics India Pvt Ltd	Receivables	(0.02)	(0.02)	Customer
87	Mach 3 Machine Tools India Pvt Ltd	Receivables	(0.02)	(0.02)	Customer
88	Wilson Associates Interior Architectural Design Private Limited	Receivables	0.07	0.07	Customer
89	Feofus Solutions Private Limited	Receivables	0.06	0.06	Customer
90	Faes Packaging Solutions Pvt Ltd	Receivables	0.01	0.01	Customer
91	Microland Limited	Receivables	(0.10)	(0.05)	Customer
92	M/s. Spatika Digital Solutions Pvt Ltd	Receivables	0.06	0.06	Customer
93	I2 Software Tech Solutions Private Limited	Receivables	0.01	-	Customer
94	Qagate Technologies Private Limited	Receivables	(0.04)	(0.04)	Customer
95	Rajeshwar Exports Private Limited	Receivables	(0.16)	(0.16)	Customer
96	Hanin Enterprises Private Limited	Receivables	(0.19)	(0.19)	Customer
97	M/s. Nile Logistics Pvt. Ltd.	Receivables	(0.03)	(0.03)	Customer
98	Norjimm Private Limited	Receivables	(0.05)	(0.05)	Customer
99	Abacsys Technologies Private Limited	Receivables	(0.11)	(0.11)	Customer
100	Precieux Diamond Manufacturing & Sorting Private Limited	Receivables	(0.02)	(0.02)	Customer
101	Shubharatna Gems & Jewells Private Ltd.	Receivables	(0.03)	(0.03)	Customer
102	Microland Limited	Receivables	(0.10)	(0.05)	Customer
103	Xoriant Solutions Pvt Ltd Unit 1	Receivables	(0.28)	(0.38)	Customer
104	Xoriant Solutions Private Limited Unit 2	Receivables	(0.28)	(0.39)	Customer
105	Hilado Spintex Private Limited	Receivables	(0.05)	(0.05)	Customer
106	H And R Block India Pvt Ltd	Receivables	(0.15)	(0.10)	Customer
107	Cyberpark Kozhikode	Receivables	(0.06)	(0.06)	Customer
108	Eternity Jewels	Receivables	(0.05)	(0.06)	Customer
109	Bombay Jewellery Manufacturers	Receivables	(0.24)	(0.55)	Customer
110	Powernet Technologies	Receivables	(0.03)	(0.03)	Customer
111	Interjewel Designs	Receivables	(0.22)	(0.22)	Customer
112	Quality 20/20	Receivables	(0.21)	(0.21)	Customer
113	Kbs Designs	Receivables	(0.11)	(0.11)	Customer
114	Fitco India	Receivables	(0.02)	(0.05)	Customer
115	Shreyas Packaging Industries	Receivables	(0.01)	(0.03)	Customer
116	Milak Warehouse	Receivables	(0.08)	(0.10)	Customer
117	Vishvajoti Packaging	Receivables	(0.05)	(0.06)	Customer
118	Medicare Industries	Receivables	(0.08)	(0.08)	Customer
119	Maruti Exports	Receivables	(0.05)	(0.09)	Customer
120	Sunrise Internationals	Receivables	(0.07)	(0.08)	Customer
121	Group Isource	Receivables	(0.02)	(0.01)	Customer
122	Rank International	Receivables	(0.04)	(0.04)	Customer
123	Milak Plastics Industries	Receivables	(0.08)	(0.11)	Customer
124	S C Chemicals	Receivables	(0.01)	(0.01)	Customer
125	Hindustan Celluloid & Plastic Industries	Receivables	(0.01)	(0.02)	Customer
126	Blossom Trading Corporation unit -II	Receivables	(0.02)	(0.02)	Customer
127	Ocean Power	Receivables	(0.09)	(0.04)	Customer
128	Shreeji Polymers	Receivables	(0.06)	(0.06)	Customer
129	Shell Export (Kandla)	Receivables	(0.01)	(0.01)	Customer
130	Shreeji Impex	Receivables	0.03	0.03	Customer
131	Gokul Overseas	Receivables	(0.30)	(0.34)	Customer
132	Sage Exports	Receivables	(0.10)	(0.03)	Customer



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Sr. No.	Name Of Struck Off Company	Nature of Transaction	Outstanding Balance		Relationship
			FY 2021-22	FY 2020-21	
133	Renny Exports	Receivables	(0.01)	(0.01)	Customer
134	India Exports	Receivables	(0.04)	(0.10)	Customer
135	Sterling Brassware	Receivables	(0.02)	(0.02)	Customer
136	Sahdev International	Receivables	(0.04)	(0.04)	Customer
137	Aqua Plus Global	Receivables	(0.12)	(0.09)	Customer
138	Shriyam Gems & Jewellery	Receivables	(0.04)	(0.04)	Customer
139	Mac Bmc India	Receivables	(0.01)	(0.01)	Customer
140	Narayan Exports	Receivables	(0.07)	(0.11)	Customer
141	Kohinoor International	Receivables	(0.03)	(0.03)	Customer
142	Ganpati Overseas	Receivables	(0.30)	(0.20)	Customer
143	Adinath Jewellery Exports	Receivables	(0.23)	(0.33)	Customer
144	Anagram Systems	Receivables	(0.03)	(0.03)	Customer
145	Shanta Trading Services	Receivables	(0.02)	(0.02)	Customer
146	M M Knitweaves	Receivables	(0.01)	(0.01)	Customer
147	Zenith International	Receivables	(0.16)	(0.09)	Customer
148	Trade Perfections	Receivables	(0.04)	(0.09)	Customer
149	Clairon Filters	Receivables	(0.06)	(0.05)	Customer
150	India Nets	Receivables	(0.22)	(0.07)	Customer
151	Gupta Infotech	Receivables	(0.04)	(0.04)	Customer
152	Lilavati Jewellery Works	Receivables	(0.02)	(0.02)	Customer
153	Stellar Jewelry A Div. Of S. Narendra	Receivables	(0.11)	(0.10)	Customer
154	Texwool Spinners And Clothing	Receivables	(0.02)	(0.06)	Customer
155	Neelam Metal Industries	Receivables	(0.02)	(0.02)	Customer
156	Texpoly Polymers	Receivables	(0.02)	(0.05)	Customer
157	Zalani Paper Mart	Receivables	(0.03)	(0.05)	Customer
158	Renew Plastics	Receivables	(0.02)	(0.02)	Customer
159	Ganga Impex Enterprise	Receivables	(0.13)	(0.03)	Customer
160	Quality Engineers	Receivables	(0.02)	(0.02)	Customer
161	DP Associates	Receivables	(0.02)	(0.02)	Customer
162	Anita Exports	Receivables	(0.03)	(0.03)	Customer
163	C-Tech Corporation	Receivables	(0.06)	(0.01)	Customer
164	A Star Export	Receivables	(0.01)	(0.01)	Customer
165	Freedom Fragrances	Receivables	(0.50)	(0.26)	Customer
166	Daval Jewels	Receivables	(0.01)	(0.01)	Customer
167	Nya International	Receivables	(0.23)	(0.23)	Customer
168	Shree Ganesh Exports	Receivables	-	(0.01)	Customer
169	Sai Lalith Fragrances	Receivables	(0.01)	(0.01)	Customer
170	Shriram Overseas	Receivables	(0.04)	(0.04)	Customer
171	K.J. Exports	Receivables	(0.01)	(0.01)	Customer
172	Planets F&B Park	Receivables	(0.10)	(0.10)	Customer
173	Gemni International	Receivables	(0.02)	(0.01)	Customer
174	Mahathi Software Private Limited	Receivables	(0.05)	(0.05)	Customer
175	V.S Brothers	Receivables	(0.02)	(0.02)	Customer
176	One World	Receivables	(0.03)	(0.02)	Customer
177	Vmt Systems India Private Limited	Receivables	(0.01)	(0.01)	Customer
178	RGN Global Enterprises	Receivables	(0.05)	(0.08)	Customer
179	Amrapali Exports	Receivables	(0.22)	(0.09)	Customer
180	Brij Jewels	Receivables	(0.03)	(0.04)	Customer
181	Saboo Trading Corporation	Receivables	(0.09)	(0.07)	Customer
182	Perfect Utilities	Receivables	0.05	0.05	Customer

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Sr. No.	Name Of Struck Off Company	Nature of Transaction	Outstanding Balance		Relationship
			FY 2021-22	FY 2020-21	
183	KG Exports	Receivables	(0.03)	(0.07)	Customer
184	Solar Exports	Receivables	(0.13)	(0.13)	Customer
185	Honey Mc Dew Gold Inc.	Receivables	(0.02)	(0.02)	Customer
186	Eros Crafts	Receivables	(0.02)	(0.03)	Customer
187	Kalyan Exporters And Importers	Receivables	(0.05)	(0.05)	Customer
188	Packwell Plastic & Packaging Industries	Receivables	(0.02)	(0.02)	Customer
189	Pioneer International	Receivables	(0.03)	(0.03)	Customer
190	S S Engineering Co	Receivables	(0.01)	(0.01)	Customer
191	Dharm Exim	Receivables	(0.02)	(0.02)	Customer
192	Shree Bhagwati Lubricant Industries	Receivables	(0.02)	(0.02)	Customer
193	Royal Exports	Receivables	(0.03)	(0.03)	Customer
194	Koelee Sportswear Inc	Receivables	(0.01)	(0.01)	Customer
195	M.B.Transformers	Receivables	(0.01)	(0.01)	Customer
196	Vetritel Minerals V.V.Minerals	Receivables	(0.01)	(0.02)	Customer
197	Rank International Trading Division	Receivables	(0.03)	(0.02)	Customer
198	A.K.Jewels	Receivables	(0.02)	(0.02)	Customer
199	Shree Namu Alloys	Receivables	(0.02)	(0.02)	Customer
200	India International	Receivables	(0.01)	(0.02)	Customer
201	Laxmi Impex	Receivables	(0.06)	(0.07)	Customer
202	JK Infotech	Receivables	(0.04)	(0.04)	Customer
203	Green Age Solutions	Receivables	(0.01)	(0.01)	Customer
204	Dovlin Healthcare	Receivables	(0.13)	(0.08)	Customer
205	G S R Industries	Receivables	(0.14)	(0.04)	Customer
206	Apex Lubricant	Receivables	(0.04)	(0.03)	Customer
207	Oswal Tradex	Receivables	(0.10)	(0.10)	Customer
208	Shree Nnansharda Jewellery	Receivables	(0.06)	(0.07)	Customer
209	Hitech Overseas	Receivables	(0.06)	(0.06)	Customer
210	Florence Export	Receivables	(0.02)	(0.02)	Customer
211	Global Partners India	Receivables	(0.02)	(0.02)	Customer
212	IT Gurus Software	Receivables	(0.04)	(0.04)	Customer
213	Regent Ropes	Receivables	(0.03)	(0.03)	Customer
214	Presto Industries Exports	Receivables	(0.02)	(0.06)	Customer
215	Manubhai Zaveri Exports	Receivables	(0.05)	(0.05)	Customer
216	N.P. Holdings	Receivables	(0.02)	(0.02)	Customer
217	Gujarat Textiles	Receivables	(0.03)	(0.03)	Customer
218	Mectronics Marketing Services	Receivables	(0.12)	(0.05)	Customer
219	Herbul Henna Export House	Receivables	(0.08)	(0.07)	Customer
220	Dwarka Das Seth Sez India Incorporation	Receivables	(0.08)	(0.08)	Customer
221	Bion Computers Pvt Ltd	Receivables	(0.02)	(0.02)	Customer
222	Vetritel Minerals (V.V. Minerals)	Receivables	(0.36)	(0.36)	Customer
223	Mukund Overseas	Receivables	0.01	0.01	Customer
224	Amtrade	Receivables	(0.03)	(0.03)	Customer
225	Endeavour Software Solutions	Receivables	(0.04)	(0.19)	Customer
226	Karmyogi Engineers	Receivables	(0.05)	(0.05)	Customer
227	Vision Technology	Receivables	(0.02)	(0.02)	Customer
228	Vaghani Inc.	Receivables	(0.03)	(0.03)	Customer
229	Home Fabrics Hassan	Receivables	(0.31)	(0.25)	Customer
230	M/S Krsna Minerals	Receivables	0.03	0.03	Customer
231	Superior Metal Overseas	Receivables	(0.02)	(0.02)	Customer
232	Sponte India	Receivables	(0.12)	(0.14)	Customer



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Sr. No.	Name Of Struck Off Company	Nature of Transaction	Outstanding Balance		Relationship
			FY 2021-22	FY 2020-21	
233	Universal Packaging	Receivables	(0.02)	(0.09)	Customer
234	Orbit Software	Receivables	(0.02)	(0.02)	Customer
235	VHN Diamonds	Receivables	(0.03)	(0.03)	Customer
236	Accumax Lab Technology	Receivables	(0.06)	(0.06)	Customer
237	Jenya	Receivables	(0.02)	(0.02)	Customer
238	Advantage Health Care Solutions	Receivables	0.02	0.02	Customer
239	Kinjal Exports	Receivables	(0.06)	(0.06)	Customer
240	Deepak Gems	Receivables	0.01	0.01	Customer
241	D Jewel	Receivables	(0.04)	(0.04)	Customer
242	Rocks Forever Inc	Receivables	(0.09)	(0.84)	Customer
243	Maurya International	Receivables	(0.11)	(0.03)	Customer
244	Shree Ashtavinayak Exports	Receivables	(0.02)	(0.02)	Customer
245	Gemplaza Company	Receivables	(0.05)	(0.05)	Customer
246	Soni International Jewelry Mfg.Co.	Receivables	(0.06)	(0.10)	Customer
247	Green Fire Exports	Receivables	(0.02)	-	Customer
248	Kapil Jewels & Art	Receivables	(0.01)	(0.02)	Customer
249	BML Gems And Jewellery	Receivables	(0.16)	(0.01)	Customer
250	Yashi Mfg Co	Receivables	(0.01)	(0.01)	Customer
251	Kaypee Exports	Receivables	(0.06)	(0.03)	Customer
252	Laxmi Ideal Interiors	Receivables	(0.26)	(0.26)	Customer
253	Rhea Industries	Receivables	(0.07)	(0.07)	Customer
254	Gem Trading Centre	Receivables	(0.05)	(0.07)	Customer
255	Cosmos Gems Exports	Receivables	(0.10)	(0.15)	Customer
256	Reliance Trading Corporation	Receivables	(0.04)	(0.04)	Customer
257	Kuber Gems Inc	Receivables	(0.07)	(0.07)	Customer
258	G S Paperindustries& Products	Receivables	(0.02)	(0.02)	Customer
259	Gallant Jewelry	Receivables	(0.50)	(0.24)	Customer
260	Kirat Crafts	Receivables	(0.01)	(0.02)	Customer
261	Gem Centre	Receivables	(0.13)	(0.06)	Customer
262	Ashok Jewels Unit-II	Receivables	(0.05)	(0.18)	Customer
263	Rajputana Beads Manufacturing Company	Receivables	(0.04)	(0.04)	Customer
264	A.M.Exports	Receivables	(0.06)	(0.02)	Customer
265	Koushal Exports	Receivables	(0.04)	(0.04)	Customer
266	Stone Beads International	Receivables	(0.30)	(0.29)	Customer
267	Sujata Exports	Receivables	(0.14)	(0.14)	Customer
268	Novitas Infotech	Receivables	(0.03)	(0.03)	Customer
269	Interjewel Design Trading Division	Receivables	0.04	0.04	Customer
270	Vedy Jewellery	Receivables	(0.01)	(0.01)	Customer
271	Shree Nath Gems	Receivables	(0.30)	(0.27)	Customer
272	S.K.Traders	Receivables	(0.13)	(0.15)	Customer
273	Vraj Diamond	Receivables	(0.01)	(0.01)	Customer
274	Vijeta Manufacturing	Receivables	(0.07)	(0.07)	Customer
275	Allianze Bpo International	Receivables	(0.03)	(0.08)	Customer
276	Super Gems	Receivables	(0.05)	(0.05)	Customer
277	SRG Impex	Receivables	(0.01)	(0.01)	Customer
278	Royal Rare Colours Stones	Receivables	(0.08)	(0.08)	Customer
279	MMG Impex	Receivables	(0.01)	(0.01)	Customer
280	Bhansali Trading Corporation	Receivables	(0.12)	(0.15)	Customer
281	Vishnu Export	Receivables	(0.16)	(0.26)	Customer
282	V.M. Maniyar Exports	Receivables	(0.06)	(0.02)	Customer

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Sr. No.	Name Of Struck Off Company	Nature of Transaction	Outstanding Balance		Relationship
			FY 2021-22	FY 2020-21	
283	Ark International	Receivables	(0.01)	(0.01)	Customer
284	Hi Klass Fashions	Receivables	(0.09)	(0.09)	Customer
285	Aarya Exim	Receivables	(0.04)	(0.04)	Customer
286	Bamalwa Jewels	Receivables	(0.04)	(0.04)	Customer
287	Prateek Gems	Receivables	(0.03)	(0.03)	Customer
288	H.Sherul& Co.	Receivables	(0.02)	(0.02)	Customer
289	Gebbs Unit 1	Receivables	(0.08)	(0.03)	Customer
290	Hindustan Oils Industries	Receivables	(0.03)	(0.04)	Customer
291	Neeraj Handicrafts & Packaging Industries	Receivables	(0.01)	(0.01)	Customer
292	Siddhi Vinayak Enterprises	Receivables	(0.04)	(0.02)	Customer
293	Punam Jewels & Beads Inc.	Receivables	0.04	0.04	Customer
294	Bead Maker Co.	Receivables	(0.09)	(0.09)	Customer
295	AC Impex	Receivables	(0.01)	(0.03)	Customer
296	Satya Stone Exports	Receivables	(0.14)	(0.17)	Customer
297	Shubh Exports	Receivables	(0.06)	(0.08)	Customer
298	Twist Digital Media	Receivables	(0.02)	(0.03)	Customer
299	Palmon Exports	Receivables	(0.03)	(0.03)	Customer
300	I Woxmart It Services Pvt. Ltd	Receivables	(0.22)	(0.22)	Customer
301	Datamatrix	Receivables	(0.06)	(0.06)	Customer
302	India Craft Loom	Receivables	(0.01)	(0.01)	Customer
303	Indian Allied Exports	Receivables	(0.15)	(0.15)	Customer
304	Indian Heritage Perfumers	Receivables	(0.17)	(0.03)	Customer
305	JB Enterprises Unit II	Receivables	(0.05)	(0.03)	Customer
306	Mmg Impex Unit - 2	Receivables	(0.04)	(0.04)	Customer
307	Exxotic Jewellery	Receivables	(0.12)	(0.12)	Customer
308	Content Management Solutions	Receivables	(0.03)	(0.04)	Customer
309	Crazy Studio Creations	Receivables	0.01	0.01	Customer
310	Bombay Jewellery Manufactures Unit II	Receivables	(0.28)	(0.11)	Customer
311	UKB Cords And Cable Export	Receivables	(0.04)	(0.04)	Customer
312	Ritu Overseas	Receivables	(0.07)	(0.07)	Customer
313	Tarmo It Services	Receivables	0.01	0.01	Customer
314	R. B. Industries	Receivables	(0.05)	(0.07)	Customer
315	Bhatia Software Technologies	Receivables	(0.01)	-	Customer
316	Nakoda Sales Corporation	Receivables	(0.07)	(0.04)	Customer
317	DJMC Exports	Receivables	(0.02)	(0.02)	Customer
318	Tarkesh Art Jewellers	Receivables	(0.15)	(0.25)	Customer
319	Pooja Overseas	Receivables	(0.06)	(0.08)	Customer
320	Varun International	Receivables	(0.09)	(0.09)	Customer
321	Dipi Enterprise	Receivables	(0.03)	(0.06)	Customer
322	G Metals Company	Receivables	(0.14)	(0.16)	Customer
323	Emerald Distributors	Receivables	(0.15)	(0.11)	Customer
324	Smd Rays	Receivables	(0.08)	(0.08)	Customer
325	Aryan International	Receivables	(0.06)	(0.07)	Customer
326	Shree Saibaba Petroleum	Receivables	(0.02)	(0.02)	Customer
327	Sumati Exports	Receivables	(0.05)	(0.05)	Customer
328	Deepak Acid And Chemical Industries	Receivables	(0.03)	(0.03)	Customer
329	Unique Tobacco Products	Receivables	(0.08)	(0.09)	Customer
330	A-One Jewellery	Receivables	(0.14)	(0.04)	Customer
331	Hoffensoft	Receivables	(0.06)	(0.04)	Customer
332	Gujeswori Apparels	Receivables	(0.01)	(0.03)	Customer



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Sr. No.	Name Of Struck Off Company	Nature of Transaction	Outstanding Balance		Relationship
			FY 2021-22	FY 2020-21	
333	Dsr Overseas	Receivables	(0.06)	(0.06)	Customer
334	Hashtag	Receivables	(0.10)	(0.10)	Customer
335	JP Horology	Receivables	(0.03)	(0.03)	Customer
336	Stash Barn Enterprises	Receivables	(0.01)	(0.02)	Customer
337	Goldmine Overseas	Receivables	(0.13)	(0.13)	Customer
338	TrendzInc	Receivables	(0.16)	(0.16)	Customer
339	Easy Warehousing	Receivables	(0.01)	-	Customer
340	Unitrade World	Receivables	(0.11)	(0.05)	Customer
341	Kishore Export House	Receivables	(0.13)	(0.17)	Customer
342	Ms Hub Shooting Sports	Receivables	(0.35)	(0.37)	Customer
343	Satya Pal Shiv Kumar	Receivables	(0.02)	(0.04)	Customer
344	Shlok Information Systems India Private Limited	Receivables	(0.04)	(0.02)	Customer
345	Beacon Infotech	Receivables	(0.34)	(0.36)	Customer
346	R.K. Exports	Receivables	(0.03)	(0.03)	Customer
347	Authentic Ocean Treasure	Receivables	(0.27)	(0.06)	Customer
348	Jmd International	Receivables	(0.09)	(0.09)	Customer
349	C Abhay Kumar And Company	Receivables	(0.06)	(0.07)	Customer
350	Innovate Polimer Company	Receivables	(0.01)	(0.01)	Customer
351	TexpolyImpex	Receivables	(0.12)	(0.25)	Customer
352	Gemni Food Equipments	Receivables	(0.08)	(0.01)	Customer
353	Gaga Exports	Receivables	(0.05)	(0.05)	Customer
354	Egnaro	Receivables	(0.05)	(0.05)	Customer
355	Divine Diamonds	Receivables	(0.16)	(0.16)	Customer
356	Shashwat Stainless Works	Receivables	(0.05)	(0.05)	Customer
357	Gemini Enterprises	Receivables	(0.09)	(0.02)	Customer
358	Lucent Innovation	Receivables	(0.02)	(0.02)	Customer
359	Soni International Jewelry Co.	Receivables	(0.16)	(0.16)	Customer
360	Rishi International India	Receivables	(0.12)	(0.17)	Customer
361	Renaissance Inc	Receivables	(0.09)	(0.09)	Customer
362	Kapoor Technology	Receivables	(0.30)	(0.03)	Customer
363	Ankita Overseas	Receivables	(0.28)	(0.05)	Customer
364	Parth Exports	Receivables	(0.06)	(0.08)	Customer
365	Sehar Overseas	Receivables	(0.09)	(0.09)	Customer
366	The Mindlabs	Receivables	(0.06)	(0.06)	Customer
367	San Enterprises	Receivables	(0.05)	(0.05)	Customer
368	Vimal Trading	Receivables	(0.03)	(0.05)	Customer
369	Super Ca India	Receivables	0.02	-	Customer
370	Rare Rocks	Receivables	(0.07)	(0.10)	Customer
371	S I Overseas Jewellers	Receivables	(0.01)	(0.01)	Customer
372	SPJ Exports	Receivables	(0.09)	(0.09)	Customer
373	Shivaay Jewels	Receivables	(0.34)	(0.27)	Customer
374	Metadata Technologies	Receivables	(0.03)	(0.03)	Customer
375	Neutec International	Receivables	(0.05)	(0.05)	Customer
376	Panama Overseas	Receivables	(0.05)	(0.03)	Customer
377	Bash Technologies	Receivables	(0.02)	(0.02)	Customer
378	S B Creation	Receivables	(0.01)	(0.01)	Customer
379	Hitech Mechtronics	Receivables	(0.05)	(0.06)	Customer
380	Vishwas Enterprises	Receivables	(0.05)	(0.05)	Customer
381	Dolphin Apparles	Receivables	(0.03)	(0.02)	Customer
382	Kay Salizar	Receivables	(0.05)	(0.05)	Customer

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Sr. No.	Name Of Struck Off Company	Nature of Transaction	Outstanding Balance		Relationship
			FY 2021-22	FY 2020-21	
383	Rolon Seals International	Receivables	(0.08)	(0.09)	Customer
384	Il Global	Receivables	(0.07)	(0.05)	Customer
385	Aum Solvchem	Receivables	(0.04)	(0.09)	Customer
386	Adiinfo Solution And Services	Receivables	(0.04)	(0.04)	Customer
387	L N Jewels	Receivables	(0.06)	(0.09)	Customer
388	Aarna International	Receivables	(0.04)	(0.02)	Customer
389	Gie Colour Impex	Receivables	(0.06)	(0.06)	Customer
390	Jupiter Gems And Jewels	Receivables	(0.03)	(0.04)	Customer
391	Harsh Industries	Receivables	(0.06)	(0.11)	Customer
392	Plazma Mpcvd And Research Center	Receivables	(0.02)	(0.05)	Customer
393	Ambe International	Receivables	(0.01)	(0.01)	Customer
394	Discover Zero	Receivables	(0.05)	(0.05)	Customer
395	Shrine Technologies	Receivables	(0.05)	(0.01)	Customer
396	Godavari Chemicals	Receivables	(0.04)	(0.05)	Customer
397	Ganpati Overseas	Receivables	-	(0.05)	Customer
398	Isha Impex	Receivables	(0.07)	(0.02)	Customer
399	Ab Warehousing	Receivables	(0.04)	(0.05)	Customer
400	Cargo Care Agency	Receivables	(0.02)	(0.05)	Customer
401	Dole Logistics	Receivables	-	(0.01)	Customer
402	Renew Plastics Unit II	Receivables	(0.02)	(0.01)	Customer
403	DJ Creation	Receivables	(0.04)	(0.03)	Customer
404	A And I Exim	Receivables	(0.06)	-	Customer
405	Rehan Jewels	Receivables	(0.05)	(0.09)	Customer
406	Sunrise Internationals Unit II	Receivables	(0.04)	(0.04)	Customer
407	Shree Ganesh Export	Receivables	(0.02)	(0.02)	Customer
408	Vacation Me Developers	Receivables	(0.05)	(0.05)	Customer
409	Jmbm Warehousing	Receivables	(0.03)	(0.04)	Customer
410	Nimex Trading Corporation	Receivables	(0.04)	(0.05)	Customer
411	V Unit	Receivables	(0.16)	(0.16)	Customer
412	Sai Krishna Logistics	Receivables	(0.01)	(0.15)	Customer
413	Shriji Overseas	Receivables	(0.06)	(0.01)	Customer
414	JSD Foods And Beverages	Receivables	(0.02)	(0.05)	Customer
415	Mango Tree Warehouse	Receivables	(0.06)	-	Customer
416	Shri Guru Shipping And Logistics	Receivables	(0.01)	-	Customer
417	Texpoly Polymers Unit II	Receivables	(0.05)	-	Customer
418	Axiogen Bio Tech	Receivables	0.06	-	Customer
419	Norm International	Receivables	(0.03)	-	Customer
420	Scalexuss Aero Solutions	Receivables	(0.02)	-	Customer
421	F N Impex	Receivables	(0.01)	-	Customer
422	Avm Engineering Service	Receivables	0.05	-	Customer
423	I C Rawal And Co	Receivables	0.06	-	Customer
424	Business Excellence Trust Iv G	Receivables	0.01	-	Customer
425	Eco Plastics	Receivables	(0.03)	-	Customer
426	Surabhi Imports And Exports	Receivables	0.05	-	Customer
427	Pandara Trust	Receivables	0.12	0.06	Customer

**Note 41 :** The Code on wages 2019 and Code on Social Security, 2020 (“the Codes”) relating to employee compensation and post-employment benefits that received Presidential assent have not been notified further the related rules for quantifying the financial impact have not been notified. The Group will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Code becomes effective.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

**Note 42 :** The management has, at the time of approving the financial Statements, assessed the potential impact of the COVID-19 on the Group. Based on the current assessment, the management is of the view that impact of COVID-19 on the operations of the Group and the carrying value of its assets and liabilities is minimal.

**Note 43 :** Previous year's figures have been regrouped and reclassified wherever necessary.

For and on behalf of the Board of Directors

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

Sd/-  
**Padmaja Chunduru**  
Managing Director and CEO  
DIN:08058663

Sd/-  
**Chandresh Shah**  
Chief Financial Officer

Sd/-  
**Nikhil Arya**  
Company Secretary  
A42548

Place : Mumbai  
Date : 26th May, 2022



# NSDL Database Management Limited



Annual Report 2021-22



# CONTENTS

## CORPORATE OVERVIEW

173-174

Board of Directors

173

Our Team

174

## STATUTORY REPORTS

175-207

Notice

175

Director's Report

181

Report on CSR Activities

201

Form No. MR-3

204

## FINANCIAL STATEMENTS

208-256

Independent Auditor's Report

208

Balance Sheet

217

Statement of Profit & Loss

218

Cash Flow Statement

219

Statement of Changes in Shareholder's Equity

221

Notes

222

## BOARD OF DIRECTORS



**MR. P. P. VORA\***  
Former Chairman & Managing Director  
of Industrial Development Bank  
of India Limited



**MR. C. M. VASUDEV**  
Former Secretary  
Ministry of Finance



**MS. PADMAJA CHUNDURU**  
Managing Director & CEO  
National Securities Depository Limited



**MR. SAMAR BANWAT**  
Director

\*Mr. P. P. Vora ceased to be Director of the Company due to his sad demise on August 5, 2022



## OUR TEAM



**MR. VIJAY GUPTA**  
Senior Vice President



**MS. HARSHADA CHAVAN**  
Senior Vice President



**MR. HAMID ARIF**  
Assistant Vice President



**MR. RAJESH KUMAR S**  
Vice President



**MS. VAISHALI VAIDYA**  
Chief Financial Officer

### STATUTORY AUDITORS

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

### INTERNAL AUDITORS

M/s. Mahajan & Aibara, Chartered Accountants  
B-Wing, 2nd Floor, Mafatlal Chambers,  
N. M. Joshi Marg, Lower Parel (East),  
Mumbai - 400 013

### SECRETARIAL AUDITOR

Mr. Ashish Garg, Practicing Company Secretary  
107, Gold Arcade, 3/1, New Palasia,  
Opp. Curewell Hospital, Indore (MP) - 452 003

### BANKERS

Citibank N.A., Corporation Bank Limited,  
HDFC Bank Limited, ICICI Bank Limited, IDBI Bank Limited,  
Axis Bank Limited, NSDL Payment Bank Limited,  
Kotak Mahindra Bank, State Bank of India

### CHIEF FINANCIAL OFFICER

Ms. Vaishali Vaidya

### COMPANY SECRETARY

Mr. Nikhil Arya

### REGISTERED OFFICE

4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai- 400 013,  
**CIN:** U72400MH2004PLC147094, **Tel No.:** 91-22-49142700, **Fax No.:** 91-22-49142503,  
**e-mail:** info\_ndml@nsdl.co.in **Website:** www.nsdl.co.in | www.ndml.in

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## NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of NSDL Database Management Limited will be held on Wednesday, September 21, 2022 at 4:00 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

### ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2022, Profit and Loss Account and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon**
- 2. To declare Final Dividend on equity shares for the financial year ended March 31, 2022**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** final dividend at the rate of ₹ 2 per share on the equity capital of the Company for the year ended March 31, 2022 be paid to those shareholders whose names appear on the register of members, as on record date."

- 3. To appoint a Director in place of Ms. Padmaja Chunduru (DIN:08058663), who retires by rotation and being eligible, offers herself for re-appointment**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of Members of the Company be and is hereby accorded for re-appointment of Ms. Padmaja Chunduru (DIN:08058663) as a Director."

- 4. To re-appoint Statutory Auditors of the Company for the second term of five years and to fix their remuneration**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 139 and 142 and other applicable provisions of the Companies

Act, 2013, M/s Khandelwal Jain & Co., Chartered Accountants, Mumbai (Registration No. 105049W) having offered themselves for re-appointment, be and are hereby re-appointed as the Statutory Auditors of the Company for the second term of five years to hold office from the conclusion of the 18th Annual General Meeting till the conclusion of the 23rd Annual General Meeting of the Company."

**RESOLVED FURTHER THAT** approval be and is hereby accorded for payment of audit fee of ₹ 10,00,000/- per annum (inclusive of fee for statutory audit, limited review, tax audit excluding GST and out of pocket expenses which will be charged on actual basis for financial year 2022-23 and the Board of Directors be and are hereby authorized to fix and pay the statutory fee and other charges, such other terms of appointment as may be deemed fit for the remaining tenure."

### SPECIAL BUSINESS:

- 5. Appointment of Mr. Vijay Gupta as Manager**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof) read with Schedule V of the Companies Act, 2013, the approval of the Members be and is hereby accorded for appointment of Mr. Vijay Gupta, Senior Vice President as Manager (Key Managerial Personnel) of the Company w.e.f. June 14, 2022 up to June 13, 2023 or the date on which new Managing Director & CEO reports at the office, whichever is earlier.

**RESOLVED FURTHER THAT** the existing remuneration of Mr. Vijay Gupta shall remain same.

**RESOLVED FURTHER THAT** Mr. Vijay Gupta be and is hereby delegated with substantial authorities in order to discharge his function as a 'Manager'.

**RESOLVED FURTHER THAT** any Director or Chief Financial Officer or Company Secretary be and are hereby severally authorized to take such steps as



may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

**6. Appointment of Mr. Sameer Gupte as Managing Director & CEO**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

“**RESOLVED THAT** pursuant to Section 196, 197 and 203 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and Schedule V of Companies Act, 2013 (“the Act”) and

other applicable provisions if any, as amended from time to time and Article 165 of Articles of Association of the Company, subject to such modifications, variations as may be approved and acceptable, approval of shareholders be and is hereby accorded for appointment of Mr. Sameer Gupte (DIN:09693508) as MD & CEO of the Company for a period of 3 years w.e.f. November 18, 2022, without being liable to retire by rotation and payment of remuneration as detailed in the explanatory statement annexed hereto.

**RESOLVED FURTHER THAT** any Director or Chief Financial Officer or Company Secretary be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

**By Order of the Board of Directors  
For NSDL Database Management Limited**

Registered Office:  
4<sup>th</sup> Floor, 'A' Wing, Trade World,  
Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel (West)  
Mumbai- 400 013

Date : August 2, 2022  
Place : Mumbai

Sd/-  
**Nikhil Arya**  
Company Secretary  
Membership No. A42548

**NOTES:**

1. In accordance with, the General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 2/ 2021 dated January 13, 2021, the latest being General Circular No. 2/2022 dated May 5, 2022 have allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) till December 31, 2022. In accordance with the said circulars of MCA and applicable provisions of the Act, the 18th AGM of the Company shall be conducted through VC / OAVM.
2. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company located at 4th Floor, "A" Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (W), Mumbai – 400 013, which shall be the deemed venue of the AGM.
3. Members (Institutional / Corporate Shareholders) are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representative(s) to attend the AGM through VC/OAVM and to vote in its behalf, pursuant to Section 113 of the Act, at [nikhila@nsdl.co.in](mailto:nikhila@nsdl.co.in)

**ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:**

4. In accordance with, Circular issued by MCA, Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
5. Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participants. In case of any queries/difficulties in registering the e-mail address, Members may write to the Company Secretary at [nikhila@nsdl.co.in](mailto:nikhila@nsdl.co.in)
6. The Notice of AGM along with Annual Report for the financial year 2021-22, is available on the website of the Company at [www.ndml.in](http://www.ndml.in)

**PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:**

7. Members will be able to attend the 18th AGM through VC/OAVM Facility. For this purpose, please download

BlueJeans app from Google Play Store/iOS App store or from this link (<https://www.bluejeans.com/downloads>). Post installation of BlueJeans app on your device, please use this link <https://bluejeans.com/7863494611/4588> to join the said meeting.

8. For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM.
9. Members who need assistance with the use of technology for joining the AGM through VC/OAVM can contact the Company Secretary at the below mentioned details:  
  
Mr. Nikhil Arya  
Company Secretary  
Mobile no - +919766661056  
Email id: [nikhila@nsdl.co.in](mailto:nikhila@nsdl.co.in)
10. Please note that the participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
11. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

**PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:**

12. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings at the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, email ID, mobile number to the Company Secretary at [nikhila@nsdl.co.in](mailto:nikhila@nsdl.co.in). Queries, if any received by the Company till 5.00 p.m. on September 20, 2022 shall only be considered and responded during the AGM.
13. Members who would like to express their views or ask questions during the AGM may raise their hands as per the functionality available on the BlueJeans VC application, however the Company reserves the right to restrict the number of questions and number speakers, as appropriate for smooth conduct of the AGM.

**GENERAL INFORMATION:**

14. The voting rights shall be as per the number of equity shares held by the Member(s) as on AGM date, being the cut-off date.



15. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection, on request.
16. The Board of Directors has recommended final dividend of ₹ 2 per Equity Share for the Financial Year ended March 31, 2022 subject to approval of shareholders at the AGM.
17. If Dividend on Equity Shares, as recommended by the Board, is declared at the AGM, it will be paid within 30 days from the date of declaration to all Beneficial Owners/ Members in respect of shares held and whose names are on the Company's Register of Members.
18. The date of Annual General Meeting of the Company shall be considered as the record date for identifying the shareholders entitled for dividend for the financial year ended March 31, 2022.
19. As per the Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 at applicable rates and as such the Company is not required to pay any Dividend Distribution Tax.
20. Members holding shares in dematerialised form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
21. To support 'Green Initiative', Members who are holding shares in physical forms are requested to register their email address with the Company.

#### **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item No. 5: Appointment of Mr. Vijay Gupta**

In view of the resignation of Mr. Madhusudhan ML as Managing Director & CEO w.e.f. close of business hours of June 13, 2022 and to ensure continuity of operations and pursuant to recommendations of the Nomination & Remuneration Committee, the Board at its meeting held on May 23, 2022 approved the appointment of Mr. Vijay Gupta, Senior Vice President as Manager

(Key Managerial Personnel) in terms of Section 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 w.e.f. June 14, 2022 up to June 13, 2023 or the date on which new Managing Director & CEO reports at the office in, whichever is earlier and delegated various powers required for uninterrupted operations of the Company.

In accordance with the provisions of Sections 196, 197 & other applicable provisions of the Act, read with Schedule V to the said Act, the proposed appointment require approval of members by passing Ordinary Resolution. Hence, the members are requested to pass the Ordinary Resolution accordingly.

Therefore, the Board of Directors of your Company recommends the passing of Ordinary Resolution as set out at Item No. 5 of the Notice.

Except Mr. Vijay Gupta, none of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in passing of resolution as set out in Item No. 5 of the notice.

##### **Item No. 6: Appointment of Mr. Sameer Gupte as Managing Director & CEO**

The Nomination & Remuneration Committee (NRC), through circular resolution on August 02, 2022 recommended appointment of Mr. Sameer Gupte to the Board. The Board, at its meeting held on August 02, 2022, approved the appointment and remuneration of Mr. Sameer Gupte, Managing Director & CEO of the Company, without being liable to retire by rotation for a period of 3 years w.e.f. November 18, 2022 as recommended by the NRC in terms of Section 197, 198, Schedule V in accordance with the applicable provisions of Companies Act, 2013.

The terms and conditions of appointment of Mr. Sameer Gupte in the Company are as follows:

1. Salary and allowances will be as per Annexure.
2. The Company will be entitled to deduct from the payment due, applicable taxes and statutory levies and any dues payable to the Company.
3. Staff Rules and Regulations and Code of Ethics framed by the Company from time to time will be applicable.
4. If any statement, declaration or information provided to the Company is at any time found to be false or untrue or if any material particular is suppressed, the

services are liable to be terminated forthwith without any notice or compensation in lieu thereof.

5. The notice period will be three months' from either side.
6. The services are liable to be terminated forthwith

without any notice or compensation or in the alternative, and shall be liable to disciplinary action and imposition of penalty in accordance with the Company Staff Rules if the Company receives information that the Candidate had, prior to joining the company's services, committed any act of misconduct which, in the opinion of the Company renders unfit to serve in the Company.

#### Annexure

The MD & CEO shall be entitled to a Fixed CTC of ₹ 93,37,452 per annum. The detailed break-up of salary components is as follows:

1. Basic Pay: The MD & CEO shall be entitled to a basic pay of ₹ 2,53,410/- per month.
2. Special Allowance: 85% of the Basic Pay per month.
3. House Rent Allowance: 50% of the Basic Pay per month. No housing accommodation will be provided by the Company.
4. A company car with driver or re-imbursement of expenses subject to a ceiling of ₹ 8,40,000/- per annum.
5. Annual Performance Linked Incentive (PLI) as may be determined by the Nomination & Remuneration Committee /Board.
6. Annual increments to be decided by the Nomination & Remuneration Committee/Board.
7. Medical benefits equal to one month's basic per annum for self, spouse and dependent children.
8. Leave Travel Allowance of one month's basic pay for each year of service.
9. Group Medclaim, Group Personal Accident and Term Life Insurance cover will be as per the company's Insurance policy.
10. Company's contribution to Provident Fund would be made at the rate of 12% of basic pay. Gratuity is payable as per rules of the company.
11. Superannuation benefit of 15% of basic salary will be contributed by NDML to his Superannuation account.
12. Leave Encashment will be reimbursed as per Staff Rules of the Company.
13. Telephone and internet facility at the residence.
14. The MD & CEO shall also be entitled to such other benefits as are made available by the Company to members of the staff from time to time.

#### Joining Bonus:

Will be eligible for the following deferred income. All payments are subject to applicable tax

- ₹ 18,50,000/- in the month of Nov 2022 as Joining Bonus.
- In case of resignation before completion of 1 year, entire amount of ₹ 18,50,000/- will be recovered on gross basis.
- In case of resignation after completion of 1 year but before completion of two years, 50% of the joining will be recovered.

Further, pursuant to the provisions of Sections 117(3), 197, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013, the said terms & conditions of remuneration is placed for the approval of the Shareholders.

The Company has received from Mr. Sameer Gupte: (i) Consent in writing to act as Managing Director & CEO in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act.

Therefore, the Board of Directors of your Company recommends the passing of Ordinary Resolution as set out at Item No. 6 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in passing of resolution a set out in Item No. 6 of the notice.

By Order of the Board of Directors  
For NSDL Database Management Limited

Registered Office:  
4<sup>th</sup> Floor, 'A' Wing, Trade World,  
Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel (West)  
Mumbai- 400 013

Date : August 2, 2022  
Place : Mumbai

Sd/-  
**Nikhil Arya**  
Company Secretary  
Membership No. A42548



**Other Disclosure relating to Directors seeking appointment/ re-appointment as per Clause 1.2.5 of Secretarial Standards-2 on General Meetings**

<b>Name of Manager</b>	<b>Mr. Vijay Gupta</b>	<b>Mr. Sameer Gupte</b>
Category	Key Managerial Personnel	Key Managerial Personnel
Qualifications	Company Secretary and Cost Accountant	Master of Management Studies – Finance Bachelor of Engineering – Electronics
Date of Birth/Age	March 09, 1976/46 years	March 6, 1971 / 51 years
Experience	He is a qualified Company Secretary and Cost Accountant and has over two decades of experience in leadership roles across Capital Markets, e-Governance, and Payment Systems in Management, Technology, Operations, Compliance, and Project Nurturing. His passion for digitization and automation, along with a mission to create systems that efficiently serve society and communities, give his profile a distinctly different dimension. His unique strength is aligning interests and stakeholders on a single platform for achieving a common goal.	Sameer is a business leader with around 26 years of experience, having around 22 years in the country's premier depository and its subsidiary & is now working with one of India's finest digital payments companies. He brings extensive exposure in handling end-to-end project management and has been involved in conceptualization, pilot demonstration, planning, executing, and monitoring several transformational initiatives. As part of the Government business, he was directly involved with response to the RFPs, competing with other fintech firms such as Razorpay, PayU, etc. Once won, his team manages all integration with government entities, including all deep technology integrations and system customisation as needed.
Terms & Conditions appointment or reappointment	Manager (Key Managerial Personnel)	Appointment will be for a period of 3 years w.e.f. November 18, 2022 on the terms and conditions as outlined in the above resolution and Item no. 6 of the Explanatory Statement annexed to the Notice.
Remuneration Details	Existing remuneration of Mr. Vijay Gupta shall remain same.	As detailed in the Explanatory Statement for Item no. 6 annexed to the Notice.
Date of first appointment on the Board	N.A.	N.A.
Shareholding in the Company	10 shares (nominee shareholder jointly with NSDL)	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None
Number of Board Meeting attended during the year 2021-22	N.A.	N.A.
List of other Directorship held	NIL	NIL
Chairman/Member of the Committees of Board of other Companies	NIL	N.A.
Chairman/Member of the Committees of Board of the Company	NIL	NIL

## DIRECTORS' REPORT

### for the Year ended 31st March, 2022

#### To the Members,

Your Directors are pleased to present the Eighteenth Annual Report along with the Audited Financial Statements of your Company for the Financial Year ended March 31, 2022.

#### FINANCIAL HIGHLIGHTS

The financial performance of the Company for FY 2021-22 is summarised in the following table:

(₹ in Lakh)

Particulars	March 31, 2022	March 31, 2021
Income from Operations	9,274.89	6,859.78
Other Income	1,285.31	1,246.71
<b>Total Income</b>	<b>10,560.20</b>	<b>8,106.49</b>
Expenditure	4,086.13	3,861.85
<b>Profit (Loss) before depreciation &amp; prior-period adjustment</b>	<b>6,474.07</b>	<b>4,244.64</b>
Depreciation	423.38	338.51
<b>Profit (Loss) before Tax</b>	<b>6,050.69</b>	<b>3,906.13</b>
Provision for Deferred Tax	(21.90)	(66.85)
Provision for Tax for earlier year	-	2.94
Provision for Tax	1,362.72	863.00
<b>Profit after Tax</b>	<b>4,709.87</b>	<b>3,107.04</b>
<b>Total Comprehensive Income</b>	<b>4,728.55</b>	<b>3,073.58</b>
Balance brought forward from previous year	14,000.93	11,537.85
Dividend paid	(915.75)	(610.50)
Profit / (Loss) carried to the Balance Sheet	17,813.73	14,000.93

#### OVERVIEW OF COMPANY AFFAIRS

During FY 2021-22 the Company continued on its journey to establish, evolve and grow business and operations and serve more use cases. The Company looks forward to supporting its customers with process automation, electronic integrated services, online customer interfaces and efficient channels of service resulting in transparency, efficiency, lower costs and better compliance.

Various segments under which the Company operates were impacted partially by lock-down during initial part of the year. The Company managed to operate its functions at full capacity during these conditions. The Company also developed operating and engagement models to assist the customers with models and features to perform their functions in a convenient manner and use NDML services. The Company expects to further expand the operations and revenues in its existing projects and leverage on the established cost structures so as to achieve better performance. The Company is also working on expanding its products portfolio to offer newer services to existing

and new market segments. This would create further diversification in business and revenue lines for the Company in the next few years. The company places significant focus on payments and financial market services as new areas of growth.

During the year, your Company achieved a top line of ₹ 10,560.20 Lakh resulting in a total comprehensive income of ₹ 4,728.55 Lakh. The Company has achieved an operating profit of ₹ 4,765.38 Lakh. The revenue expenditure for the year was ₹ 4,509.51 Lakh. The Company expects to further expand the operations and revenues in its existing projects and leverage on the established cost structures so as to achieve further improved performance.

During FY 2021-2022, your Company has worked towards expanding capabilities, skills and domain expertise in various product segments and has also focused on achieving higher operational and technical scale combined with excellence in the existing projects. Your Company has built capability and reputation in developing and operating products that offer the opportunity for delivering benefits of automation and process simplification to large user groups and are well managed, secure and compliant. Over the years, your Company has entered into various areas requiring database management, automation and end to end integration of services. Currently, the Company has ten projects viz. National Skills Registry (NSR) on behalf of NASSCOM (started in January 2006), SEZ Online on behalf of Ministry of Commerce and Industry (started in September 2009), KYC Registration Agency (KRA) (started in January 2012), NDML Payment Services Platform 'PayGov' on behalf of Ministry of Electronics and Information Technology (MeitY) (started in April 2012), Paper To Follow (P2F) on behalf of National Payments Corporation of India (started in April 2013), NSDL National Insurance Repository (NIR) (started in August 2013), Registrar and Transfer Agent (RTA) (started in May 2016), Instigo (started in July 2020), e-Sign Services (started in July 2020), NDML Academic Depository services (started in 2021).

The Company recognizes the environmental threats arising out of cyber risk and places utmost importance to the security of information and records of its clients. The company has put in place various systemic and operational controls to ensure cyber security protection for all its domains and the same are subjected to regular audits and reviews. The Company has also implemented ISO 27001 certification for its various projects to establish and implement best practices in information security and



controls. PCI DSS certification has been implemented in payment business to provide best-in-class security to financial information.

Your Company continues to engage with industry, regulators and government departments for opportunities for assisting in digitisation and process automation projects that can assist the citizens and policy makers using the technology capabilities of the Company.

#### **DIVIDEND**

The Board Board of Directors of your Company is pleased to recommend a dividend of ₹ 2.00 per equity share of the face value of ₹ 10/- each (i.e. 20%) for FY 2021-22 for consideration at the ensuing Annual General Meeting on 6,10,50,000 equity shares.

The total sum of dividend, if approved, would result in cash outflow of ₹ 1221.00 Lakh.

#### **TRANSFER TO RESERVES**

During the year under review, no transfer has been made to General Reserve.

#### **NAMES OF THE COMPANIES WHICH HAVE BECOME/ CEASED TO BE A SUBSIDIARY, JOINT VENTURE (JV) AND ASSOCIATE COMPANY DURING THE YEAR**

During the year under review, no Company has become or ceased to be a Subsidiary, Joint Venture (JV) and Associate

Company of your Company. As on March 31, 2022, your Company does not have any Subsidiary, JV or Associate Company.

#### **BUSINESS UPDATE**

##### **National Skill Registry (NSR) Project**

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

NSR as an industry model presents a good use case for “Employer – Employee – Job Applicant – Background



### Key Features



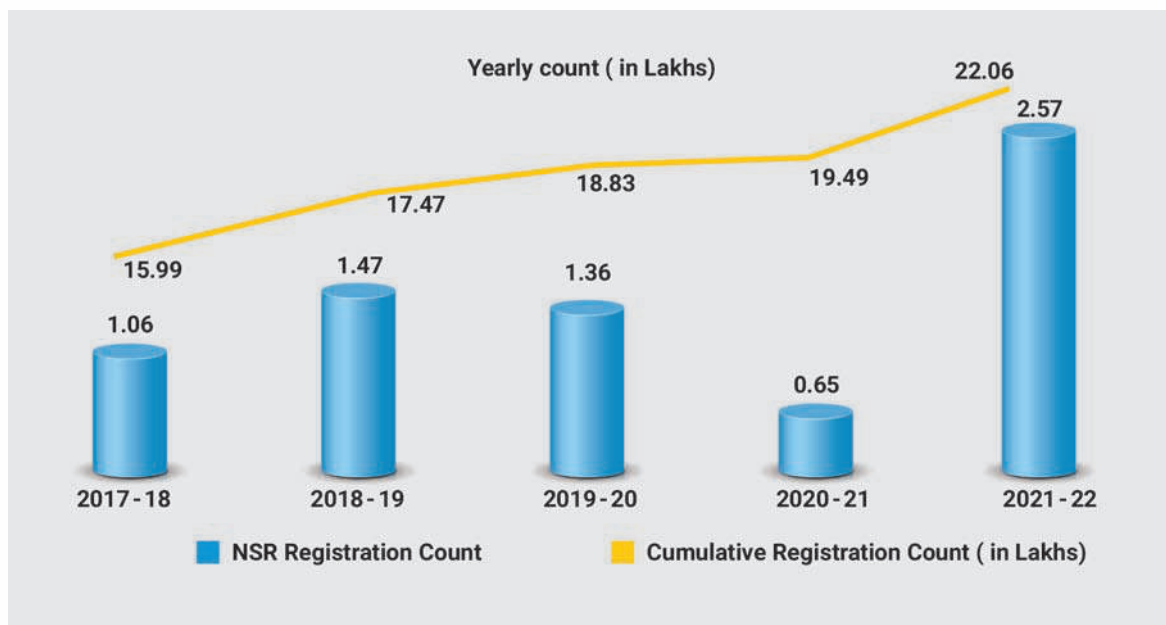
Checker” engagement and facilitate and strengthen recruitment and background check practices. This can be considered by other large industries also such as Retail, BFSI, e-Commerce etc.

As on March 31, 2022, 294 companies have joined NSR as “Subscriber” companies. These companies participate in NSR system by registering employees as well as by accessing information of registered professionals. These companies comprise of about 60 percent of the total employee strength in the Indian IT

/ ITes industry. A comparison of the hiring during the previous year with registrations in NSR, suggests that the registration with NSR is in line with the hiring trend of the industry.

So far 22.06 lakh Knowledge Professionals have registered on NSR and have been allotted IT Professional Identification Number (ITPIN). 2.57 Lakh Knowledge Professionals joined NSR in the financial year 2021 – 22. NSR undertook developments to make NSR registration process and post registration access easier for Knowledge Professionals.

### NSR 5 Year Performance





NSR gives multiple login options like Mobile One Time Password (OTP) based, Email OTP based, PAN based and Login Id based login apart from the traditional ITPIN and Login password based login. This has resulted in ease of NSR access to professionals. Further the process of KYC review and confirmation has also been significantly streamlined and time taken is reduced.

NDML & NASSCOM conducted continued empanelment exercise for 19 background checkers empaneled (EBC) on NSR in the year 2021-22. As per the recommendation of the NSR Steering Committee 5 EBCs were categorized as Platinum partners, 10 were categorized as Gold and 3 were categorized as Silver partners. 1 background checker was de-empaneled.

NSR continues to look forward to exploring more use cases where NSR; “as a central platform for the employers & employees” can be used to serve further needs of the industry and assist them in furthering their mutual interests.

### SEZ Online Project

NDML has developed SEZ Online service as per the agreement with Department of Commerce, Ministry of Commerce & Industry (MOCI). SEZ online is a nationwide integrated e - governance solution for facilitating processing of various transactions of SEZ developers, Co-developers, Units with SEZ administration. The system facilitates Uniform Validations and Processes across

all Zones / Units, Electronic filing & processing, Transparency in Government transactions and Internet based Access and Use from Anywhere for Convenience.

### SEZ Online Supports following important processes in SEZ Functioning:

- Setting Up a new SEZ in the country with approvals from DC Office & Department of Commerce
- Setting Up a Manufacturing / Trading / Service / FTWZ Unit in the SEZ
- Other approvals such as Letter of Undertaking, Commencement of Production, Lease Deed, LOA and various other permissions
- Submission and approvals of Import / Exports / DTA Clearances / Inter & Intra SEZ Transactions in Goods & Services with online approvals & examination by SEZ / Custom Officers

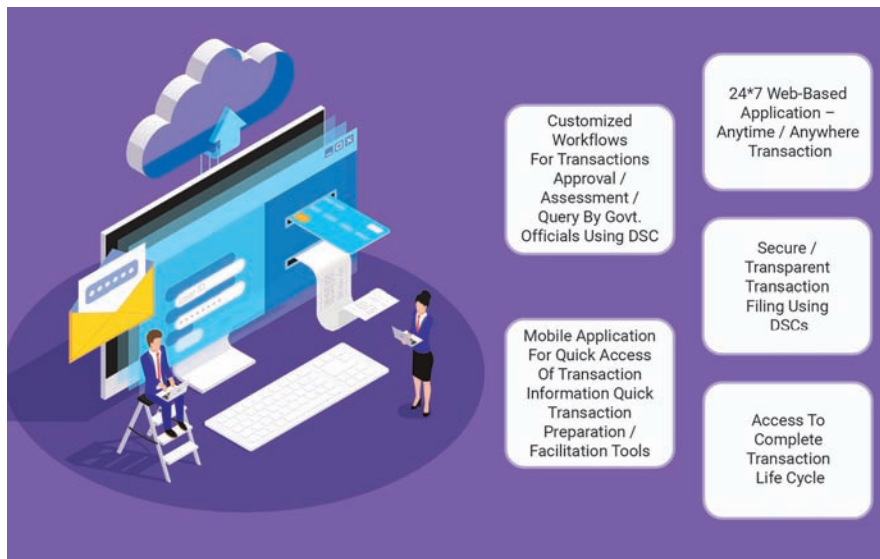
### SEZ Online has completed twelve years of successfully operations. As on March 31, 2022:

- 6,000+ SEZ Units and 450+ SEZ Developers/ Co-Developers are registered on SEZ Online system
- During FY 2021-22, 400+ Units/Developers/ Co- Developers got registered

System is successfully integrated with eco-system partners viz. ICEGATE, RBI, GSTN, DGFT, Bullion Depository at GIFT IFSC, DGH, DGCI&S for facilitating seamless, secure and paperless transaction processing



### Key Features



at various ends. System is also being used by DRI, CAG and various govt. agencies for understanding and auditing SEZ transactions.

System also provides for comprehensive reports repository providing reporting services to MOCI, DC offices, Trade Associations and audit purposes to DRI, CAG etc.

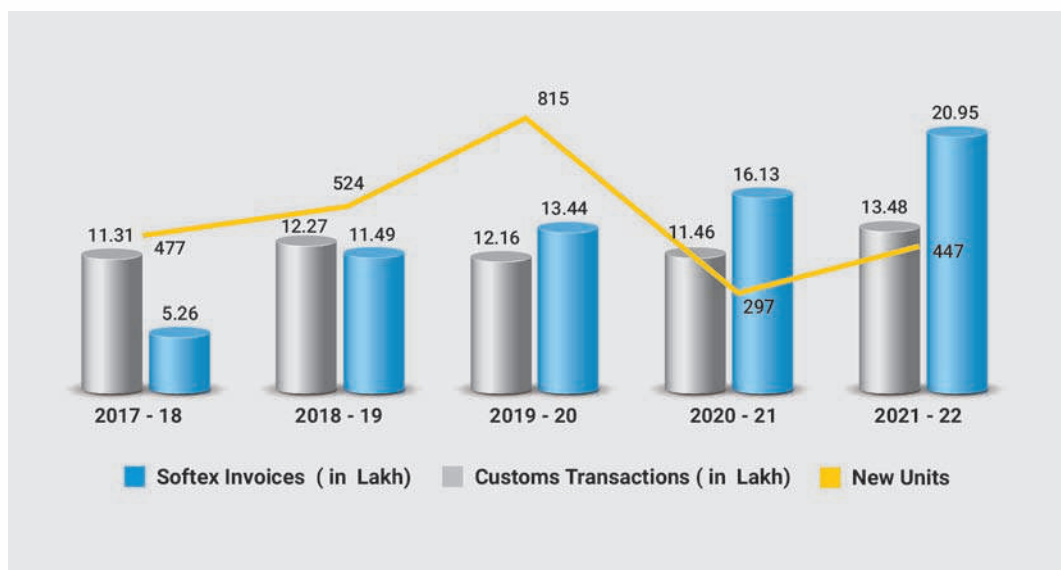
During FY 21 – 22, as the SEZ system completed 12 years of functioning and established 100% implementation across all SEZs. SEZ is hugely appreciated & continue to witness user interest, this will generate more opportunities for services to the sector. SEZ MoU with Department of Commerce has

been renewed and extended till Sept 2026.

Various important system upgrades from technology and functional stand-point were achieved in FY 21-22 so as to meet needs of users, changes in regulatory requirements and also to make the system more efficient, user friendly and secure. A mobile app has also been introduced to facilitate the Customs officers to verify the cargo while being on the field.

During the year SEZs reported robust export performance at ₹ 9.90 lakh crores (up from ₹ 7.59 lakh crore in previous year).

### SEZ 5 Year Performance





### KYC Registration Agency (KRA)

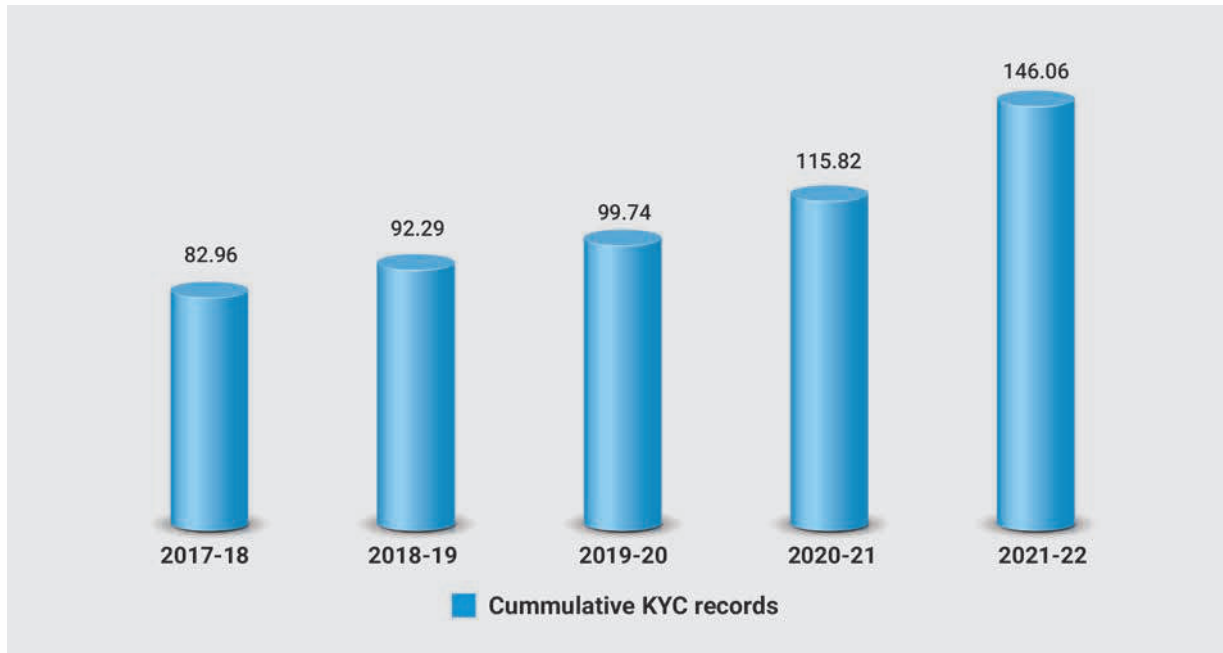
Your Company is registered with the Securities & Exchange Board of India (SEBI) as KYC Registration Agency. With a view to bring uniformity in the KYC requirements in the securities markets, SEBI has stipulated uniform KYC requirements to

be adopted by all SEBI registered market intermediaries for their clients and has also issued the SEBI {KYC (Know Your Client) Registration Agency (KRA)}, Regulations, 2011. These Regulations create the framework for sharing of KYC records amongst SEBI registered intermediaries.

### Key Features

Secure And Easy KYC Process	Centralized KYC Data Storage	Standard KYC Process And Documentation
Access And Usage Audit Trail Fully Mapped	2 Factor Authentication	Data Usage Authorised As Per SEBI Regulations
One-Time KYC Across All Accounts	24/7 System Access To Registered Intermediaries	Cyber Security Principles Implemented
Robust Disaster Recovery BCP Plans	Quick Customer Onboarding & KYC at a very small cost	Secure and compliant KYC Process

### KRA 5 Year Performance



NDML KRA is facilitating inquiry of KYC status and download of KYC information to intermediaries through various interfaces including Application Programming Interface (API). KRA works like a depository of KYC records and facilitates single point of updation and access for investors and intermediaries. KRA is a progressive initiative implemented in India and attracts interest from various countries to benefit from its investor & market friendly features and compliance assurance support premise.

Your Company has also established connectivity with other KRAs thereby facilitating intermediaries registered with NDML KRA to download KYC information available with other KRAs.

New client onboarding is now supported with online KYC processes as per SEBI guidelines in this regard. NDML KRA has accordingly aligned its processes to support digital KYC records.

SEBI KRA Regulations, 2011, have been amended in January 2022 to provide for Validation of KYC records by KRAs, Seamless integration between systems of Intermediaries and KRAs, Maintenance of Audit Trail of KYC records. These regulatory changes re-affirm and strengthen the role of the KRAs for maintaining KYC records and performing independent validation on such records. SEBI also intends to strengthen regulatory oversight over working of KRA system and develop uniformity in processes followed for validations. The necessary systemic developments are in

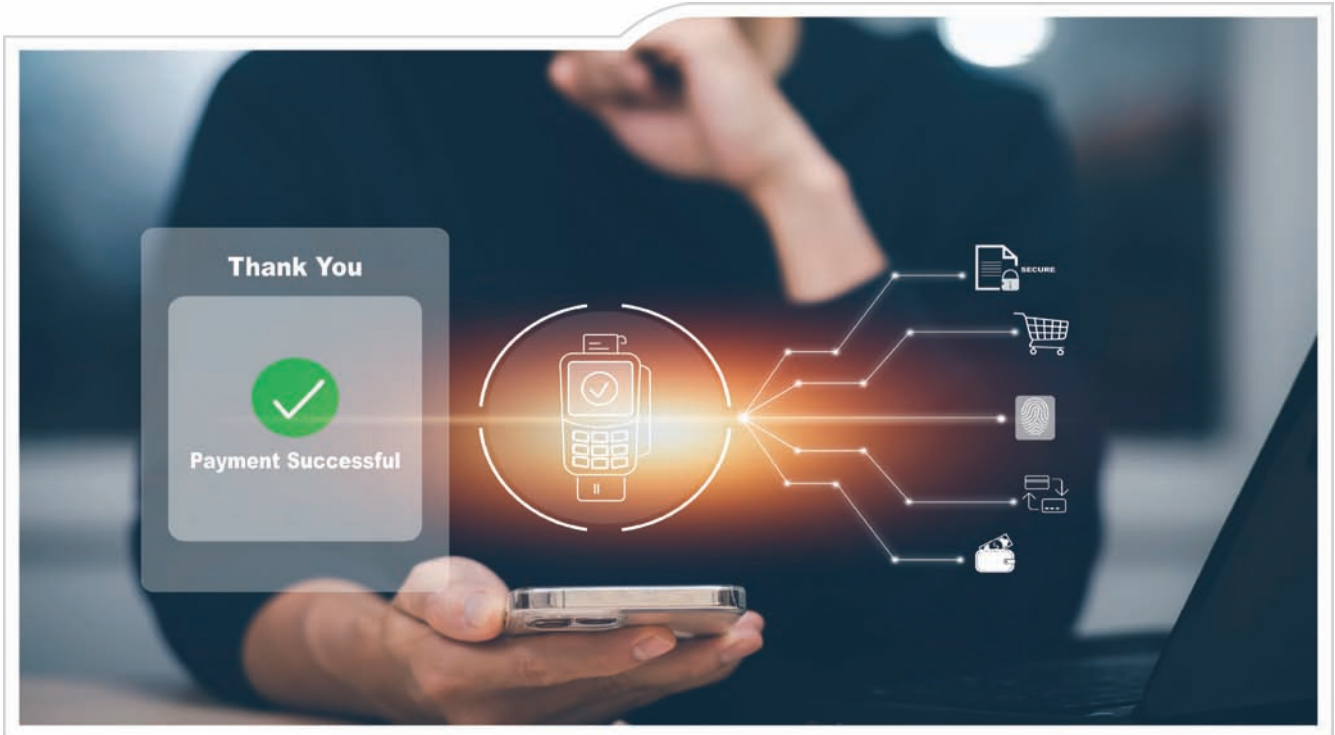
progress at NDML to effectively implement the changes in SEBI KRA Regulations.

As on March 31, 2022, NDML KRA supports more than 1500 SEBI Registered Intermediaries and holds over 145 lakh KYC records.

#### **National Payment Services Platform (PAYGOV)' Established Under National E-Governance Plan (NEGP)**

Ministry of Electronics & Information Technology (MeitY), Government of India (GoI) under its National e-Governance Plan (NeGP) has engaged NDML to assist Government Departments in collecting online payments from Citizens for various Government services through digital collection modes. Initially the technical and processing infrastructure for providing these services was sourced from third party, but in last two years NDML has built its own technical & processing infrastructure to provide services as Payment Aggregator.

As a centrally sponsored scheme from Govt. of India, PayGov is part of NeGP of MEITY and is advised by MEITY to all Central / State Govt. departments for extending online payment services to the citizens. As the focus for e-Governance and online delivery of services expands, PayGov would continue to support the Govt. in expanding the reach. PayGov is discovering new use cases such as Aadhaar enabled Payment System for Govt. services, connect with CSC, UPI123 to push the agenda of digital payments forward.

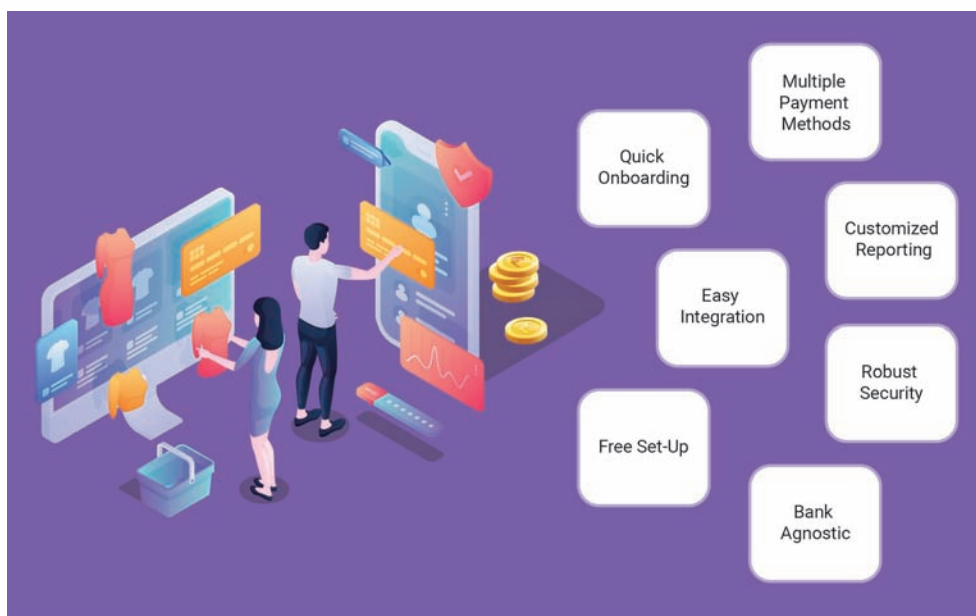


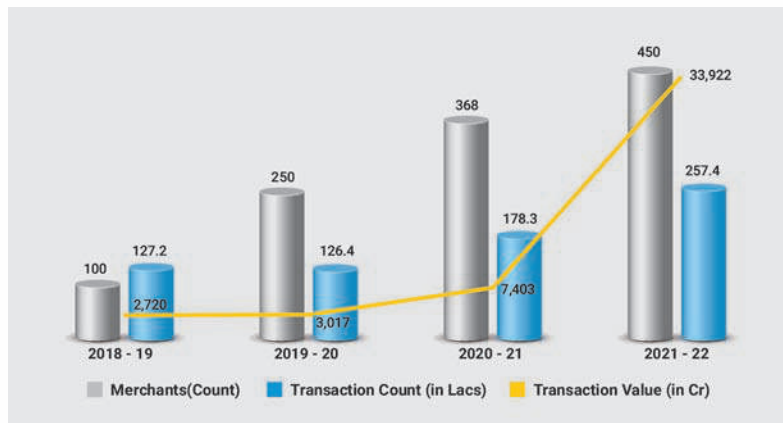
NDML Payments Services are provided under the brand name as “PayGov India” and “SurePay”. NDML is connecting with acquirer & issuer banks to facilitate last mile connectivity for payment processing. The PayGov India platform is providing an omni channel digital payment acceptance through Credit Cards, Debit Cards, Internet Banking, Unified Payment Interface (UPI), eWallets, NEFT /

RTGS / IMPS, AePS (Aadhar enabled payment system) and Link based payments. NDML platform is ISO 27001 Certified for compliance to information security controls and practices and is also certified under PCI DSS for protection of sensitive financial information.

In order to comply with RBI guidelines and regulations for

### Key Features





non-banking Payment System Operators, NDML has applied to RBI for the 'Payment Aggregator' license to act as a full time Payment Aggregator and a regulated entity.

PayGov India has successfully processed & settled 266 lakh transactions in FY 2021-22, highest ever in a single fiscal and observed 48% growth in total transaction volume against previous year.

Processed and settled INR 33,811.39 Crores in FY/22, the highest ever and observed 355% growth in transaction value handled. NDML is further expanding its reach of operations from traditional e-Governance for government departments & ministries to Government run educational institutes, universities & colleges, urban local bodies, credit co-op societies, Insurance sectors & capital markets. Under the Payments Business, NDML is also working towards providing

the customized payment solutions to the central ministries or state ministries in order to have better user experience.

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

NDML is providing services to National Payments Corporation of India (NPCI) for establishing and managing 'Paper to Follow (P2F)' process of Grid Based Cheque Truncation System (CTS). NDML is managing P2F process at 154 centres across the country. This includes 64 MICR centres and 90 Non MICR centres. Due to Covid-19 Pandemic, NPCI had advised us to temporarily suspend the P2F centres so that mass gathering of bank staff can be avoided.

**NSDL National Insurance Repository (NIR)**

Insurance Regulatory and Development Authority of India (IRDAI) guidelines paved way for electronic





### Key Features



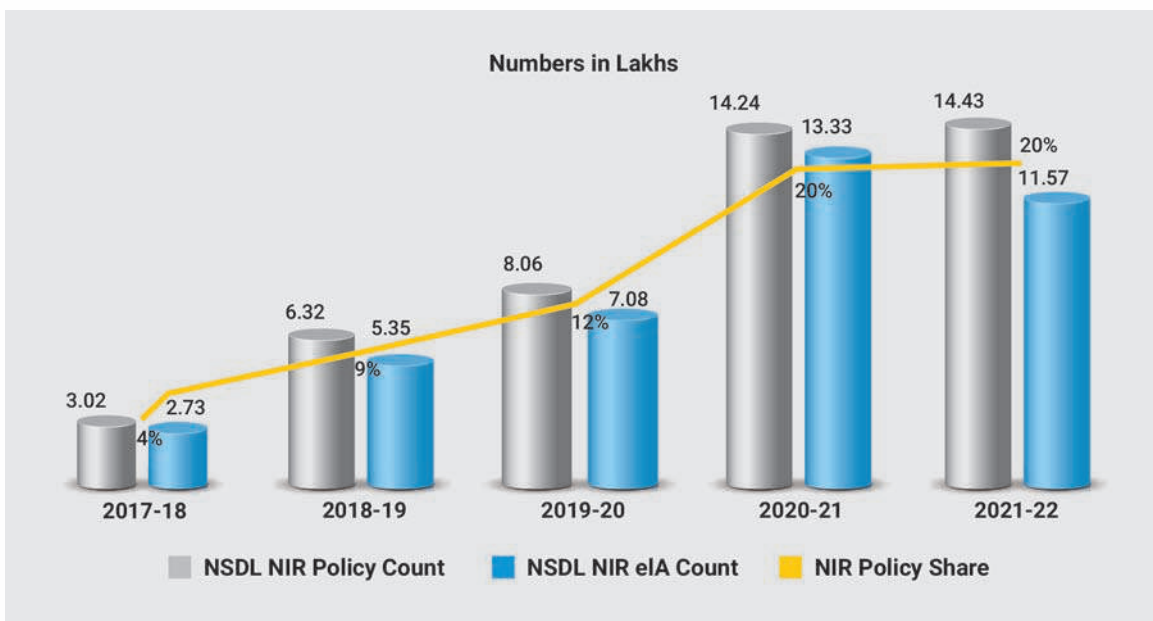
issuance of insurance policies with guidelines and Regulations.

NDML had received an approval from “IRDAI” for setting up Insurance Repository to facilitate holding of all types of insurance policies in electronic form in a single e-Insurance Account (eIA) and has named it NSDL NATIONAL INSURANCE REPOSITORY (NIR). NDML is supporting the Regulator and the Insurers in serving the policy holders and their nominees with electronic policy

records and services. NIR offers the potential to act as a single central interface for the insurance industry to serve all insured population with various products, information and policy services.

At NSDL NIR, we continuously work towards creating long term value for our insurance partners and policy holders at large. Our unparalleled reach along with solution capabilities enables us to serve the evolving needs of our customers across the insurance partners and policy holders.

### NIR 5 Year Performance



Over the past two years the industry saw a lot of disruption due to pandemic. NIR not only sustained through the vagaries of the pandemic but evolved itself for serving insurers and policy holders without any disturbance. In the past year NIR has been able to achieve the highest ever policy issuance and increased participation from Insurers. Over 14.42 lakh policies were issued through NIR by Insurers in this year.

NIR is serving its intended purpose of facilitating policy holders to consolidate all its insurance policies so that the lacunae of holding policies in physical form like safekeeping, access when required, transfer of information to nominee and availability of insurance policy at the time of claim are done away with.

#### Business Update on NIR

As on 31st Mar' 2022 Cumulative count of eIA stands at 42.78 lakh  
Cumulative count of policies with NIR stands at 49.04 lakh



Increased participation & Engagement from insurance companies.

- 21 of 24 Life Insurance Companies

- 17 of 27 General Insurance Companies
- 5 of 6 Health Insurance Companies.



#### Information Security Practice

NIR is ISO 27001 certified for Information Security and BCMS 22301 for Business Continuity Management Systems.

#### Registrar and Transfer Agent (RTA)

Your Company has received a Certificate of Registration from SEBI to carry on activities as a Category I – Registrar to an Issue and Share Transfer Agent and accordingly, the Company has set-up RTA services in June 2016.

NDML is offering its RTA services to Issuers of various types of securities such as listed, unlisted equities and debt instruments such as Commercial Paper, Certificate of Deposit, Debentures, Securitized Instruments, etc. During the FY 2021 – 22, NDML RTA started servicing the listed equity segment and accordingly added significant capability in its product / service portfolio. The division





### Key Features

Professional Expertise	Institutional Governance	Technically Robust
ISO 27001 Standards For Information Security	Serving Of Physical Shares And Records	Personal Touch
Parameter Based Activities	Customer Support	Automated Checks
Customized Reports	NSDL And CDSL Connectivity	Industry Best Compliance & Governance Standards

now looks forward to expanding its presence on the strength of its automated, efficient, transparent and compliant services.

As on March 31, 2022, NDML RTA was serving more than 3600 issuers of different types of securities.

The Company has received a permanent registration certificate to act as “Registrar to an Issue and Share Transfer Agent – Category I” from SEBI in March 2021.

NDML has undertaken and completed the development of IPO application software and is now pitching with market participants and issuers for using its services for IPO handlings.

The issuers and the merchant bankers have expressed interest in evaluating the services of NDML given that NDML is an institutional RTA with a proven governance structure and professional management track record.

### RTA 5 Year Performance





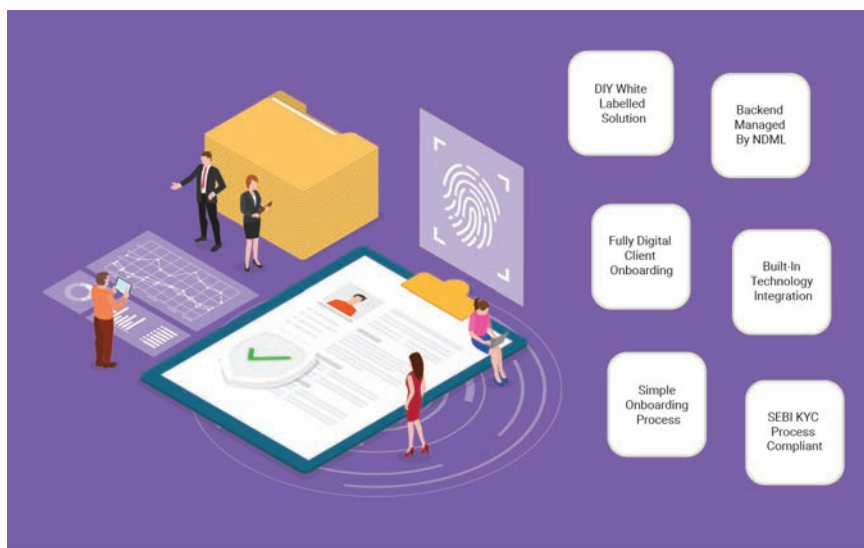
**Instigo**

Instigo, as an online customer onboarding platform, over the past few months has garnered various positive & constructive feedback from market and has evolved to meet compliance and operational needs of the participants. It is expected that the transaction volume would increase significantly in the coming months. The features of Instigo are being further enhanced to cater to custodians, PMS

providers, Asset Management Companies (AMCs), Mutual Fund Distributors & Banking solutions.

Instigo as an onboarding solution is successfully positioned to diverse segments of capital market and has created a diverse mix of sales pipeline including certain key PMS players, AMCs, Banks, RIAs & MFDs. Instigo has experienced growth trend in transactions, revenue

**Key Features**





& integrations owing to the gradual acceptance of the solution by partners.

#### Product development Highlights:

Various technology and systemic integrations are done in Instigo so as to facilitate complete client identification, verification and collection of necessary data and documents. The system also supports the intermediary to review the submissions made by the client and approve the same. Some of the product fixes, feature improvements done in Instigo during FY21-22 are:-

- a) Improvements related to C-KYC File, NSE UCC File, BSE UCC File, Nomination & POA, KRA KYC , Geo Location etc.
- b) Online Nomination facility as per Regulatory guidelines and Nominee handling in Governance, Back-Office File & Document upload
- c) Demat Account Opening Journey & Customization of Demat page at SRI level
- d) Joint Holder facility and OCR for Aadhaar

#### NDML Academic Depository

NDML had developed and operated Academic Depository system to facilitate Academic Institutions to digitally issue, store and verify academic awards. Currently, as per directions from University Grants Commission (UGC), DigiLocker is providing Academic Depository services. In the meanwhile, NDML is supporting some of the Academic Institutions (AIs) and verifiers for digital lodgement and verification of awards. Your company believes that with customised product offering and dedicated support, the engagement in this area can be expanded into meaningful scale.

#### Key Features

- Secure Depository Of Diplomas, Certificates, Mark-Sheets & Degrees
- Dedicated Relationship Managers And Support Desk To Assist Academic Institutions
- Serve Students With Digital Awards Through NDML AD

#### New Projects

NDML has developed its forte in process automation, e-Governance, digitization initiatives on behalf of a Govt. department, Regulatory body, Industry body. Leveraging its existing product portfolio and service capabilities, it is also now foraying into initiatives based on B2B and even B2C products. Company is working on facilitating process automation and last mile connectivity for fixed deposits of NBFCs, accreditation framework for investors, Aadhaar based e-KYC for investors and customer onboarding for different segments of the market.

Your company is working on establishing and operating following new service lines

#### KYC User Agency (KUA)

As per SEBI guidelines, the capital market intermediaries can access Aadhaar based records of the investors for performing online KYC by using the services of KUA. NDML has accordingly been notified as a KUA on the recommendation of SEBI and UIDAI. Various market intermediaries are expected to use NDML KUA services in this regard by registering as a Sub KUA. This will significantly enhance the online customer onboarding journey experience. Sub KUA process is likely to go live in FY 2022 - 23.

**Accreditation Agency:** SEBI has issued guidelines for facilitating risk evaluation, assessment and certification of investors so as to enable such certified investors to participate in various sophisticated financial market products with lesser regulatory oversight. Such assessment and certification is required to be performed by "Accreditation Agencies" as are approved by SEBI. The agencies will perform the Accreditation as per guidelines issued by SEBI. In this regard, NDML has been approved by SEBI as an "Accreditation Agency" and has started its services in FY 2022 - 23.

#### EasyFD

In order to make fixed income products widely and easily accessible to investors across the board and also through their existing financial intermediary channels. NDML is setting up a platform for aggregation of fixed deposit products being offered by various issuers such as NBFCs, HFCC etc. EasyFD platform will connect FD Issuers & their FD products on one side and FD Distributors & their investors on the other side. It will be a tech driven interface with online connectivity and data exchange. This product is also likely to go live in FY 2022 - 23.

**Information Security Practice for NDML Projects :** In view of the continued quest of the highest quality norms for information security, the Company has obtained internationally recognized ISO 27001:2013 certification for the implementation of Information Security Management System (ISMS) framework for NSR, NIR, KRA, Surepay, SEZ and RTA Projects. Certification audit is done by auditors Det Norske Veritas (DNV). Other projects i.e. Instigo, e-KYC and e-Sign projects are also now included under ISMS scope and implementation is currently under progress. Further, to ensure continuity of operations with minimal disruption in case of any disaster, the Company has obtained internationally recognized ISO 22301:2012 certification for implementation of the Business Continuity Management System (BCMS) for NIR, RTA, SEZ, KRA and

## Key Features



Surepay projects. NDML Surepay is also certified as PCI-DSS compliant, e-KYC is certified as compliant to UIDAI's AADHAAR regulations, e-Sign is certified as compliant to ASP requirements and KRA is certified as compliant to SEBI circular for implementing Cyber Security and Cyber Resilience framework for KYC Registration Agencies (KRAs).

Various other initiatives in the area of distribution of financial services and support for market intermediaries are in the conceptualization and formation stage.

Your Directors are confident that in the next few years, the Company would be able to take the current projects to new heights and establish new projects of national and social importance which would result in further improved operating and financial performance for the Company.

### CHANGE IN THE NATURE OF BUSINESS

Your Company has not undergone any changes in the nature of the business during the financial year under review.

### SHARE CAPITAL

There was no change in the Share Capital of the Company during the year under review. As on March 31, 2022, the paid up share capital stood at ₹ 61.05 Crore comprising of 6,10,50,000 equity shares of ₹ 10 each. During the year under review, the Company has neither issued any shares with differential voting rights nor has granted any Stock Option or Sweat Equity.

### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of the report.

### INTERNAL CONTROLS AND AUDIT

The Company's accounts are audited by Statutory Auditors. With respect to Internal Audit, an external firm acting as independent Internal Auditor reviews the internal controls and operating systems and procedures. The report of the Internal Auditor along with management response is placed



before the Audit Committee which reviews the same and advises on improvements in the internal controls.

With respect to legal compliances, the Company conducts its business with high standards of legal, statutory and regulatory compliances. The Company has instituted a legal compliance process in conformity with the best international standards, supported by a robust online system that covers all its activities. The gamut of this system includes statutes such as labour laws, taxation laws, corporate and securities laws, information technology laws and safety regulations.

Your Company has well established processes and clearly defined roles and responsibilities at various levels. Comprehensive operational manual and standard operating procedures have been put in place in various departments including operations and finance.

#### **INSURANCE**

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

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

#### **DEPOSITS**

The Company has not accepted /renewed any fixed deposits from public or the Members, within the meaning of Section 73 of the Companies Act, 2013, read with Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, during the FY 2021-22, and, as such, no amount of principal or interest on deposits from public or the Members, was outstanding as of the Balance Sheet date.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The particulars of Loans, Guarantees or Investments made during the financial year are set out in the Notes to Accounts which forms part of this Annual Report.

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

All contracts/arrangements/transactions entered by the Company during the financial year with related parties as defined under Section 188 of the Companies Act, 2013 and Rules made there under, were on an arm's length basis and in the ordinary course of business and have been in compliance with the applicable provisions of the Companies Act, 2013. Disclosure of transactions with related parties is set out in Note No. 30 of Standalone Financial Statements, forming part of the Annual

Report and Annexures thereto. No material related party transactions were entered during the Financial Year under review, by your Company and hence the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, in Form AOC-2, is not applicable to your Company.

#### **POSITIVE WORK ENVIRONMENT**

Your Company has formulated and adopted a policy on prevention of sexual harassment at work place and takes all necessary measures to ensure a harassment free work place and has instituted an Internal Complaints Committee for redressal of complaints and to prevent sexual harassment.

No complaints were received during the FY 2021-22.

#### **BOARD OF DIRECTORS**

##### **A. Changes in Board during the year :**

As the term of office of Mr. G.V. Nageswara Rao (DIN:00799504) as the Managing Director & CEO of National Securities Depository Limited (NSDL) came to end on August 31, 2021, Mr. Rao had tendered his resignation from the Company and ceased be Director with effect from close of business hours of August 31, 2021.

The Board of Directors on September 25, 2021, upon the recommendation of Nomination and Remuneration Committee ("NRC"), appointed Ms. Padmaja Chunduru (DIN:08058663) as an Additional (Non-Executive and Non-Independent) Director with effect from September 25, 2021. Further, the Members at the Seventeenth AGM held on September 28, 2021 have approved the appointment of Ms. Padmaja Chunduru as Non-Executive and Non-Independent Director.

Mr. Madhusudhan ML (DIN:08739281), Managing Director & CEO of the Company has resigned from the Board of the Company with effect from close of business hours of June 13, 2022 and based on the recommendation of NRC the Board at its meeting held on May 23, 2022 approved the appointment of Mr. Vijay Gupta, Senior Vice President as Manager (Key Managerial Personnel) of the Company subject to shareholders approval w.e.f. June 14, 2022 up to June 13, 2023 or the date on which new Managing Director & CEO reports at the office, whichever is earlier.

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

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013, Ms. Padmaja Chunduru

is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

### C. Board Procedures and Meetings:

A minimum of four Board meetings are held every year. The agenda for the Board, *inter-alia*, includes a review of annual operating plans, capital allocations and budgets. All material information is incorporated in the agenda and the same with appropriate supporting documents are circulated well in advance for facilitating meaningful and focused discussions at the meeting. All significant developments and material events are brought to the notice of the Board as a part of the agenda paper in advance of the meeting or by way of presentation and discussion material during the meeting. In case of business exigencies or urgency, the Board also approves by way of Circular Resolution, important items of business (other than items as specified under Section 179 of the Companies Act, 2013) which cannot be deferred till the next Board meeting. The Board reviews compliance reports of applicable laws to the Company every quarter. The agenda and minutes of the meeting(s) are prepared in compliance with the provisions of the Companies Act, 2013.

During the year under review, five (5) Board Meetings were held. Details of attendance of each Director at the Board Meetings held during the financial year are as follows:

Sr. No.	Name of the Directors	Meetings/Attendance				
		May 27, 2021	Aug 10, 2021	Nov 10, 2021	Jan 31, 2022	Mar 28, 2022
1.	Mr. P.P. Vora	Present	Present	Present	Present	Present
2.	Mr. C. M. Vasudev	Present	Present	Present	Present	Present
3.	Mr. G. V. Nageswara Rao*	Present	Present	NA	NA	NA
4.	Ms. Padmaja Chunduru **	NA	NA	Present	Present	Present
5.	Mr. Madhusudhan ML	Present	Present	Present	Present	Present
6.	Mr. Samar Banwat	Present	Present	Present	Present	Present

\* Mr. G. V. Nageswara Rao ceased to be Director w.e.f. August 31, 2021.

\*\* Ms. Padmaja Chunduru was appointed as Director w.e.f. September 25, 2021.

### D. Declaration from Independent Directors:

Your Company has received declarations from all the Independent Directors that they fulfill the criteria of independence as prescribed under Section 149(6) and Schedule IV of Companies Act, 2013 and the rules made there under and to hold the office of Independent Director of the Company for the financial year ended March 31, 2022.

### E. Policy on Directors' appointment and remuneration:

The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013, is adopted by the Board pursuant to the recommendation of the NRC.

### F. Performance Evaluation of the Board and Directors:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees as per the evaluation criteria approved by the NRC and Board. A summarized report on performance evaluation of the Individual Directors as well as the evaluation of the working of Board Committees was reviewed by the Chairman of the Board.

### BOARD COMMITTEES

The Board has constituted various Committees of Directors to take informed decisions in the best interest of the Company. The details of the Board Committee are as under:

#### I. Audit Committee

Board has constituted the Audit Committee in accordance with provisions of Section 177 of the Companies Act, 2013. The Audit Committee of NDML assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and other regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company and review the quarterly and annual financial accounts of the Company. The Committee reviews reports of the Internal Auditors and Statutory Auditors and discusses their findings, suggestions, internal control system, scope of audit, observations of the auditors and also reviews accounting policies followed by the Company.

The Committee consists of three Directors out of which two are Independent Directors in accordance with the provisions of Section 177 of the Companies Act, 2013. Mr. P.P. Vora is Chairman of the Audit Committee.

During the year under review, four (4) meetings of the Audit Committee were held and the details of attendance of each Director at the Audit Committee Meetings held during the financial year are as follows:



Sr. No.	Name of the Members	Meetings/Attendance			
		May 22, 2021	Aug 10, 2021	Nov 10, 2021	Jan 31, 2022
1.	Mr. P.P. Vora	Present	Present	Present	Present
2.	Mr. C. M. Vasudev	Present	Present	Present	Present
3.	Mr. G. V. Nageswara Rao*	Present	Present	NA	NA
4.	Ms. Padmaja Chunduru **	NA	NA	Present	Present

\*Mr. G.V. Nageswara Rao ceased to be Director w.e.f August 31, 2021 and subsequently ceased to be member of the Audit Committee from August 31, 2021.

\*\*Ms. Padmaja Chunduru has been inducted as a Member of the Audit Committee w.e.f September 25, 2021.

## II. Nomination and Remuneration Committee

The Nomination and Remuneration Committee discharges such functions as defined in the Companies Act, 2013. The functions of the Committee include recommending appointments of Directors to the Board, recommending the appointment of MD & CEO/Manager, formulation of criteria for performance evaluation of directors and the Board as per the provisions of the Companies Act, 2013. All appointments of directors are reviewed and recommended to the Board by the Committee. The criteria, qualifications, positive attributes and independence requirements are laid down by the committee whenever a vacancy for appointment of a director arises.

The Company has formulated Nomination and Remuneration Policy as approved by the Board. The salient features of the said policy are as under:

1. Remuneration of Directors, Key Managerial Personnel and other Employees;
2. Board Diversity in terms of composition of Board;
3. Process of recommendation of Directors;

The said Policy is placed on the website of the Company <https://www.ndml.in/investor-relations.php>

The Committee has three members with Mr. C. M. Vasudev as its Chairman. The Committee met three times during the year and the details of attendance of each member at the Committee Meetings held during the year are as follows:

Sr. No.	Name of the Members	Meetings/Attendance	
		May 22, 2021	March 28, 2022
1.	Mr. C. M. Vasudev	Present	Present
2.	Mr. P.P. Vora	Present	Present
3.	Mr. G. V. Nageswara Rao*	Present	NA
4.	Ms. Padmaja Chunduru **	NA	Present

\*Mr. G.V. Nageswara Rao ceased to be Director w.e.f August 31, 2021 and subsequently ceased to be member of the NRC from August 31, 2021.

\*\* Ms. Padmaja Chunduru has been inducted as a Member of the NRC w.e.f September 25, 2021.

## III. Corporate Social Responsibility (CSR) Committee

Your Company is covered under the purview of Section 135 of the Companies Act, 2013. In this regard, it has been decided by the Board of the Company that Corporate Social Responsibility (CSR) activities be undertaken jointly with NSDL (Holding Company) and the actual CSR spend be allocated to the respective Companies in the proportion of their legal obligations. Therefore, a common CSR function for NSDL and NDML has been created and the actual CSR amounts spent is proportionately allocated to the respective Companies. However, the CSR Committee for NDML is separate under the Chairmanship of Mr. P. P. Vora.

In pursuance of Section 135 read with relevant rules and Schedule VII of the Companies Act, 2013 (the Act), NDML has formulated a CSR Policy which strategically drives the CSR projects/programs in the Company. CSR policy is hosted on the following web link: <https://www.ndml.in/investor-relations.php>

During F.Y. 2021-22, NSDL (Holding Company) spent ₹ 232.70 Lakh towards various CSR projects/programs in pursuance of its CSR Policy and out of the total corpus spent; it has allocated an amount of ₹ 71.27 Lakh as NDML's contribution which was spent separately out of NDML's CSR obligation towards the CSR projects/programs carried out during the F.Y. 2021-22. The Report on CSR is set out as "Annexure I" and forms part of this Annual Report.

The Committee met once during the year and the details of attendance of each member at the Committee Meetings held during the year are as follows:

Sr. No.	Name of the Members	Meetings/Attendance
		May 22, 2021
1.	Mr. C. M. Vasudev	Present
2.	Mr. P.P. Vora	Present
3.	Mr. G. V. Nageswara Rao*	Present
4.	Mr. Madhusudhan ML*	Present

\*Mr. Madhusudhan ML resigned as Managing Director & CEO resigned from the Board of the Company w.e.f June 13, 2022 and subsequently ceases to be member of the CSR Committee from June 13, 2022.

## INDEPENDENT DIRECTOR(S)

The Board of NDML consists of two (2) Independent Directors. During the year under review, the Independent Directors met separately to transact the business as mentioned in the Schedule IV of the Companies Act, 2013. All the Independent Directors were present at the meeting.

## DETAILS OF KEY MANAGERIAL PERSONNEL (KMPs)

During the FY 2021-22, your Company had three Key Managerial Personnel as per the Companies Act, 2013 i.e.

Chief Executive Officer, Chief Financial Officer and Company Secretary.

Sr. No.	Name of Key Managerial Personnel	Designation
1.	Mr. Madhusudhan ML*	Managing Director & CEO
2.	Mr. Vijay Gupta**	Manager
3.	Ms. Vaishali Vaidya	Chief Financial officer
4.	Mr. Nikhil Arya	Company Secretary

\* Mr. Madhusudhan ML resigned as Managing Director & CEO resigned from the Board of the Company w.e.f. June 13, 2022.

\*\*Mr. Vijay Gupta, Senior Vice President appointed as Manager (Key Managerial Personnel) w.e.f. June 14, 2022

### WHISTLE BLOWER POLICY

The Company has formulated a Whistle Blower Policy. The policy complies with the requirements of vigil mechanism as stipulated under Section 177 of the Companies Act, 2013. The policy has been published on the Company's website on the following web link: <https://www.ndml.in/investor-relations.php>

### RISK MANAGEMENT POLICY

The Risk Management Policy and Framework approved by the Board of the Directors of the Company drives the enterprise-wide function of Risk Management, wherein all material risks faced by the Company are identified and assessed. For each of the risks identified, corresponding controls are assessed and policies and procedures are put in place for monitoring, mitigating and reporting on periodic basis.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATION IN FUTURE

During the year under review, no significant and material order was passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operation in the future.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records, in

accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing & detecting fraud and other irregularities;

- they have prepared the annual accounts on a going concern basis;
- they have devised internal financial controls to be followed by the Company are laid down and that such internal financial controls are adequate and were operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### STATUTORY AUDITOR

M/s. Khandelwal Jain & Co., Chartered Accountants, Statutory Auditors of the Company, were appointed as Auditors to hold office from the conclusion of the Thirteenth Annual General Meeting for a period of 5 years from FY 2017-18 to FY 2021-22 at a remuneration as may be decided by the Board of Directors.

### SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Ashish Garg, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report in Form MR-3 is annexed herewith as "Annexure II".

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

### REPORTING OF FRAUDS BY AUDITORS

There have been no frauds reported by the Auditors, under sub section (12) of Section 143 of the Companies Act, 2013 (including amendments) during the financial year under review, to the Audit Committee or the Board and hence there is nothing to report by the Board under Section 134 (3)(ca) of the Companies Act, 2013.

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

- Conservation of Energy and Technology absorption:  
The Company has a policy of switching off power after the office time in those areas where staff has left for the day. Staffs are strictly instructed to switch off their monitors before they leave for the day. The Company



also maintains the air conditioning temperatures to conserve energy. The Company continuously strives to optimize its energy usage and efficiency.

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

(₹ in Lakh)

Sr. No.	Particulars	F.Y. 2021-22	F.Y. 2020-21
1.	Foreign Exchange Earnings - Actual inflow in foreign currency	Nil	Nil
2.	Foreign Exchange Outgo / Expenditure incurred - Actual outflow in foreign currency	Nil	Nil

### PARTICULARS OF EMPLOYEES

None of the employees who have worked throughout the year or a part of the financial year are covered under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration) Rules, 2014.

### ANNUAL RETURN

The Annual Return of your Company is available on the Company's website at the web-link <https://www.ndml.in/investor-relations.php>

### COMPLIANCE WITH SECRETARIAL STANDARDS

In terms of Clause 9 of the Revised Secretarial Standards -1 (SS-1), your Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India, during the Financial Year under review.

### CYBER SECURITY AUDITS AND CERTIFICATIONS

In view of the continued quest of the highest quality norms for information security, the Company had obtained internationally recognized ISO 27001:2013 certification for the implementation of Information Security Management System (ISMS) framework for NSR, NIR, KRA, Surepay, SEZ and RTA Projects. In 2015-16, the process for implementation of ISMS in NIR Project was undertaken and the Company has received recertification of ISO27001:2013 for the NSR and NIR project in April 2019 and also included RTA, KRA and SEZ Projects and in April 2020 also included Surepay in its scope which is accredited by auditors Det Norske Veritas (DNV). Also, the Instigo, e-KYC and e-Sign projects are now

included under ISMS scope and implementation is currently under progress. And, to ensure continuity of operations with minimal disruption in case of any disaster, the Company had obtained internationally recognized ISO 22301:2012 certification for implementation of the Business Continuity Management System (BCMS) framework for NIR project.

The second Surveillance Audit of NIR Project was carried out by DNV. Currently, migration of ISO 22301 certification from version 2012 to 2019 for NIR and inclusion of Surepay, RTA, SEZ and KRA projects under the scope of ISO 22301:2019 is in progress.

Also, NDML Surepay is certified as PCI-DSS complaint, e-KYC is certified as complaint to UIDAI's AADHAAR regulations, e-Sign and Ne-Sign is certified as compliant to ASP requirements and KRA is certified as compliant to SEBI vide circular no. SEBI/HO/MIRSD/DOP/CIR/P/2019/111 dated October 15, 2019 for implementing robust Cyber Security and Cyber Resilience framework for KYC Registration Agencies (KRAs).

### APPRECIATION

Your Directors place on record their sincere appreciation of the support provided by NASSCOM, Ministry of Commerce & Industry, Government of India, Ministry of Electronics and Information Technology, Govt. of India, Securities and Exchange Board of India, Insurance Regulatory and Development Authority of India, National Payment Corporation of India, Reserve Bank of India, various Insurer Companies availing NIR services, various State/Central Government Departments availing services of PayGov platform, Ministry of Finance, UIDAI, Point of Service entities, IT & ITeS companies participating in NSR, Empanelled Background Checkers and Subscribers of the NSR, Development Commissioners of SEZs, Developers, Co-Developers, Unit Holders, Investors, Market Intermediaries, Registrars, Policy holders, Approved persons, Consultants, Service providers and Suppliers and Bankers. Your Directors also express deep sense of appreciation to all the employees for their professionalism, commitment and dedicated efforts which have made the organization's growth and success possible.

For and on behalf of the Board of Directors

Date: August 2, 2022  
Place: Mumbai

Sd/-  
**Samar Banwat**  
Director

Sd/-  
**Padmaja Chunduru**  
Director

## Annexure - I

### Annual Report On CSR Activities

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

National Securities Depository Limited (NSDL) and its associate companies or subsidiaries have been involved in various socio-economic development programs/projects that have meaningful yet sustainable impact on the communities where it operates. The Company undertakes various impact driven programs under aegis of Corporate Social Responsibility (CSR) which are mapped to the Company's CSR policy. The CSR policy enumerates specific thematic areas which are the guiding principles of the projects/programs that are being implemented by NSDL and its subsidiaries or associate companies. At present, the Company endeavours to undertake CSR programs/projects in the area of education, skill development, health & sanitation, environmental sustainability, rural development and disaster relief, rehabilitation and recreation.

It is company's policy to spend the amount allocated for CSR expenditure on activities listed in schedule VII of the Companies Act, 2013 and the rules framed thereunder. Therefore in view of the same the CSR activities for FY 2021-22 as listed out in the CSR policy were in the areas of promoting education, employment & livelihood generating skills, health & sanitation, environmental sustainability, disaster relief & rehabilitation, rural development, etc. Details of CSR policy are available on our website at the web link: <https://www.ndml.in/investor-relations.php>. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

#### 2. Composition of CSR Committee

Sr. No.	Name of the Director	Designation/ Nature of Directorship	Number of Meetings of CSR Committee Held During the Year	Number of Meetings of CSR Committee attended During the Year
1	Mr. P. P. Vora	Chairman	1	1
2	Mr. C. M. Vasudev	Member	1	1
3	Ms. Padmaja Chunduru	Member	1	1

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

Sr. No.	Financial Year	Amount Available for Set-off from preceding financial years (₹ In Lakh)	Amount required to be setoff for the financial year, if any (₹ In lakh)
1	2020-21	3.63	3.63

#### 4. Average net profit of NDML for last three financial years: ₹ 3,388.91 Lakh.

5. (a) Two percent of average net profit of the company as per section 135(5)- ₹ 67.78 Lakh
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years- NIL
- (c) Amount required to be set off for the financial year- ₹ 3.63 Lakh
- (d) Total CSR obligation for the financial year (5a+5b-5c)- ₹ 64.15 Lakh

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

As a part of internal practice, the CSR funds are spent as a joint CSR initiative of NSDL and its subsidiaries or associate companies hence; the total amount spent for the FY consists of amount spent for NSDL as well as NDML as a joint CSR initiative of both the organization. The CSR projects/programs are being implemented by NSDL as a joint initiative of both organizations however; the expenditures were incurred out of NSDL and NDML's CSR budget separately.



The below table shows the amount spent by NSDL as a whole towards CSR obligation of NSDL as well as NDML.

Total Amount Spent for the Financial Year 2021-22 (₹ in Lakh)	Amount Unspent (₹ In Lakh)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
71.27	NA	NA	NA	NA	NA

**Note-**

The total amount of ₹ 71.27 Lakh has been spent against CSR obligation of ₹ 64.15 Lakh for NDML for FY 2021-22 resulting into an excess spent of ₹ 7.12 Lakh.

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

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
1	Project Yogdaan- (Health support to Underprivileged Thalassemia patients)	Item (i)	Yes	Maharashtra	Mumbai	16,68,560	Yes (Direct)	NA	NA
2	Project Artha SAMARTH- a skill development initiative in BFSI sector to enable livelihood for deserving youth with high potential and inclination to serve BFSI sector. Primary objective is to encourage entrepreneurship amongst youth who can canvass BFSI sector specific products and services. NSDL also endeavors to facilitate employment linkages for trained youth. Two major programs are:  Mutual Fund Distributors Certification Program Business correspondence & Business Facilitator training program (BC-BF)	Item (ii)	PAN India	PAN India	PAN India	32,51,136	Yes (Direct)	NA	NA
3	NSDL Shiksha Sahyog (an educational scholarship program)	Item (ii)	PAN India	All States (PAN India)	PAN India	22,06,875	No	TISS	CSR00003475
<b>Total</b>						<b>71,26,571</b>			

- (c) Amount spent in Administrative Overheads - **NA**
- (d) Amount spent on Impact Assessment - **NA**
- (e) Total amount spent for the Financial Year (6b+6c+6d)- ₹ 71,26,571/-
- (f) Excess amount for set off (computation for NDML) :

Sr. No.	Particulars	Amount (₹ in Lakh)
i	Two percent of average net profit of the company as per section 135(5)	64.15
ii	Total amount spent for the Financial Year	71.27
iii	Excess amount spent for the financial year [(ii)-(i)]	7.12
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	7.12

\* It is to be noted that NDML has spent an excess funds of ₹ 7.12 Lakh in FY 2021-22 which shall be set-off in the CSR obligation in succeeding financial year.

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ In Lakh)	Amount spent in the reporting financial year (₹ In Lakh)	Amount Transferred to any fund specified under Schedule VII as per Section 135 (6), if any			Amount remaining to be spent in succeeding financial years (₹ In Lakh)
				Name of the Fund	Amount (₹ In Lakh)	Date of Transfer	
1	2018-19	-	-	-	-	-	-
2	2019-20	-	-	-	-	-	-
3	2020-21	-	-	-	-	-	-
4	2021-22	-	NA	NA	NA	NA	-
	<b>Total</b>	-	-	-	-	-	-

#### Note-

It is to be noted that the below mentioned sections in the CSR Annexure-II are not applicable while reporting in the prescribed format and hence, the details in these respective sections are not furnished.

- Details of CSR amount spent against ongoing projects for the financial year- **NA**
- Details of Unspent CSR amount for the preceding three financial years- **NA**
- Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NA**
- In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year- **NA**

Sd/-

**Samar Banwat**  
Director

Sd/-

**P. P. Vora**  
Chairman CSR Committee



## Annexure - II

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To,  
The Members,  
NSDL Database Management Limited  
(U72400MH2004PLC147094)  
4th Floor, Trade World, A Wing, Kamala Mills Compound,  
Lower Parel (W), Mumbai – 400 013

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; *in so far as they are made applicable from time to time*
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *which is not applicable to the Company during the Audit Period.*
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; *which is not applicable to the Company during the Audit Period.*
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; *in so far as they are made applicable from time to time.*
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; *which is not applicable to the Company during the Audit Period.*

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014); *which is not applicable to the Company during the Audit Period.*
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *which is not applicable to the Company during the Audit Period.*
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *which is not applicable to the Company during the Audit Period and*
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *which is not applicable to the Company during the Audit Period.*
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015; *in so far as they are made applicable from time to time.*
  - (j) The Securities and Exchange Board of India (Intermediaries) Regulations, 2008; *in so far as they are made applicable from time to time.*
- (vi) I have further examined the compliance reporting system, maintained, to our satisfaction, by NSDL Database Management Limited for the financial year ended 31st March, 2022 in the matters of compliances of applicable provisions of the following laws:
- (a) Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency (KRA)}, Regulations, 2011
  - (b) Revised Guidelines on Insurance repositories and electronic issuance of insurance policies issued by IRDA.
  - (c) e-KYC User Agency - Unique Identification Authority of India Regulations (KUA- UIDAI Regulations)
  - (d) RBI guidelines on Regulation of Payment Aggregators and Payment Gateways
  - (e) SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021 on “Common Simplified Norms for processing investor’s service request by RTAs and norms for furnishing PAN, KYC details and Nomination.” and its subsequent clarifications thereto vide SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021.

I have also examined compliance with the applicable clauses of the Secretarial Standards relating to Board Meetings and General Meetings issued by The Institute of Company Secretaries of India.

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

I further report that

The Board of Directors of the Company is duly constituted and the changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.

Adequate notice is given to all the Directors to schedule the Board Meeting, Agenda and detailed Notes on Agenda were sent at least seven days in advance and in case of meeting at Shorter Notice, Consent for Shorter Notice was taken from the requisite majority of Shareholders and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



All decisions at Board Meetings and Committee(s) Meetings are carried through unanimously as recorded in the meetings of the Board and Committee(s) of the Board, as the case may be.

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

Place : Indore  
Date : 23rd May, 2022

Sd/-  
**Ashish Garg**  
Practicing Company Secretary  
FCS No: 5181  
C P No: 4423  
PR: 568/2018  
UDIN: F005181D000367213

This report is to be read with Annexure A which forms an integral part of this report.

## Annexure A

To,  
**The Members**  
NSDL Database Management Limited  
(U72400MH2004PLC147094)  
4th Floor, Trade World, A Wing, Kamala Mills Compound,  
Lower Parel (W), Mumbai – 400 013

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

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

Place : Indore  
Date : 23rd May, 2022

Sd/-  
**Ashish Garg**  
FCS No: 5181  
Practicing Company Secretary  
C P No: 4423  
PR: 568/2018  
UDIN: F005181D000367213



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF NSDL DATABASE MANAGEMENT LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **NSDL Database Management Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the statement financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the

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

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's Report including Annexures to Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern

## INDEPENDENT AUDITOR'S REPORT (contd.)

basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure 'A'**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



## INDEPENDENT AUDITOR'S REPORT (contd.)

2. As required by Section 143 (3) of the Act, based on our audit we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

- (i) The Company has disclosed the impact of Pending litigations as at March 31, 2022, on its financials position in its financial statements.
- (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in

## INDEPENDENT AUDITOR'S REPORT (contd.)

writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under

(a) and (b) above, contain any material misstatement.

- (v) (a) As stated in Note 12 to the financial statements, the final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

- (b) The board of directors of the company have proposed the final dividend for the year which is subject to approval of the member at the ensuing Annual general meeting. The amount of dividend proposed is in accordance with section 123 of the act, as applicable.

For **Khandelwal Jain & Co.**  
Chartered Accountants  
Firm's Registration No. 105049W

Place: Mumbai  
Date: May 23, 2022

Sd/-  
**(Narendra Jain)**  
Partner  
Membership No. 048725  
UDIN: 22048725AKCPAT5040



## Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirement's section of our report to the Members of NSDL Database Management Limited of even date)

The Annexure referred to in the Independent Auditors' Report to the members of Company on the financial statements for the year ended March 31, 2022. We report that:

- i) a) A) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
B) The Company has maintained proper records showing full particulars of intangible assets.
- b) Property, Plant and Equipment have been physically verified by the management during the year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and we have been informed that no material discrepancies have been noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable property in its name. Hence, provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) a) The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii) of Companies (Auditor's Report) Order, 2020 are not applicable to the Company.  
b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, the provisions of clause 3(iii)(a) to (f) of Companies (Auditor's Report) Order, 2020 are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the grant of loans, investments made and guarantees and securities provided, as applicable.
- v) In our opinion and according to the information and explanation not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.
- vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii) a) According to the information and explanations given to us and on the basis of records examined by us, the Company is generally regular in depositing with appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax (GST) and other material statutory dues, as applicable. According to the records of the Company, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.  
b) According to the information and explanations

## Annexure 'A' to the Independent Auditor's Report (contd.)

given to us, the dues of Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Custom, Duty of Excise and Value Added Tax which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

Name of Statute	Nature of the Dues	Period to which the amount relates (Financial Year)	Amount (in lakhs)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	2014-15	3.22	Rectification application pending with Centralized Processing Centre (CPC) - Bangalore
Income Tax Act, 1961	Income Tax	2016-17	234.69	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2017-18	295.94	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2019-20	22.01	Commissioner of Income Tax (Appeals)

- viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provision of clause 3(x)(a) of Companies (Auditor's Report) Order, 2020 are not applicable to the Company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi) (a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management there are no whistle blower complaints received by the Company during the year.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and section 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.



## Annexure 'A' to the Independent Auditor's Report (contd.)

- xiv) (a) In our opinion and based on our examination the Company has an internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the year under audit.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause 3(xv) of Companies (Auditor's Report) Order, 2020 are not applicable to the Company.
- xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) As per the information and explanation, given to us there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) (a) According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) According to the information and explanations given to us, there is no amount remaining unspent under sub-section (5) of section 135 of the Companies act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act;

Place: Mumbai  
Date: May 23, 2022

For **Khandelwal Jain & Co.**  
Chartered Accountants  
Firm's Registration No. 105049W

Sd/-  
**(Narendra Jain)**  
Partner  
Membership No. 048725  
UDIN: 22048725AKCPAT5040

## Annexure 'B' to the Independent Auditor's Report

(Referred to in our Audit report of even date)

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

We have audited the internal financial controls over financial reporting of **NSDL Database Management Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining

an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



## Annexure 'B' to the Independent Auditor's Report (contd.)

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial

reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai  
Date: May 23, 2022

For **Khandelwal Jain & Co.**  
Chartered Accountants  
Firm's Registration No. 105049W

Sd/-  
**(Narendra Jain)**  
Partner  
Membership No. 048725  
UDIN:22048725AKCPAT5040

# BALANCE SHEET

## AS AT 31ST MARCH, 2022

(₹ in Lakh)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a) Property, Plant and Equipments	3	191.87	244.18
b) Other Intangible assets	3	607.76	436.95
c) Intangible Asset under Development	3	59.36	31.70
d) Right to Use	3	37.07	512.33
<b>Financial Assets</b>			
i) Investments	4	15,528.26	13,152.96
ii) Other Financial Assets	5	139.14	2.94
iii) Non current bank balances	11	271.32	2,230.99
f) Income Tax Assets (Net)	6	72.57	72.57
g) Other non-current assets	7	46.24	76.89
<b>Total non-current assets</b>		<b>16,953.59</b>	<b>16,761.51</b>
<b>Current Assets</b>			
<b>Financial assets</b>			
i) Investments	8	2,637.33	2,501.88
ii) Trade receivables	9	1,085.32	624.73
iii) Cash and cash Equivalents	10	1,733.12	494.82
iv) Bank balances other than cash and cash equivalents	11	4,775.99	3,298.61
v) Other financial assets	5	284.49	225.77
b) Other current assets	7	262.42	175.39
<b>Total Current Assets</b>		<b>10,778.67</b>	<b>7,321.20</b>
<b>Total Assets</b>		<b>27,732.26</b>	<b>24,082.71</b>
<b>EQUITY &amp; LIABILITES</b>			
<b>(A) Equity</b>			
a) Equity share capital	12	6,105.00	6,105.00
b) Other equity	13	17,813.73	14,000.93
<b>Total Equity</b>		<b>23,918.73</b>	<b>20,105.93</b>
<b>(B) Liabilities</b>			
<b>1. Non-Current Liabilities</b>			
a) Deferred tax liabilities (net)	14	21.95	43.85
<b>b) Financial liabilities</b>			
i) Other financial liabilities	15 (a)	4.75	3.04
ii) Lease liabilities	15 (b)	-	341.35
c) Other non-current liabilities	16	442.43	79.17
<b>Total Non-Current Liabilities</b>		<b>469.13</b>	<b>467.41</b>
<b>2. Current Liabilities</b>			
<b>a) Financial liabilities</b>			
<b>i) Trade payables</b>			
a) Micro enterprises and small enterprises	17	92.58	69.16
b) Others	17	487.11	506.55
<b>ii) Other financial liabilities</b>			
iii) Lease liabilities	18 (b)	41.97	214.82
b) Provisions	19	196.88	209.65
c) Other current liabilities	20	1,891.54	1,688.79
d) Current tax liability (Net)	21	182.34	265.79
<b>Total Current Liabilities</b>		<b>3,344.40</b>	<b>3,509.37</b>
<b>Total Liabilities</b>		<b>3,813.53</b>	<b>3,976.78</b>
<b>Total Equity and Liabilities</b>		<b>27,732.26</b>	<b>24,082.71</b>

In terms of our report attached.  
**For KHANDELWAL JAIN & CO.**  
 Chartered Accountants  
 Firms Registration No.: 105049W

Sd/-  
**Narendra Jain**  
 Partner  
 Membership No.: 048725

Place : Mumbai  
 Date : May 23, 2022

Sd/-  
**Padmaja Chunduru**  
 Director  
 DIN : 08058663  
 Place: Mumbai

For and on behalf of the Board of Directors

Sd/-  
**P.P.Vora**  
 Chairman  
 DIN : 00003192  
 Place: Mumbai

Sd/-  
**Vaishali Vaidya**  
 Chief Financial Officer  
 Place: Mumbai

Sd/-  
**Madhusudhan ML**  
 Director  
 DIN : 08739281  
 Place: Mumbai

Sd/-  
**Nikhil Arya**  
 Company Secretary  
 Place: Mumbai



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Particulars	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>INCOMES</b>			
Revenue from operations	22	9,274.89	6,859.78
Other income	23	1,285.31	1,246.71
<b>Total Income</b>		<b>10,560.20</b>	<b>8,106.49</b>
<b>EXPENSES</b>			
Employee benefits expense	24	1,605.65	1,324.49
Depreciation and amortization expense	3	423.38	338.51
Finance cost	25	37.90	55.63
Other expenses	26	2,442.58	2,481.73
<b>Total expenses</b>		<b>4,509.51</b>	<b>4,200.36</b>
<b>Profit before exceptional items and tax</b>		<b>6,050.69</b>	<b>3,906.13</b>
<b>Tax expense</b>			
Current tax		1,362.72	863.00
Current tax for earlier year		-	2.94
Deferred tax		(21.90)	(66.85)
		<b>1,340.82</b>	<b>799.09</b>
<b>Profit after Tax</b>		<b>4,709.87</b>	<b>3,107.04</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss :			
Actuarial gain/(loss) on post retirement benefit plans		24.96	(44.72)
Income tax relating to items that will not be reclassified to profit or loss		(6.28)	11.26
<b>Total Comprehensive Income for the year</b>		<b>4,728.55</b>	<b>3,073.58</b>
Basic and diluted earnings per equity share of ₹ 10 each	33	7.71	5.09

In terms of our report attached.  
For **KHANDELWAL JAIN & CO.**  
Chartered Accountants  
Firms Registration No.: 105049W

Sd/-  
**Narendra Jain**  
Partner  
Membership No.: 048725

Place : Mumbai  
Date : May 23, 2022

Sd/-  
**Padmaja Chunduru**  
Director  
DIN : 08058663  
Place: Mumbai

For and on behalf of the Board of Directors

Sd/-  
**P.P.Vora**  
Chairman  
DIN : 00003192  
Place: Mumbai

Sd/-  
**Vaishali Vaidya**  
Chief Financial Officer  
Place: Mumbai

Sd/-  
**Madhusudhan ML**  
MD & CEO  
DIN : 08739281  
Place: Mumbai

Sd/-  
**Nikhil Arya**  
Company Secretary  
Place: Mumbai

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax	6,050.69	3,906.13
Adjustments for :		
Depreciation and amortisation expense	423.38	338.51
Interest on Lease Liability as per IND AS 116	37.90	55.63
Provision for doubtful trade receivables	17.59	60.63
Bad Debts Written off	26.34	2.90
Loss on Sale of Assets	11.14	14.91
Assets written off	0.24	-
Capital WIP written off	-	4.17
Provision for Impairment of CWIP	-	26.23
Trade Payables Written Back	-	(4.17)
Extinguishment of Lease Liability	(28.08)	(10.92)
Gain on Lease Modification (P/L)	(34.70)	-
(Gain)/Loss on mutual funds at FVTPL	(95.20)	(339.03)
Interest Income	(1,103.37)	(843.61)
<b>Operating profit before working capital changes</b>	<b>5,305.93</b>	<b>3,211.38</b>
<b>Changes in working capital:</b>		
<b>Adjustments for (increase) / decrease in operating assets-</b>		
Other non-current assets	(153.41)	10.15
Trade receivables	(502.81)	(31.08)
Other financial assets	(3.53)	-
Other current assets	(87.03)	57.54
<b>Adjustments for increase / (decrease) in operating liabilities-</b>		
Trade payables	3.98	(284.53)
Other financial liabilities	(49.96)	109.54
Provisions	(12.77)	69.26
Other liabilities	566.01	91.09
<b>Cash generated from operations</b>	<b>5,066.41</b>	<b>3,233.35</b>
<b>Net income tax paid</b>	<b>(1,452.45)</b>	<b>(727.69)</b>
<b>Net cash from operating activities (A)</b>	<b>3,613.96</b>	<b>2,505.66</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advance	(351.35)	(396.69)
Sale of Fixed Assets	1.16	0.51
Bank balances not considered as cash and cash equivalent		
-Placed	(1,747.00)	(5,380.48)
-Matured	2,229.30	124.50
Purchase of non-current investments Bonds	(3,323.29)	-
<b>Purchase of current investments MF</b>	<b>(1,000.00)</b>	<b>-</b>
Redemption of investments Bonds	617.23	-
Redemption of investments MF	1,271.71	2,992.12
Interest received	1,066.98	902.85
<b>Net cash (used in) investing activities (B)</b>	<b>(1,235.27)</b>	<b>(1,757.19)</b>



## STATEMENT OF CASH FLOWS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>C. Cash flow from financing activities</b>		
Payments towards Right to use assets	(224.64)	(241.80)
Dividend Paid	(915.75)	(610.50)
<b>Net cash (used in) financing activities (C)</b>	<b>(1,140.39)</b>	<b>(852.30)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,238.30</b>	<b>(103.83)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>494.82</b>	<b>598.65</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,733.12</b>	<b>494.82</b>

In terms of our report attached.  
For **KHANDELWAL JAIN & CO.**  
Chartered Accountants  
Firms Registration No.: 105049W

Sd/-  
**Narendra Jain**  
Partner  
Membership No.: 048725

Place : Mumbai  
Date : May 23, 2022

Sd/-  
**Padmaja Chunduru**  
Director  
DIN : 08058663  
Place: Mumbai

Sd/-  
**Vaishali Vaidya**  
Chief Financial Officer  
Place: Mumbai

For and on behalf of the Board of Directors

Sd/-  
**P.P.Vora**  
Chairman  
DIN : 00003192  
Place: Mumbai

Sd/-  
**Madhusudhan ML**  
MD & CEO  
DIN : 08739281  
Place: Mumbai

Sd/-  
**Nikhil Arya**  
Company Secretary  
Place: Mumbai

## STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

<b>A. Equity Share Capital</b>	
As at 1st April, 2020	6,105.00
Changes in equity share capital during the year (Note 12)	-
<b>As at 31st March, 2021</b>	<b>6,105.00</b>
As at 1st April, 2021	6,105.00
Changes in equity share capital during the year (Note 12)	-
<b>As at 31st March, 2022</b>	<b>6,105.00</b>

(₹ in Lakh)

<b>B. Other Equity</b>			
Particulars	Retained Earnings	Other Comprehensive Income	Total
		Actuarial Gains / (Losses)	
Balance as at 1st April, 2020	11,522.73	15.12	11,537.85
Profit after tax	3,107.04	(33.46)	3,073.58
Dividend	(610.50)	-	(610.50)
<b>Balance as at 31st March, 2021</b>	<b>14,019.27</b>	<b>(18.34)</b>	<b>14,000.93</b>
Balance as at 1st April, 2021	14,019.27	(18.34)	14,000.93
Profit after tax	4,709.87	18.68	4,728.55
Dividend	(915.75)	-	(915.75)
<b>Balance as at 31st March, 2022</b>	<b>17,813.39</b>	<b>0.34</b>	<b>17,813.73</b>

In terms of our report attached.  
**For KHANDELWAL JAIN & CO.**  
 Chartered Accountants  
 Firms Registration No.: 105049W

Sd/-  
**Narendra Jain**  
 Partner  
 Membership No.: 048725

Place : Mumbai  
 Date : May 23, 2022

Sd/-  
**Padmaja Chunduru**  
 Director  
 DIN : 08058663  
 Place: Mumbai

Sd/-  
**Vaishali Vaidya**  
 Chief Financial Officer  
 Place: Mumbai

For and on behalf of the Board of Directors

Sd/-  
**P.P.Vora**  
 Chairman  
 DIN : 00003192  
 Place: Mumbai

Sd/-  
**Madhusudhan ML**  
 MD & CEO  
 DIN : 08739281  
 Place: Mumbai

Sd/-  
**Nikhil Arya**  
 Company Secretary  
 Place: Mumbai



# Notes to the Financial Statements

## FOR THE YEAR ENDED 31ST MARCH, 2022

### 1. General information

#### 1.1 Company Overview

The Company is engaged in providing services to its clients relating to automation and re-engineering of business processes so that benefits of niche technology and electronic data can be used to enhance the process working and end-user experience. The Company offers services as a managed service provider and sets-up system infrastructure, connectivity, software application and database systems so that users can access and use the same to complete their business processes in optimum manner. The Company is currently providing “National Skills Registry” services to IT / ITeS industry so that employees of the industry can register for the system and the employer companies can access and use information of the employees. The Company also operates SEZ Online system on behalf of Ministry of Commerce & Industry. This system facilitates SEZ Units and Developers to file their transactions relating to operating in SEZ and processing of such transactions by SEZ authorities. The Company is also working as a “KYC Registration Agency (KRA)” so that KYC details of the clients of such market intermediaries as are regulated by Securities & Exchange Board of India (SEBI) can be maintained in electronic format. The Company is also offering payment gateway services for e-Governance projects. The Company is also registered with SEBI as “Category I – Registrars to an Issue & Share Transfer Agent”.

#### 2. Significant accounting policies:

This note provides a list of the significant accounting policies adopted in the preparation of these condensed interim financial statements (“financial statements”). These policies have been consistently applied to the year / periods presented, unless otherwise stated.

#### 2.1 Basis of preparation

##### (i) Compliance with Ind AS

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (‘Act’) (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Amendments thereto.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### (ii) Historical cost convention

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

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

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

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

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

**Level 3** – inputs are unobservable inputs for the assets or liability.

#### 2.2 Revenue recognition:

a) Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue are recognised on accrual basis upon rendering of service.

b) Interest income is accounted on accrual basis. For financial instruments measured at amortised cost interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments

## Notes to the Financial Statements (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

- c) Dividend income is accounted for when the right to receive is established.

### (a) Foreign currency translation and transactions

#### (i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian currency (INR), which is the Company's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

### 2.3 Leasing

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

#### As a lessee

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable,



## Notes to the Financial Statements (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 2.4 Employee benefits:

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

#### Defined Contribution Plan:

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

#### i. Superannuation:

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

#### ii. Provident Fund:

Employees are entitled to receive benefits in respect of provident fund, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' basic salary).

#### Defined Benefit Plans

#### i. Gratuity:

The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the projected unit credit method carried out at the Balance Sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in retained earnings and is not reclassified to profit and loss. Past service cost is recognised in

profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit cost are categorised as follows:

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

#### ii. Compensated benefits:

Compensated absences which accrue to employees and which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employee performs the service that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit, and where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

### 2.5 Tax on Income

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

#### i. Current tax

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

#### ii. Deferred tax

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

## Notes to the Financial Statements (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

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

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

### iii. Current and deferred tax for the year

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

### 2.6 Property, Plant & Equipment:

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

#### i. Capital work-in-progress:

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

### 2.7 Intangible assets

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

#### i. Intangible Assets under Development :

Projects under which Intangible assets that are not yet ready for their intended use are carried at cost, comprising Development expenses and software expenses.

### 2.8 Depreciation and Amortisation:

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

Intangible assets are amortized on a straight line basis. Computer software and is amortised over 48 months or useful life whichever is lower.

### 2.9 Provisions and contingencies:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Provisions are discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised/disclosed in the financial statements.

### 2.10 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

### 2.11 Investment and Financial assets

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

Financial assets are recognised by the Company as per its business model.

All financial assets are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.



## Notes to the Financial Statements (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

Income and expense is recognised on an effective interest basis for debt instrument.

All other investments are classified as Fair Value through Profit or Loss (FVTPL). The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### Equity Investments in fellow subsidiary

Investment in Equity Instrument of fellow subsidiary are carried at cost.

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include-

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

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

### De-recognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset

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

## 2.12 Financial Liabilities and equity instruments

### Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### Equity instruments:

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

### Financial liabilities:

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" or other financial liabilities.

Financial liabilities at Fair Value through Profit or Loss (FVTPL). Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

### Derecognition of financial liabilities

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

## 2.13 Operating Cycle

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

## Notes to the Financial Statements (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### 2.14 Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

#### 1. Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### 2. Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### 3. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that

relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### 4. Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

#### 5. Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

### 2.15 Rounding of amounts

All amounts disclosed in the financial statement and notes have been rounded off to the nearest lakhs as per the requirement of schedule III, unless otherwise stated.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE - 3 PROPERTY PLANT AND EQUIPMENT, INTANGIBLE ASSETS , RIGHT TO USE ASSET , CAPITAL WORK IN PROGRESS & INTANGIBLE ASSET UNDER DEVELOPMENT

Description of Asset	TANGIBLE ASSETS				INTANGIBLE ASSETS		RIGHT TO USE		Capital Work in Progress	Intangible Asset under Development
	Computers	Communication Equipment	Office Equipment	Total Tangible Assets	Computer Software (acquired)	Total Intangible Assets	Right to Use	Total Right to Use		
<b>Gross Block</b>										
As at 1st April 2020	462.99	27.57	18.02	508.58	285.67	285.67	934.07	934.07	27.25	215.59
Additions during the year ended 31 March 2021	57.46	12.06	0.06	69.58	433.44	433.44	-	-	-	278.02
Deductions / Modification	14.58	4.06	-	18.64	-	-	-	-	27.25	435.68
<b>As at 31st March 2021</b>	<b>505.87</b>	<b>35.57</b>	<b>18.08</b>	<b>559.52</b>	<b>719.11</b>	<b>719.11</b>	<b>934.07</b>	<b>934.07</b>	-	<b>57.93</b>
Additions during the year ended 31 March 2022	23.38	0.92	0.34	24.64	319.23	319.23	-	-	-	248.52
Deductions / Modification	99.49	2.90	-	102.39	-	-	264.68	264.68	-	220.86
<b>As at 31st March 2022</b>	<b>429.76</b>	<b>33.59</b>	<b>18.42</b>	<b>481.77</b>	<b>1,038.34</b>	<b>1,038.34</b>	<b>669.39</b>	<b>669.39</b>	-	<b>85.59</b>

(₹ in Lakh)

Description of Asset	TANGIBLE ASSETS				INTANGIBLE ASSETS		RIGHT TO USE		Capital Work in Progress	Intangible Asset under Development
	Computers	Communication Equipment	Office Equipment	Total Tangible Assets	Computer Software (acquired)	Total Intangible Assets	Right to Use	Total Right to Use		
<b>Accumulated Depreciation and Amortization</b>										
As at 1st April 2020	231.49	19.86	8.98	260.33	212.47	212.47	211.16	211.16	-	-
Depreciation and amortisation during the year ended 31 March 2021	55.16	0.46	2.62	58.24	46.03	46.03	210.58	210.58	-	-
Deductions / Modification	-	3.23	-	3.23	-	-	-	-	-	-
Provision for Impairment	-	-	-	-	23.66	23.66	-	-	-	26.23
<b>As at 31st March 2021</b>	<b>286.65</b>	<b>17.09</b>	<b>11.60</b>	<b>315.34</b>	<b>282.16</b>	<b>282.16</b>	<b>421.74</b>	<b>421.74</b>	-	<b>26.23</b>
Depreciation and amortisation during the year ended 31 March 2022	59.51	2.24	2.63	64.38	148.42	148.42	210.58	210.58	-	-
Deductions / Modification	89.82	-	-	89.82	-	-	-	-	-	-
Provision for Impairment	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March 2022</b>	<b>256.34</b>	<b>19.33</b>	<b>14.23</b>	<b>289.90</b>	<b>430.58</b>	<b>430.58</b>	<b>632.32</b>	<b>632.32</b>	-	<b>26.23</b>

(₹ in Lakh)

Description of Asset	TANGIBLE ASSETS				INTANGIBLE ASSETS		RIGHT TO USE		Capital Work in Progress	Intangible Asset under Development
	Computers	Communication Equipment	Office Equipment	Total Tangible Assets	Computer Software (acquired)	Total Intangible Assets	Right to Use	Total Right to Use		
<b>Net Block</b>										
As at 31st March 2021	219.22	18.48	6.48	244.18	436.95	436.95	512.33	512.33	-	31.70
<b>As at 31st March 2022</b>	<b>173.42</b>	<b>14.26</b>	<b>4.19</b>	<b>191.87</b>	<b>607.76</b>	<b>607.76</b>	<b>37.07</b>	<b>37.07</b>	-	<b>59.36</b>

(₹ in Lakh)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.)**  
**FOR THE YEAR ENDED 31ST MARCH, 2022**

**Capital-work-in progress / intangible assets under development categories**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	46.88	12.48	-	-	59.36
projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>46.88</b>	<b>12.48</b>	<b>-</b>	<b>-</b>	<b>59.36</b>

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Whose completion is overdue	-	-	-	-	-
has exceeded its cost compared to its original plan	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Capital-work-in progress / intangible assets under development categories ageing as on 31st March, 2021**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	31.70	-	-	-	31.70
projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>31.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31.70</b>

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
whose completion is overdue	-	-	-	-	-
has exceeded its cost compared to its original plan	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: The Company has made a provision for impairment in respect of NAD Project CWIP amounting to ₹ 26.23 Lakhs. (Refer Note :38 )



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 4 : Non-Current Investments

(₹ in Lakh)

Particulars		Rate of Interest (%)	Year of Maturity	No. of bonds / debentures / shares/ units	Face Value	As at 31st March, 2022	As at 31st March, 2021
<b>(a) Investment in equity Instrument at cost (fully paid up)</b>							
	Unquoted equity instruments at cost						
	In fellow Subsidiary company						
	NSDL Payment Bank Limited			2,00,00,000	10	2,000.00	2,000.00
<b>(b) Investment in Debentures or bonds</b>							
	Quoted debentures or bonds - amortised cost						
(i)	Indian Railway Finance Corporation Limited *	8.63	2029	40,000	1,000	445.75	447.05
(ii)	Housing and Urban Development Corporation Limited *	8.56	2028	100	10,00,000	1,112.32	1,119.80
(iii)	India Infrastructure Finance Company Limited *	8.66	2034	30,000	1,000	339.34	341.31
(iv)	Housing and Urban Development Corporation Limited *	8.51	2028	50,000	1,000	551.03	554.82
(v)	NHPC Limited *	8.67	2033	10,000	1,000	119.15	119.72
(vi)	NTPC Limited*	7.37	2035	12,491	1,000	129.41	129.41
(vii)	Power Finance Corporation of India Limited *	7.35	2035	1,540	1,000	15.92	15.92
(viii)	Rural Electrification Corporation Limited *	7.18	2035	11,450	1,000	117.24	117.24
(ix)	National Highway Authority of India *	7.28	2030	50	10,00,000	542.13	542.61
(x)	Indian Railway Finance Corporation Limited *	7.28	2030	12,080	1,000	124.84	124.86
(xi)	National Highway Authority of India *	7.35	2031	28,313	1,000	303.88	303.88
(xii)	National Highway Authority of India *	7.35	2031	50,000	1,000	562.96	565.14
(xiii)	National Bank For Agriculture And Rural Development *	7.35	2031	1,20,000	1,000	1,290.16	1,297.27
(xiv)	India Infrastructure Finance Company Limited *	7.40	2033	50,000	1,000	553.11	556.05
(xv)	National Housing Bank *	8.46	2028	50	10,00,000	580.41	587.29
(xvi)	NTPC Limited*	8.48	2028	1,00,000	1,000	1,157.78	1,173.50
(xvii)	NTPC Limited*	8.41	2023	50,000	1,000	529.54	538.90
(xviii)	National Housing Bank *	8.68	2029	20,000	5,000	1,127.46	1,141.42
(xix)	Rural Electrification Corporation Limited *	7.17	2025	50	10,00,000	534.34	540.37
(xx)	Power Finance Corporation of India Limited	8.03	2026	50	10,00,000	560.16	-
(xxi)	Power Finance Corporation of India Limited	6.09	2026	50	10,00,000	518.04	-
(xxii)	Rural Electrification Corporation Limited	7.52	2026	50	10,00,000	540.24	-
(xxiii)	Rural Electrification Corporation Limited	5.85	2025	50	10,00,000	507.86	-
(xxiv)	Rural Electrification Corporation Limited	7.54	2026	50	10,00,000	532.04	-
(xxv)	Power Finance Corporation of India Limited	6.09	2026	50	10,00,000	500.58	-
(xxvi)	Power Finance Corporation of India Limited	9.46	2026	21	10,00,000	232.57	-
<b>(c) Investment in Mutual Funds (at fair value through Profit &amp; Loss)</b>							
(i)	SBI Mutual Fund Series 8 (1178 Days)		25-08-2022	50,00,000		-	589.00
(ii)	SBI Mutual Fund Series 14 (1102 Days)		05-08-2022	30,00,000		-	347.40
	<b>Total</b>					<b>15,528.26</b>	<b>13,152.96</b>
	* Investment in Tax free bonds						
	Foot note 1: Classified as Current portion of long term Investment as the remaining maturity is less than 12 months						
	Aggregate amount of quoted investment					13,528.26	10,216.56
	Aggregate market value of quoted investment					14,322.73	11,321.86
	Aggregate amount of unquoted investments					2,000.00	2,936.40
	Aggregate amount of impairment in value of investment					-	-

### Note 5 : Other Financial Assets

(₹ in Lakh)

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Non-Current	Current	Total	Non-Current	Current	Total
(Unsecured, considered good unless stated otherwise)						
Security deposits	139.14	206.25	345.39	2.94	202.72	205.66
Interest receivable on Investments	-	39.15	39.15	-	-	-
Interest accrued on Fixed Deposit	-	38.35	38.35	-	23.05	23.05
Interest accrued on Auto Sweep FD	-	0.74	0.74	-	-	-
<b>Total</b>	<b>139.14</b>	<b>284.49</b>	<b>423.63</b>	<b>2.94</b>	<b>225.77</b>	<b>228.71</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 6 : Income tax assets (Net)

(₹ in Lakh)

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Non-Current	Current	Total	Non-Current	Current	Total
Advance income tax (net of provision)	72.57	-	72.57	72.57	-	72.57
<b>Total</b>	<b>72.57</b>	<b>-</b>	<b>72.57</b>	<b>72.57</b>	<b>-</b>	<b>72.57</b>

### Note 7 : Other Assets

(₹ in Lakh)

Particulars (Unsecured, considered good unless stated otherwise)	As at 31st March, 2022			As at 31st March, 2021		
	Non-Current	Current	Total	Non-Current	Current	Total
Prepaid expenses	12.57	99.08	111.65	29.03	54.12	83.15
Prepaid lease rental	33.67	9.00	42.67	-	-	-
GST credit receivable	-	109.45	109.45	-	105.07	105.07
Advance to employee	-	1.42	1.42	-	2.68	2.68
Capital Advances	-	12.37	12.37	47.86	-	47.86
Security deposits	-	11.45	11.45	-	6.83	6.83
Others	-	19.65	19.65	-	6.69	6.69
<b>Total</b>	<b>46.24</b>	<b>262.42</b>	<b>308.66</b>	<b>76.89</b>	<b>175.39</b>	<b>252.28</b>

### Note 8 : Current Investments

(₹ in Lakh)

Particulars	Rate of Interest (%)	Year of Maturity	No. of bonds / debentures / shares / units	Face Value	As at 31st March, 2022	As at 31st March, 2021
<b>Other Current investment :</b>						
<b>(a) Investment in Debentures or bonds</b>						
<b>Quoted debentures or bonds - amortised cost</b>						
Indian Railway Finance Corporation Limited *	8.00	2022	60,000	1,000	-	624.45
<b>(b) Investment in Mutual Funds</b>						
Mutual funds at FVTPL						
(i) Nippon Liquid Fund			8,250		429.65	415.14
(ii) SBI Liquid Fund			6,435		214.49	207.29
(iii) Franklin India Fixed Maturity Plans-Series 4 Plan B 1098 days			50,00,000		-	627.00
(iv) Kotak Mahindra MF FMP Series 235 -1140D Dir Growth 26Ag21			50,00,000		-	628.00
(v) SBI Mutual Fund Series 8 (1178 Days)			50,00,000		614.50	-
(vi) SBI Mutual Fund Series 14 (1102 Days)			30,00,000		362.70	-
(vii) Kotak Corporate Bond Fund			16,237		508.68	-
(viii) ICICI Pru Corporate Bond Fund			20,63,369		507.31	-
<b>Total</b>					<b>2,637.33</b>	<b>2,501.88</b>
Aggregate amount of quoted investment					-	624.45
Aggregate market value of quoted investment					-	619.66
Aggregate amount of unquoted investments					2,637.33	1,877.43
Aggregate amount of impairment in value of investment					-	-



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 9 : Trade receivables

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivables considered good - Secured,	13.13	2.15
Trade receivables considered good - Unsecured,	1,072.19	622.58
Trade receivables credit impaired - Unsecured	89.17	71.58
	<b>1,174.49</b>	<b>696.31</b>
Less: Expected credit loss	89.17	71.58
Trade receivables credit impaired - Unsecured	1,085.32	624.73
<b>Total</b>	<b>1,085.32</b>	<b>624.73</b>

Foot note :

- 1) The average credit period on sale of services is 30 days. No interest is charged on trade receivables for the first 30 days from the date of invoice. Thereafter, interest is charged at the range of 12% to 24% p.a. on certain categories of receivables.
- 2) The Company has appropriate levels of control procedures for new customers which ensures the potential customer's credit quality. Credit limits attributed to customers are reviewed periodically by the Management.
- 3) Movement of Credit impaired.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	71.58	10.95
Provision during the year	72.50	65.60
Reversal during the year	54.91	4.97
Balance at the end of the year	<b>89.17</b>	<b>71.58</b>

### Trade receivables ageing schedule as on 31st March, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivables – considered good	-	1008.52	76.8	-	-	-	1,085.32
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	43.53	43.22	2.42	-	89.17
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	<b>1,008.52</b>	<b>120.33</b>	<b>43.22</b>	<b>2.42</b>	-	<b>1,174.49</b>
Less : Credit impaired	-	-	43.53	43.22	2.42	-	89.17
<b>Total</b>	-	<b>1,008.52</b>	<b>76.80</b>	-	-	-	<b>1,085.32</b>

### Trade receivables ageing schedule as on 31st March, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivables – considered good	-	597.64	24.19	2.90	-	-	624.73
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	38.81	32.77	-	-	71.58
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	<b>597.64</b>	<b>63.00</b>	<b>35.67</b>	-	-	<b>696.31</b>
Less : Credit impaired	-	-	38.81	32.77	-	-	71.58
<b>Total</b>	-	<b>597.64</b>	<b>24.19</b>	<b>2.90</b>	-	-	<b>624.73</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 10 : Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Cash and cash equivalents</b>		
(i) in current accounts	151.87	128.75
(ii) in sweep deposit for meeting short term commitment	1,581.25	366.07
<b>Total</b>	<b>1,733.12</b>	<b>494.82</b>

### Note 11 : Bank balances other than cash and cash equivalents

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
	Non Current		Current	
<b>Other bank balances</b>				
(i) In Deposits with original maturity for more than 12 months	19.32	2,174.99	4,725.99	3,124.49
(ii) Earmarked Deposits with original maturity for more than 12 months *	252.00	56.00	-	124.12
(iii) Earmarked Deposits with original maturity for more than 3 months but less than 12 months.	-	-	50.00	50.00
<b>Total</b>	<b>271.32</b>	<b>2,230.99</b>	<b>4,775.99</b>	<b>3,298.61</b>

\* These balances are earmarked towards Performance Bank Guarantee

### Note 12 : Equity Share Capital

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Authorised</b>		
80,000,000 (previous year 80,000,000) Equity Shares of ₹ 10 each	8,000.00	8,000.00
<b>Issued, Subscribed and Fully Paid - Up</b>		
61,050,000 (previous year 61,050,000) Equity Shares of ₹ 10 each fully paid-up with voting rights	6,105.00	6,105.00
<b>Total</b>	<b>6,105.00</b>	<b>6,105.00</b>

12a. The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, (except in case of interim dividend), is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all dues proportionate to their shareholding.

The Board of Directors, in their meeting on May 23, 2022, have proposed a final dividend of ₹ 1,221.00 lakhs for the Financial Year ended March 31, 2022. The Proposal is subject to approval of the shareholders at the ensuing annual general meeting to be held and if approved would result in a cash outflow of approximately ₹ 1,221.00 lakhs.

The Board of Directors, in their meeting on May 27, 2021, have proposed a final dividend of ₹ 1.50/- per equity share which has been approved by the shareholders at the annual general meeting to be held on September 28, 2021. The total dividend paid during the year ended March 31, 2022 amounts to ₹ 915.75 lakhs.

The Board of Directors, in their meeting on June 15, 2020, have proposed a final dividend of ₹ 1/- per equity share which has been approved by the shareholders at the annual general meeting to be held on September 24, 2020. The total dividend paid during the year ended March 31, 2021 amounts to ₹ 610.50 lakhs.

### 12b. Reconciliation of the shares outstanding at the end of the year

Particulars	As at 31st March, 2022	As at 31st March, 2021
Number of equity shares at the beginning	6,10,50,000	6,10,50,000
Add: Issued during the year	-	-
Number of equity shares at the end of the year	6,10,50,000	6,10,50,000

### 12c. Details of shareholders holding more than 5% shares

Particulars	As at 31st March, 2022	As at 31st March, 2021
Name of the Shareholder		
National Securities Depository Limited (Holding company) and its nominees		
Number of shares held	6,10,50,000	6,10,50,000
% of Holding	100	100

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### 12d . Shares in the company held by its holding company or its ultimate holding company in aggregate

Particulars	As at 31st March, 2022	As at 31st March, 2021
Name of the Shareholder		
National Securities Depository Limited (Holding company ) and its nominees		
Number of shares held	6,10,50,000	6,10,50,000
% of Holding	100	100

### 12e . Promoters Shareholdings

Particulars	As at 31st March, 2022	As at 31st March, 2021
Name of the Shareholder		
National Securities Depository Limited (Holding company ) and its nominees		
Number of shares held	6,10,50,000	6,10,50,000
% of Holding	100	100

### Note 13 : Other Equity

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Retained earning</b>		
Balance at the beginning of the period / year	14,000.93	11,537.85
Add : Profit for the year	4,709.87	3,107.04
Less : Dividend	(915.75)	(610.50)
Other comprehensive income	18.68	(33.46)
Balance at the end of the period / year	17,813.73	14,000.93
<b>Total</b>	<b>17,813.73</b>	<b>14,000.93</b>

**Retained Earnings :** Retained earnings are the profits that the company has earned till date, less dividends or other distributions paid to shareholders

### Note 14 : Deferred Tax

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	57.24	41.73
Cumulative gain on FMP after indexation	37.94	95.20
<b>Deferred tax asset</b>		
Provision for employee benefits	49.55	52.77
Other Comprehensive Income on Gratuity	-	11.26
Provision for doubtful debts	22.44	18.02
Interest related to IND AS 116 Lease	1.23	11.03
IND AS 109 deposit	0.01	-
<b>Total</b>	<b>21.95</b>	<b>43.85</b>

(₹ in Lakh)

The movement in deferred tax asset and liabilities:	As at 31st March, 2020	Credited / (charge) to Income statement / OCI	As at 31st March, 2021	Credited / (charge) to Income statement / OCI	As at 31st March, 2022
<b>Deferred tax liability</b>					
On difference between book balance and tax balance of fixed assets	25.22	16.51	41.73	15.51	57.24
Cumulative gain on FMP after indexation	142.45	(47.25)	95.20	(57.26)	37.94
	167.67	(30.74)	136.93	(41.75)	95.18
<b>Deferred tax asset</b>					
Provision for employee benefits	35.33	17.44	52.77	(3.22)	49.55
Other Comprehensive Income on Gratuity	-	11.26	11.26	(11.26)	-
Provision for doubtful debts	2.76	15.26	18.02	4.42	22.44
Interest related to IND AS 116 Lease	7.62	3.41	11.03	(9.80)	1.23
IND AS 109 deposit	-	-	-	0.01	0.01
	45.71	47.37	93.08	(19.85)	73.23
<b>Deferred tax</b>	<b>121.96</b>	<b>(78.11)</b>	<b>43.85</b>	<b>(21.90)</b>	<b>21.95</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 15 (a) : Non Current Other financials liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Credit balances in Trade Receivables	4.75	3.04
<b>Total</b>	<b>4.75</b>	<b>3.04</b>

### Note 15 (b) : Non Current Lease liability

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease Liability	-	341.35
<b>Total</b>	<b>-</b>	<b>341.35</b>

### Note 16 : Other non-current liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Income received in advance	442.43	79.17
<b>Total</b>	<b>442.43</b>	<b>79.17</b>

### Note 17 : Trade payables

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Amounts due to micro and small enterprises	92.58	69.16
Others	466.12	484.59
Trade payables to related parties (Refer Note No.30)	20.99	21.96
<b>Total</b>	<b>579.69</b>	<b>575.71</b>

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

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

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Principal amount remaining unpaid to any supplier as at the end of the accounting period	92.58	69.16
Interest due thereon remaining unpaid to any supplier as at the end of the accounting period	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the period	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting period	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
<b>Total</b>	<b>92.58</b>	<b>69.16</b>

### Trade Payables ageing schedule as on 31st March, 2022

(₹ in Lakh)

Particulars	Outstanding for following period from due date of payment					
	Unbilled	Less than 1 year	1-2 year	2-3 year	More than 3 year	Total
(i) MSMED	27.33	65.25	-	-	-	92.58
(ii) Others	382.12	104.99	-	-	-	487.11
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>409.45</b>	<b>170.24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>579.69</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

Trade Payables ageing schedule as on 31st March, 2021

(₹ in Lakh)

Particulars	Outstanding for following period from due date of payment					
	Unbilled	Less than 1 year	1-2 year	2-3 year	More than 3 year	Total
(i) MSMED	25.18	43.98	-	-	-	69.16
(ii) Others	386.35	120.20	-	-	-	506.55
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>411.53</b>	<b>164.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>575.71</b>

### Note 18 (a) : Other financial liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Current</b>		
Security deposit received from customers	123.29	127.57
Payables on purchase of fixed assets	51.66	79.37
Payables to staff	244.49	272.03
Gratuity payable to fund	32.54	75.64
<b>Total</b>	<b>451.98</b>	<b>554.61</b>

### Note 18 (b) : Current Lease liability

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease liability	41.97	214.82
<b>Total</b>	<b>41.97</b>	<b>214.82</b>

### Note 19 : Provisions

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for compensated absences (refer footnote (i) below)	196.88	209.65
<b>Total</b>	<b>196.88</b>	<b>209.65</b>

Foot note (i): The provision for compensated absences includes ordinary leave and sick leave

### Note 20 : Other current liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Current</b>		
Advances from customers	1,150.18	1,021.48
Income received in advance	583.11	567.66
Statutory remittances	158.25	99.65
<b>Total</b>	<b>1,891.54</b>	<b>1,688.79</b>

### Note 21 : Current tax liability (Net)

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for income tax (net)	182.34	265.79
<b>Total</b>	<b>182.34</b>	<b>265.79</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 22 : Revenue from operations

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Annual fees	1,185.43	1,035.77
Registration fees	901.89	326.17
Transaction fees	7,187.57	5,497.84
<b>Total</b>	<b>9,274.89</b>	<b>6,859.78</b>

### Note 23 : Other income

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest income :		
- from financial assets at amortised cost	773.32	706.44
- On fixed deposits with banks	330.05	137.17
	<b>1,103.37</b>	<b>843.61</b>
Net gain on financial assets mandatorily measured at FVTPL	78.49	183.30
Gain / (Loss ) on sale of Mutual Fund	16.71	155.73
Gain on Lease Modification (P/L)	34.70	-
Bad debts recovery	0.34	14.55
Extinguishment of Lease Liability	28.08	10.92
Rent Recovery	17.97	31.43
Trade payable written back	-	4.17
"Income on Deposit IND-AS 109	0.37	-
Miscellaneous income	5.28	3.00
<b>Total</b>	<b>1,285.31</b>	<b>1,246.71</b>

### Note 24 : Employee benefits expense

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
-Salaries and wages	1,279.98	1,080.39
-Contribution to provident and other funds (refer note 32)	150.68	103.79
-Staff welfare expenses	35.04	23.41
-Deputation Cost	139.95	116.90
<b>Total</b>	<b>1,605.65</b>	<b>1,324.49</b>

### Note 25 : Finance Cost

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
-Interest on Lease Liability	37.90	55.63
<b>Total</b>	<b>37.90</b>	<b>55.63</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 26 : Other expenses

(₹ in Lakh)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
-System support charges		831.28		1,179.78
-Repairs and maintenance		54.74		42.86
-Processing charges		1,207.78		880.47
-Communication expenses		57.40		50.27
-Rent		24.11		19.42
-Insurance		25.07		21.96
-Travelling and conveyance expenses		7.26		5.86
-Legal and professional fees		43.50		34.43
-Printing and stationery expenses		3.90		5.09
-Payment to Auditors (net off GST set-off)				
-(a) Audit fees	6.50		5.50	
-(b) Tax audit fees	1.40		1.20	
-(c) Audit fees Limited review	2.10		1.80	
-(d) Other services	1.55	11.55	1.55	10.05
-Directors sitting fees		22.80		24.00
-Marketing Expenses		6.49		2.11
- Assets written off		0.24		-
- Capital WIP written off		-		4.17
- Provision for Impairment of CWIP		-		26.23
- Loss on sale of Assets		11.14		14.91
-Bad debts		26.34		2.90
-Provision for bad and doubtful debts		17.59		60.63
-Corporate social responsibility expenses		71.27		64.78
-Expense on Deposit IND-AS 109		0.42		-
-Miscellaneous expenses		19.70		31.81
<b>Total</b>		<b>2,442.58</b>		<b>2,481.73</b>

### Note 27 : Contingent Liabilities and Other Commitment (to the extent not provided for):

- a) **Contingent Liabilities:** On account of disputed demand of Income Tax of ₹ 564.41 lakh (previous year ₹ 542.40 lakh).

The Company is hopeful of succeeding in appeal and does not expect any significant liability to materialise.

b) **Commitments:**

- i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 206.31 Lakh as at 31st March, 2022 (₹ 156.34 Lakh as at 31st March, 2021).

ii) **Other Commitments:**

Contractual guarantee: ₹ 251.67 Lakh as at 31st March, 2022 (₹ 230.12 Lakh as at 31st March, 2021)

**Note 28 :** Expenditure incurred in foreign exchange: ₹ NIL (previous period : ₹ NIL Lakh)

**Note 29 :** The Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind-AS 108, Operating Segments. The Company's business is to provide Data Management Services to its clients in India. All other activities of the Company revolve around the main business. As such, there are no reportable segments as per the Ind AS 108—'Operating Segments'.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 30 : Related party Disclosures:

#### a) Name of related parties and relationship

National Securities Depository Limited	Holding Company
NSDL Payments Bank Ltd.	Fellow subsidiary
Mr. P.P.Vora	Director
Mr. C.M.Vasudev	Director
Mr. G.V.Nageswara Rao (upto August 31, 2021)	Director
Ms. Padmaja Chunduru (w.e.f. September 25, 2021)	Director
Mr. Madhusudhan ML (w.e.f. April 27, 2020)	MD & CEO
Mr. Samar Banwat (w.e.f. August 07, 2020)	Director

#### b) Nature and volume of transaction ( excluding GST ) during the year with above related parties

(₹ in Lakh)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Transactions during the year:</b>		
<b>A) Holding Company - National Securities Depository Limited</b>		
<b>(a) Income</b>		
i) Referral Fees	11.57	10.66
ii) Rent	17.97	31.43
iii) Deputation cost	-	8.91
iv) Repairs and maintenance	4.19	5.52
v) Others	4.98	0.80
<b>Total (a)</b>	<b>38.71</b>	<b>57.32</b>
<b>(b) Expenses</b>		
(i) System Support Charges	9.61	12.86
(ii) Deputation Cost	123.21	109.90
(iii) Annual Custody Fees	0.75	0.75
(iv) Dividend	915.75	610.50
(v) Others	2.51	0.78
<b>Total (b)</b>	<b>1051.83</b>	<b>734.08</b>
<b>(c) Gratuity &amp; Leave</b>		
(i) Gratuity transferred by NSDL in respect of Employee Transferred to NDML - ( Net expense )	-	3.35
(ii) Gratuity transferred by NDML in respect of Employee Transferred to NSDL - ( Net expense )	-	1.95
(iii) Leave (OL/SL) transferred by NSDL in respect of Employee Transferred to NDML - ( Net expense )	-	10.51
(iv) Leave (OL/SL) transferred by NDML in respect of Employee Transferred to NSDL - ( Net expense )	-	9.67
<b>(d) Net Receivable/(Payable) at the year end</b>	<b>(16.46)</b>	<b>(17.65)</b>
<b>B) Fellow Subsidiary Company – NSDL Payment Bank Limited</b>		
<b>(a) Income</b>		
(i) RTA Income	0.06	0.08
(ii) KRA Income	0.19	1.83
<b>Total (a)</b>	<b>0.25</b>	<b>1.91</b>
<b>(b) Expenses</b>		
(i) Rent	16.82	16.82
(ii) Others (Integration Charges )	0.18	1.00
<b>Total (b)</b>	<b>17.01</b>	<b>17.82</b>
<b>(c) Net Receivable/(Payable) at the year end</b>	<b>(4.53)</b>	<b>(4.31)</b>
<b>(d) Security Deposit Refundable at the year end</b>	<b>(0.10)</b>	<b>(0.10)</b>
<b>(e) Balance with NSDL Payment Bank Account No -502000015497 &amp; 502000000476 at the end of the year</b>	<b>0.25</b>	<b>0.90</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>(C) Directors</b>		
l) Sitting Fees		
i) Mr. P.P.Vora	11.40	12.00
ii) Mr. C.M.Vasudev	11.40	12.00
<b>(D) Key Managerial Personnel</b>		
i) Remuneration to MD – Madhusudhan ML *		
Short-term employee benefit	82.63	109.90
Post employment benefits	7.96	6.88
Long term employee benefits	-	-
<b>Total Remuneration</b>	<b>90.59</b>	<b>116.78</b>

\* Managerial Remuneration does not include provision made for compensated absence and gratuity, since the same is provided for the company as a whole based on independent actuarial valuation except to the extent of amount paid.

### Note 31 : Right to Use:

Following are the changes in the carrying value of right of use assets:

(₹ in Lakh)

Particulars	As at 31st March, 2022	Year ended 31st March, 2021
Balance as at beginning	512.33	722.91
Additions	-	-
Deletion / Modification	(264.68)	-
Depreciation	(210.58)	(210.58)
<b>Balance as at end</b>	<b>37.07</b>	<b>512.33</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities:

(₹ in Lakh)

Particulars	As at 31st March, 2022	Year ended 31st March, 2021
Current Lease Liabilities	41.97	214.82
Non-Current Lease Liabilities	-	341.35
<b>Total</b>	<b>41.97</b>	<b>556.17</b>

The following is the movement in lease liabilities during the year ended 31 March 2022:

(₹ in Lakh)

Particulars	As at 31st March, 2022	Year ended 31st March, 2021
Balance as at beginning	556.17	753.26
Additions	-	-
Deletion / Modification	(299.38)	-
Finance cost accrued during the year	37.90	55.63
Payment / accrual of lease liabilities	(224.64)	(241.80)
Extinguishment of lease liabilities	(28.08)	(10.92)
Balance as at end	41.97	556.17

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in Lakh)

Particulars	As at 31st March, 2022	Year ended 31st March, 2021
Less than one year	37.07	252.72
One to five years	-	361.53
More than five years	-	-
<b>Total</b>	<b>37.07</b>	<b>614.25</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 32 : Employee benefit plans:

a) The company has recognized following amounts in the Statement of Profit and Loss under the head Company's contribution to Provident Fund and Other funds: (₹ in Lakh)

Particulars	As at 31st March, 2022	Year ended 31st March, 2021
Provident Fund	53.63	40.04
Superannuation Fund	36.44	24.86
<b>Total</b>	<b>90.07</b>	<b>64.90</b>

b) Gratuity  
(i) Summary of actuarial assumptions : (₹ in Lakh)

Particulars	As at 31st March, 2022	Year ended 31st March, 2021
Discount rate	6.98%	6.44%
Rate of Return on Plan Assets	6.98%	6.44%
Salary Escalation	7.00%	7.00%
Attrition Rate - Less than 5 years - More than 5 years	19.00% 5.00%	19.00% 5.00%
Mortality Table	Indian assured lives mortality (2012-14) (Urban)	Indian assured lives mortality (2006-08)

(ii) Reconciliation of defined benefit obligation (₹ in Lakh)

Particulars	As at 31st March, 2022	Year ended 31st March, 2021
Liability at the beginning of the year	435.74	348.69
Interest cost	28.06	23.85
Current service cost	52.63	35.32
Liability Transferred In / Acquisition	-	9.43
Liability Transferred Out / Disinvestment	-	(21.11)
Benefit paid	(84.40)	(3.20)
Actuarial (gain)/loss on obligations – due to demographic assumptions	0.08	-
Actuarial (gain)/loss on obligations – due to change in financials assumptions	(23.61)	18.18
Actuarial (gain)/loss on obligations – due to experience	(1.43)	24.59
Liability at the end of the year	407.06	435.74

(iii) Reconciliation of fair value of plan assets: (₹ in Lakh)

Particulars	As at 31st March, 2022	Year ended 31st March, 2021
Fair value of plan assets at the beginning of the year	360.10	335.64
Interest income	23.19	22.96
Expected return on plan assets excluding interest income	-	(1.96)
Contributions	75.64	13.05
Assets transferred In / Acquisition	-	12.78
(Assets transferred out/disinvestments)	-	(19.17)
Benefits paid from the fund	(84.40)	(3.20)
Fair value of plan assets at the end of the year	360.10	360.10

(iv) Amount recognized in Balance sheet (₹ in Lakh)

Particulars	As at 31st March, 2022	Year ended 31st March, 2021
Present value of funded obligation	(407.06)	(435.74)
Fair value of plan assets at the end of the year	374.52	360.10
Liability at the end of the year	(32.54)	(75.64)
Net (liability) / asset disclosed in the Balance Sheet	(32.54)	(75.64)



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

(v) Net Interest cost for current year

(₹ in Lakh)

Particulars	As at 31st March, 2022	Year ended 31st March, 2021
Interest cost	28.06	23.85
Interest income	(23.19)	(22.96)
Net interest cost for current year	4.87	0.89

(vi) Expenses recognized in Statement of Profit and Loss:

(₹ in Lakh)

Particulars	As at 31st March, 2022	Year ended 31st March, 2021
Current service cost	52.63	35.32
Net Interest cost	4.87	0.89
Expenses recognised in statement of profit and loss	57.50	36.21

(vii) Expense recognised in other comprehensive income

(₹ in Lakh)

Particulars	As at 31st March, 2022	Year ended 31st March, 2021
Expected return on plan assets	0.0	1.96
Actuarial (gain)/loss	(24.96)	42.76
Net (Income)/ Expenses for the period recognised in OCI	(24.96)	44.72

(viii) Balance sheet Reconciliation:

(₹ in Lakh)

Particulars	As at 31st March, 2022	Year ended 31st March, 2021
Opening Net Liability	75.64	13.05
Expenses Recognized in Statement of Profit or Loss	57.50	36.21
Expenses Recognized in OCI	(24.96)	44.72
Net Liability /(Asset ) Transfer in	-	(3.35)
Net (Liability)/Asset Transfer out	-	(1.95)
Employers Contribution	(75.64)	(13.05)
Amount recognised in the Balance Sheet	32.54	75.64

(ix) Category of assets

(₹ in Lakh)

Particulars	As at 31st March, 2022	Year ended 31st March, 2021
Insurer managed funds	374.52	360.10
Total	374.52	360.10

(x) Description of plan assets ( managed by an Insurance Company)

Particulars	As at 31st March, 2022	Year ended 31st March, 2021
Central and State Govt. securities		
Bonds/ debentures	Funds deployed by Life Insurance Corporation of India.	Funds deployed by Life Insurance Corporation of India.
Equity shares		
Others		

(x) Sensitivity Analysis:

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

(₹ in Lakh)

	Defined benefit obligation ( Current Year )		Defined benefit obligation ( Previous Year )	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (1% movement)	(38.86)	45.36	(43.38)	50.95
Future salary appreciation (1% movement)	44.90	(39.19)	50.15	(43.54)
Attrition rate (1% movement)	(1.58)	1.62	(3.25)	3.56

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

The details of the Company's Post- retirement benefit plans for Gratuity for its employees are given above which is certified by the actuary and relied upon by the auditors.

Expected contribution in the next 12 months is ₹ 69.49 Lakh (Previous Year: ₹ 62.97 Lakh).

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

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

### Note 33 : Earnings per share:

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit for the period attributable to the equity shareholder (₹ in Lakh)	4709.87	3,107.04
Weighted average number of equity shares during the period	61,050,000	61,050,000
Basic and Diluted Earnings per Share	7.71	5.09
Face value of each share (₹)	10	10

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

### Note 34 : Fair value measurement

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Financial Assets</b>		
<b>a) Amortised cost</b>		
Investments in debt instrument	13,528.26	10,841.01
Trade Receivables	1,085.32	624.73
Cash and cash equivalents	1,733.12	494.82
Other Bank balances	5,047.31	5529.60
Other financial assets	423.63	228.71
	<b>21,817.64</b>	<b>17,718.87</b>
<b>b) FVTPL</b>		
Investment in mutual funds	2,637.33	2,813.83
	<b>2,637.33</b>	<b>2,813.83</b>
<b>Total</b>	<b>24,454.97</b>	<b>20,532.70</b>
<b>Financial Liabilities</b>		
<b>a) Amortised cost</b>		
Trade Payables	579.69	575.71
Other financial liabilities	456.73	557.65
Lease liabilities	41.97	556.17
<b>Total</b>	<b>1,078.39</b>	<b>2,245.70</b>

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

### Note 35 : Financial Instruments

#### Capital Risk Management

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



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Financial Risk Management

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

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

The Company is exposed to the following market risks:

#### (a) Credit Risk

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

Trade and Other Receivables: The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Receivables mainly consist of receivables from Depository Participants (DP), Banks, Issuers of Securities, Units/Developer of SEZ and Insurance companies etc. Trade receivables consist of a large number of customers, representing diverse industries and geographical areas; hence the Company is not exposed to concentration risks. The company monitor outstanding receivables along with ageing on periodic basis. For receivables pertaining to other streams of revenues, the credit and collection team regularly follows up for the collection.

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

#### (b) Liquidity Risk

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

#### (c) Market Risk

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

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

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

(₹ in Lakh)

Particulars	As at 31st March, 2022	Year ended 31st March, 2021
Mutual Fund	2637.33	2,813.83
<b>Total</b>	<b>2637.33</b>	<b>2,813.83</b>

### Sensitivity

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Particulars	Impact on profit after tax	
	FY 2021-22	FY 2020-21
Increase by 5%	131.87	140.69
Decrease by 5%	(131.87)	(140.69)

### Note 36 : Expenses towards Corporate Social Responsibility

(₹ in Lakh)

Sr. No.	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
a)	Gross amount required to be spent by the company during the year.	67.78	60.83
b)	Amount of expenditure incurred	71.27	64.78
c)	Shortfall at the end of the year	-	-
d)	Total of previous years shortfall	-	-
e)	Reason for shortfall	-	-

(₹ in Lakh)

#### As at March 31, 2022

Sr. No.	Particulars	In Cash/ Chq/Transfer	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	71.27	-	71.27

#### As at March 31, 2021

Sr. No.	Particulars	In Cash/ Chq/Transfer	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	64.78	-	64.78

Nature of CSR activities: Combating of critical illness diseases, promotion of education via scholarship program and skill development, COVID -19 relief program, etc.

### Note 37 : Income tax expenses recognised in Statement of Profit and Loss

(₹ in Lakh)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Profit before tax from continuing operations</b>	<b>6,050.69</b>	<b>3,906.13</b>
Income tax expense calculated at 25.168%	1,522.84	983.09
Effect of income that is exempt from taxation	(175.37)	(177.80)
Effect of expenses that are not deductible in determining taxable profit	21.00	35.00
Effect of different tax rates for fair value gain on investments	(32.00)	(61.00)
Others (interest, rate change effect, etc)	4.35	19.80
<b>Income tax expenses recognised in Statement of Profit and Loss</b>	<b>1,340.82</b>	<b>799.09</b>

The tax rate used for the financial years 2021-22 and 2020-21 reconciliations above is the corporate entities in India on taxable profits under the Indian Tax Law.

**Note 38 :** “National Academic Depository (NAD)” is set-up by the Union Cabinet to facilitate “e-Governance” and “Digital Services” This scheme was launched by Hon. President of India and attracted wide-spread media attraction. The State Governments and Higher Education Institutions across the spectrum have adopted this scheme and initiated implementation. The scheme is hailed as a major digital initiative in education records not only in India but also globally.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

UGC has informed us that as per a letter received by them from MHRD, NAD shall not be implemented through NDML or any depository. It will be done through Digi-locker. Company has represented MHRD with a request to allow NDML to continue with the services and approve the framework of user charges.

However, on conservative basis, Company has made a provision for impairment of NAD Project fixed assets and CWIP aggregating to ₹ 49.89 Lakh. Out of the said amount, ₹ 23.66 Lakh related to fixed assets is included under 'Depreciation, impairment and amortisation expenses' and ₹ 26.23 Lakh related to CWIP is included under 'Other Expenses' for the year ended March 31, 2021.

### **Note 39 : COVID-19**

The Novel Coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but business and financial markets too. Various governments have introduced a variety of measures to contain the spread of the virus. The Indian government had announced countrywide lockdown which is continuing at present. In this nation-wide lock-down period, though all the services across the nation were suspended (except the specified essential services), some establishments including securities market intermediaries could operate and were exempted from the lock-down.

The management has assessed the potential impact of the COVID-19 on the Company. Based on the current assessment, the management is of the view that impact of COVID 19 on the operations of the Company and the carrying value of its assets and liabilities is not likely to be material.

### **Note 40 : Social Security Code**

The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent on 28th September 2020. The Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

### **Note 41 : Additional regulatory information required by Schedule III**

#### **(i) Details of benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

#### **(ii) Borrowing secured against current assets**

The Company had not borrowed and funds from banks and financial institutions on the basis of security of current assets.

#### **(iii) Wilful defaulter**

Company is not declared as wilful defaulter by any bank or financial institution or government or any government authority.

#### **(iv) Relationship with struck off companies**

The Company has transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956 (Annexure 1)

#### **(v) Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

#### **(vi) Compliance with approved scheme(s) of arrangements**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### (vii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

### (viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

### (ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

### (x) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

### (xi) Analytical Ratio (Annexure 2)

**Note 42 :** The previous year's figures have also been regrouped / reclassified and rearranged wherever necessary.

For and on behalf of the Board of Directors

Sd/-  
**P.P.Vora**  
Chairman  
DIN : 00003192  
Place: Mumbai

Sd/-  
**Madhusudhan ML**  
MD & CEO  
DIN : 08739281  
Place: Mumbai

Sd/-  
**Padmaja Chunduru**  
Director  
DIN : 08058663  
Place: Mumbai

Sd/-  
**Vaishali Vaidya**  
Chief Financial Officer  
Place: Mumbai

Sd/-  
**Nikhil Arya**  
Company Secretary  
Place: Mumbai

Place : Mumbai  
Date : May 23, 2022



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Annexure -1 : Transaction with Struck off Companies

(₹ in Lakh)

Name of Company	Nature of Transactions	FY 2021-22	FY 2020-21	Relationship
		Balance outstanding	Balance outstanding	
Fine Lifestyle Brands Ltd	Receivables	0.12	0.06	Customer
Technology Venture Fund	Receivables	0.12	0.06	Customer
Zipgo Technologies Pvt Ltd	Receivables	0.12	0.35	Customer
Dreams Broking Private Limited	Receivables	0.00	0.00	Customer
Artham Securities & Broking India Private Limited	Receivables	0.00	0.00	Customer
Clearlogix Technologies Pvt Ltd	Receivables	0.00	0.00	Customer
GOR Medical Gas Equipment P Ltd.	Receivables	(0.01)	(0.01)	Customer
P.P.Jewels Pvt.Ltd.	Receivables	(0.08)	(0.08)	Customer
PC Impex Pvt Ltd	Receivables	(0.01)	(0.01)	Customer
Wiltech Software Solutions Private Ltd.	Receivables	0.01	0.01	Customer
Chakiath Motor Works Pvt. Ltd	Receivables	0.00	0.00	Customer
Managed Data Center Services Limited	Receivables	(0.10)	(0.10)	Customer
Surat Cigarettes Pvt Ltd	Receivables	(0.01)	(0.01)	Customer
Fominaya (India) Private Limited	Receivables	0.02	0.02	Customer
Dyno Electrics Pvt Ltd	Receivables	(0.01)	(0.01)	Customer
MDL Technologies India Private Limited	Receivables	0.00	0.00	Customer
Resonance Outsourcing Services Private Limited	Receivables	(0.02)	(0.02)	Customer
Jungsan Diamond Tools India Private Limited	Receivables	(0.09)	(0.09)	Customer
BIZ Edge India Private Limited	Receivables	0.00	0.00	Customer
Costal Energy Limited	Receivables	(0.01)	(0.01)	Customer
M/s. Mam Power Electronics Solutions Pvt Ltd	Receivables	0.00	0.00	Customer
Nutmeg Infotech Private Limited	Receivables	(0.02)	(0.02)	Customer
Galaxe Solutions India Pvt. Ltd.	Receivables	(0.20)	(0.30)	Customer
Parkview Warehouses Pvt. Ltd.	Receivables	(0.02)	(0.02)	Customer
M/s. N.Y. System	Receivables	(0.10)	(0.10)	Customer
Itek Business Solutions Pvt Ltd	Receivables	(0.08)	(0.08)	Customer
M/s. Ozone Warehousing Private Limited	Receivables	(0.02)	(0.02)	Customer
Shree Krishna Well Pack Pvt.Ltd.	Receivables	(0.01)	(0.01)	Customer
SOD Technologies Pvt Ltd	Receivables	(0.06)	(0.06)	Customer
Smartek21 Pvt. Ltd.	Receivables	(0.21)	(0.21)	Customer
M/s. Enlit Softech Private Limited	Receivables	0.04	0.04	Customer
Vividia Communications Pvt Ltd	Receivables	0.01	0.01	Customer
Vens IT Solutions Private Limited	Receivables	(0.01)	(0.01)	Customer
Colonialistslandmark Cosmetics India Pvt Ltd	Receivables	(0.02)	(0.02)	Customer
Mach 3 Machine Tools India Pvt Ltd	Receivables	(0.02)	(0.02)	Customer
Dolcera Information Technology Services Pvt Ltd	Receivables	0.00	0.00	Customer
Sunray Designs Private Limited	Receivables	0.00	0.00	Customer
Wilson Associates Interior Architectural Design Private Limited	Receivables	0.07	0.07	Customer
Feofus Solutions Private Limited	Receivables	0.06	0.06	Customer
Faes Packaging Solutions Pvt Ltd	Receivables	0.01	0.01	Customer
Microland Limited	Receivables	(0.10)	(0.05)	Customer
M/s. Spatika Digital Solutions Pvt Ltd	Receivables	0.06	0.06	Customer
I2 Software Tech Solutions Private Limited	Receivables	0.01	0.00	Customer
Qagate Technologies Private Limited	Receivables	(0.04)	(0.04)	Customer
Rajeshwar Exports Private Limited	Receivables	(0.16)	(0.16)	Customer
Hanin Enterprises Private Limited	Receivables	(0.19)	(0.19)	Customer
M/s. Nile Logistics Pvt. Ltd.	Receivables	(0.03)	(0.03)	Customer
Norjimm Private Limited	Receivables	(0.05)	(0.05)	Customer
Abacsys Technologies Private Limited	Receivables	(0.11)	(0.11)	Customer

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Name of Company	Nature of Transactions	FY 2021-22	FY 2020-21	Relationship
		Balance outstanding	Balance outstanding	
Precieux Diamond Manufacturing & Sorting Private Limited	Receivables	(0.02)	(0.02)	Customer
Shubharatna Gems & Jewells Private Ltd.	Receivables	(0.03)	(0.03)	Customer
Microland Limited	Receivables	(0.10)	(0.05)	Customer
Xoriant Solutions Pvt Ltd Unit 1	Receivables	(0.28)	(0.38)	Customer
Xoriant Solutions Private Limited Unit 2	Receivables	(0.28)	(0.39)	Customer
Hilado Spintex Private Limited	Receivables	(0.05)	(0.05)	Customer
H And R Block India Pvt Ltd	Receivables	(0.15)	(0.10)	Customer
Bigdataint Engineers Private Limited	Receivables	0.00	0.00	Customer
Cyberpark Kozhikode	Receivables	(0.06)	(0.06)	Customer
Eternity Jewels	Receivables	(0.05)	(0.06)	Customer
Bombay Jewellery Manufacturers	Receivables	(0.24)	(0.55)	Customer
Powernet Technologies	Receivables	(0.03)	(0.03)	Customer
Interjewel Designs	Receivables	(0.22)	(0.22)	Customer
Quality 20/20	Receivables	(0.21)	(0.21)	Customer
Kbs Designs	Receivables	(0.11)	(0.11)	Customer
Eco-Cell Inc	Receivables	0.00	0.00	Customer
Fitco India	Receivables	(0.02)	(0.05)	Customer
Kosmic Technologies	Receivables	0.00	0.00	Customer
Shreyas Packaging Industries	Receivables	(0.01)	(0.03)	Customer
Milak Warehouse	Receivables	(0.08)	(0.10)	Customer
Vishvajoti Packaging	Receivables	(0.05)	(0.06)	Customer
Medicare Industries	Receivables	(0.08)	(0.08)	Customer
Maruti Exports	Receivables	(0.05)	(0.09)	Customer
Sunrise Internationals	Receivables	(0.07)	(0.08)	Customer
Groupe Isource	Receivables	(0.02)	(0.01)	Customer
Rank International	Receivables	(0.04)	(0.04)	Customer
Milak Plastics Industries	Receivables	(0.08)	(0.11)	Customer
S C Chemicals	Receivables	(0.01)	(0.01)	Customer
Hindustan Celluloid & Plastic Industries	Receivables	(0.01)	(0.02)	Customer
Blossom Trading Corporationunit -II	Receivables	(0.02)	(0.02)	Customer
Ocean Power	Receivables	(0.09)	(0.04)	Customer
Shreeji Polymers	Receivables	(0.06)	(0.06)	Customer
Shell Export (Kandla)	Receivables	(0.01)	(0.01)	Customer
Shreeji Impex	Receivables	0.03	0.03	Customer
Gokul Overseas	Receivables	(0.30)	(0.34)	Customer
Sage Exports	Receivables	(0.10)	(0.03)	Customer
Renny Exports	Receivables	(0.01)	(0.01)	Customer
India Exports	Receivables	(0.04)	(0.10)	Customer
Solar International	Receivables	0.00	0.00	Customer
Sterling Brassware	Receivables	(0.02)	(0.02)	Customer
Sahdev International	Receivables	(0.04)	(0.04)	Customer
Aqua Plus Global	Receivables	(0.12)	(0.09)	Customer
Shriyam Gems & Jewellery	Receivables	(0.04)	(0.04)	Customer
Mac Bmc India	Receivables	(0.01)	(0.01)	Customer
Narayan Exports	Receivables	(0.07)	(0.11)	Customer
Kohinoor International	Receivables	(0.03)	(0.03)	Customer
Ganpati Overseas	Receivables	(0.30)	(0.20)	Customer
Adinath Jewellery Exports	Receivables	(0.23)	(0.33)	Customer
Anagram Systems	Receivables	(0.03)	(0.03)	Customer
Shanta Trading Services	Receivables	(0.02)	(0.02)	Customer



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.)**  
**FOR THE YEAR ENDED 31ST MARCH, 2022**

(₹ in Lakh)

Name of Company	Nature of Transactions	FY 2021-22	FY 2020-21	Relationship
		Balance outstanding	Balance outstanding	
M M Knitwears	Receivables	(0.01)	(0.01)	Customer
B.S.Bikram Overseas	Receivables	0.00	0.00	Customer
Zenith International	Receivables	(0.16)	(0.09)	Customer
Trade Perfections	Receivables	(0.04)	(0.09)	Customer
Sangam International	Receivables	0.00	0.00	Customer
Clairon Filters	Receivables	(0.06)	(0.05)	Customer
The Ray Incorporated	Receivables	0.00	0.00	Customer
Link Export	Receivables	0.00	0.00	Customer
India Nets	Receivables	(0.22)	(0.07)	Customer
Gupta Infotech	Receivables	(0.04)	(0.04)	Customer
Lilavati Jewellery Works	Receivables	(0.02)	(0.02)	Customer
Stellar Jewelry A Div. Of S. Narendra	Receivables	(0.11)	(0.10)	Customer
Texwool Spinners And Clothing	Receivables	(0.02)	(0.06)	Customer
Neelam Metal Industries	Receivables	(0.02)	(0.02)	Customer
Texpoly Polymers	Receivables	(0.02)	(0.05)	Customer
Zalani Paper Mart	Receivables	(0.03)	(0.05)	Customer
Renew Plastics	Receivables	(0.02)	(0.02)	Customer
Ganga Impex Enterprise	Receivables	(0.13)	(0.03)	Customer
Quality Engineers	Receivables	(0.02)	(0.02)	Customer
DP Associates	Receivables	(0.02)	(0.02)	Customer
Anita Exports	Receivables	(0.03)	(0.03)	Customer
C-Tech Corporation	Receivables	(0.06)	(0.01)	Customer
A Star Export	Receivables	(0.01)	(0.01)	Customer
J.B.Enterprise	Receivables	0.00	0.00	Customer
Freedom Fragrances	Receivables	(0.50)	(0.26)	Customer
Daval Jewels	Receivables	(0.01)	(0.01)	Customer
Nya International	Receivables	(0.23)	(0.23)	Customer
Shree Ganesh Exports	Receivables	0.00	(0.01)	Customer
Sai Lalith Fragrances	Receivables	(0.01)	(0.01)	Customer
Shriram Overseas	Receivables	(0.04)	(0.04)	Customer
K.J.Exports	Receivables	(0.01)	(0.01)	Customer
Planets F&B Park	Receivables	(0.10)	(0.10)	Customer
Gemni International	Receivables	(0.02)	(0.01)	Customer
Mahathi Software Private Limited	Receivables	(0.05)	(0.05)	Customer
Abc Corporation	Receivables	0.00	0.00	Customer
V.S Brothers	Receivables	(0.02)	(0.02)	Customer
One World	Receivables	(0.03)	(0.02)	Customer
Vmt Systems India Private Limited	Receivables	(0.01)	(0.01)	Customer
RGN Global Enterprises	Receivables	(0.05)	(0.08)	Customer
Amrapali Exports	Receivables	(0.22)	(0.09)	Customer
Brij Jewels	Receivables	(0.03)	(0.04)	Customer
Saboo Trading Corporation	Receivables	(0.09)	(0.07)	Customer
Perfect Utilities	Receivables	0.05	0.05	Customer
KG Exports	Receivables	(0.03)	(0.07)	Customer
Lords Export Co	Receivables	0.00	0.00	Customer
Solar Exports	Receivables	(0.13)	(0.13)	Customer
Honey Mc Dew Gold Inc.	Receivables	(0.02)	(0.02)	Customer
Eros Crafts	Receivables	(0.02)	(0.03)	Customer
Kalyan Exporters And Importers	Receivables	(0.05)	(0.05)	Customer
Packwell Plastic & Packaging Industries	Receivables	(0.02)	(0.02)	Customer

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.)**  
**FOR THE YEAR ENDED 31ST MARCH, 2022**

(₹ in Lakh)

Name of Company	Nature of Transactions	FY 2021-22	FY 2020-21	Relationship
		Balance outstanding	Balance outstanding	
Pioneer International	Receivables	(0.03)	(0.03)	Customer
S S Engineering Co	Receivables	(0.01)	(0.01)	Customer
Dharm Exim	Receivables	(0.02)	(0.02)	Customer
Shree Bhagwati Lubricant Industries	Receivables	(0.02)	(0.02)	Customer
Royal Exports	Receivables	(0.03)	(0.03)	Customer
Koelee Sportswear Inc	Receivables	(0.01)	(0.01)	Customer
M.B.Transformers	Receivables	(0.01)	(0.01)	Customer
Vetrivel Minerals V.V.Minerals	Receivables	(0.01)	(0.02)	Customer
Rank International Trading Division	Receivables	(0.03)	(0.02)	Customer
A.K.Jewels	Receivables	(0.02)	(0.02)	Customer
Shree Namu Alloys	Receivables	(0.02)	(0.02)	Customer
India International	Receivables	(0.01)	(0.02)	Customer
Laxmi Impex	Receivables	(0.06)	(0.07)	Customer
JK Infotech	Receivables	(0.04)	(0.04)	Customer
Green Age Solutions	Receivables	(0.01)	(0.01)	Customer
Dovlin Healthcare	Receivables	(0.13)	(0.08)	Customer
G S R Industries	Receivables	(0.14)	(0.04)	Customer
Apex Lubricant	Receivables	(0.04)	(0.03)	Customer
Oswal Tradex	Receivables	(0.10)	(0.10)	Customer
Shree Nnansharda Jewellery	Receivables	(0.06)	(0.07)	Customer
Hitech Overseas	Receivables	(0.06)	(0.06)	Customer
Florence Export	Receivables	(0.02)	(0.02)	Customer
Global Partners India	Receivables	(0.02)	(0.02)	Customer
IT Gurus Software	Receivables	(0.04)	(0.04)	Customer
Regent Ropes	Receivables	(0.03)	(0.03)	Customer
Presto Industries Exports	Receivables	(0.02)	(0.06)	Customer
Manubhai Zaveri Exports	Receivables	(0.05)	(0.05)	Customer
N.P.Holdings	Receivables	(0.02)	(0.02)	Customer
Gujarat Textiles	Receivables	(0.03)	(0.03)	Customer
Mectronics Marketing Services	Receivables	(0.12)	(0.05)	Customer
Herbul Henna Export House	Receivables	(0.08)	(0.07)	Customer
Dwarka Das Seth Sez India Incorporation	Receivables	(0.08)	(0.08)	Customer
Bion Computers Pvt Ltd	Receivables	(0.02)	(0.02)	Customer
Vetrivel Minerals (V.V. Minerals)	Receivables	(0.36)	(0.36)	Customer
Mukund Overseas	Receivables	0.01	0.01	Customer
Amtrade	Receivables	(0.03)	(0.03)	Customer
Endeavour Software Solutions	Receivables	(0.04)	(0.19)	Customer
Karmyogi Engineers	Receivables	(0.05)	(0.05)	Customer
Vision Technology	Receivables	(0.02)	(0.02)	Customer
Vaghani Inc.	Receivables	(0.03)	(0.03)	Customer
Home Fabrics Hassan	Receivables	(0.31)	(0.25)	Customer
Stancor Alloys Inc	Receivables	0.00	0.00	Customer
M/S Krsna Minerals	Receivables	0.03	0.03	Customer
Superior Metal Overseas	Receivables	(0.02)	(0.02)	Customer
Sponte India	Receivables	(0.12)	(0.14)	Customer
Universal Packaging	Receivables	(0.02)	(0.09)	Customer
Orbit Software	Receivables	(0.02)	(0.02)	Customer
Plenar Solutions	Receivables	0.00	0.00	Customer
VHN Diamonds	Receivables	(0.03)	(0.03)	Customer
Accumax Lab Technology	Receivables	(0.06)	(0.06)	Customer



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.)**  
**FOR THE YEAR ENDED 31ST MARCH, 2022**

(₹ in Lakh)

Name of Company	Nature of Transactions	FY 2021-22	FY 2020-21	Relationship
		Balance outstanding	Balance outstanding	
Jenya	Receivables	(0.02)	(0.02)	Customer
Advantage Health Care Solutions	Receivables	0.02	0.02	Customer
Kinjal Exports	Receivables	(0.06)	(0.06)	Customer
Deepak Gems	Receivables	0.01	0.01	Customer
D Jewel	Receivables	(0.04)	(0.04)	Customer
Rocks Forever Inc	Receivables	(0.09)	(0.84)	Customer
Maurya International	Receivables	(0.11)	(0.03)	Customer
Shree Ashtavinayak Exports	Receivables	(0.02)	(0.02)	Customer
Gemplaza Company	Receivables	(0.05)	(0.05)	Customer
Soni International Jewelry Mfg.Co.	Receivables	(0.06)	(0.10)	Customer
Green Fire Exports	Receivables	(0.02)	0.00	Customer
Kapil Jewels & Art	Receivables	(0.01)	(0.02)	Customer
BML Gems And Jewellery	Receivables	(0.16)	(0.01)	Customer
Yashi Mfg Co	Receivables	(0.01)	(0.01)	Customer
Kaypee Exports	Receivables	(0.06)	(0.03)	Customer
Laxmi Ideal Interiors	Receivables	(0.26)	(0.26)	Customer
Rhea Industries	Receivables	(0.07)	(0.07)	Customer
Gem Trading Centre	Receivables	(0.05)	(0.07)	Customer
Cosmos Gems Exports	Receivables	(0.10)	(0.15)	Customer
Reliance Trading Corporation	Receivables	(0.04)	(0.04)	Customer
Kuber Gems Inc	Receivables	(0.07)	(0.07)	Customer
G S Paperindustries & Products	Receivables	(0.02)	(0.02)	Customer
Gallant Jewelry	Receivables	(0.50)	(0.24)	Customer
Kirat Crafts	Receivables	(0.01)	(0.02)	Customer
Gem Centre	Receivables	(0.13)	(0.06)	Customer
Ashok Jewels Unit-II	Receivables	(0.05)	(0.18)	Customer
Rajputana Beads Manufacturing Company	Receivables	(0.04)	(0.04)	Customer
A.M.Exports	Receivables	(0.06)	(0.02)	Customer
Koushal Exports	Receivables	(0.04)	(0.04)	Customer
Stone Beads International	Receivables	(0.30)	(0.29)	Customer
Sujata Exports	Receivables	(0.14)	(0.14)	Customer
Novitas Infotech	Receivables	(0.03)	(0.03)	Customer
Interjewel Design Trading Division	Receivables	0.04	0.04	Customer
Vedy Jewellery	Receivables	(0.01)	(0.01)	Customer
Shree Nath Gems	Receivables	(0.30)	(0.27)	Customer
S.K.Traders	Receivables	(0.13)	(0.15)	Customer
Vraj Diamond	Receivables	(0.01)	(0.01)	Customer
Glossy Jewels	Receivables	0.00	0.00	Customer
Vijeta Manufacturing	Receivables	(0.07)	(0.07)	Customer
Allianze Bpo International	Receivables	(0.03)	(0.08)	Customer
Super Gems	Receivables	(0.05)	(0.05)	Customer
SRG Impex	Receivables	(0.01)	(0.01)	Customer
Royal Rare Colours Stones	Receivables	(0.08)	(0.08)	Customer
MMG Impex	Receivables	(0.01)	(0.01)	Customer
Bhansali Trading Corporation	Receivables	(0.12)	(0.15)	Customer
Vishnu Export	Receivables	(0.16)	(0.26)	Customer
V.M. Maniyar Exports	Receivables	(0.06)	(0.02)	Customer
Ark International	Receivables	(0.01)	(0.01)	Customer
Hi Klass Fashions	Receivables	(0.09)	(0.09)	Customer
Aarya Exim	Receivables	(0.04)	(0.04)	Customer

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Name of Company	Nature of Transactions	FY 2021-22	FY 2020-21	Relationship
		Balance outstanding	Balance outstanding	
Bamalwa Jewels	Receivables	(0.04)	(0.04)	Customer
Prateek Gems	Receivables	(0.03)	(0.03)	Customer
H.Sherul & Co.	Receivables	(0.02)	(0.02)	Customer
Gebbs Unit 1	Receivables	(0.08)	(0.03)	Customer
Hindustan Oils Industries	Receivables	(0.03)	(0.04)	Customer
Neeraj Handicrafts & Packaging Industries	Receivables	(0.01)	(0.01)	Customer
Siddhi Vinayak Enterprises	Receivables	(0.04)	(0.02)	Customer
Punam Jewels & Beads Inc.	Receivables	0.04	0.04	Customer
Mascot Plast-O-Therm	Receivables	0.00	0.00	Customer
Bead Maker Co.	Receivables	(0.09)	(0.09)	Customer
AC Impex	Receivables	(0.01)	(0.03)	Customer
Anbalaya-A-Fabric	Receivables	0.00	0.00	Customer
Satya Stone Exports	Receivables	(0.14)	(0.17)	Customer
Shubh Exports	Receivables	(0.06)	(0.08)	Customer
Twist Digital Media	Receivables	(0.02)	(0.03)	Customer
Palmon Exports	Receivables	(0.03)	(0.03)	Customer
I Woxmart It Services Pvt. Ltd	Receivables	(0.22)	(0.22)	Customer
Datamatrix	Receivables	(0.06)	(0.06)	Customer
India Craft Loom	Receivables	(0.01)	(0.01)	Customer
Indian Allied Exports	Receivables	(0.15)	(0.15)	Customer
Indian Heritage Perfumers	Receivables	(0.17)	(0.03)	Customer
JB Enterprises Unit II	Receivables	(0.05)	(0.03)	Customer
Mmg Impex Unit - 2	Receivables	(0.04)	(0.04)	Customer
Exxotic Jewellery	Receivables	(0.12)	(0.12)	Customer
Content Management Solutions	Receivables	(0.03)	(0.04)	Customer
Crazy Studio Creations	Receivables	0.01	0.01	Customer
Fabby Technologies Pvt Ltd	Receivables	0.00	0.00	Customer
Bombay Jewellery Manufactures Unit II	Receivables	(0.28)	(0.11)	Customer
UKB Cords And Cable Export	Receivables	(0.04)	(0.04)	Customer
Ritu Overseas	Receivables	(0.07)	(0.07)	Customer
Tarmo It Services	Receivables	0.01	0.01	Customer
R. B. Industries	Receivables	(0.05)	(0.07)	Customer
Bhatia Software Technologies	Receivables	(0.01)	0.00	Customer
Nakoda Sales Corporation	Receivables	(0.07)	(0.04)	Customer
DJMC Exports	Receivables	(0.02)	(0.02)	Customer
Futronics World	Receivables	0.00	0.00	Customer
Tarkesh Art Jewellers	Receivables	(0.15)	(0.25)	Customer
Pooja Overseas	Receivables	(0.06)	(0.08)	Customer
Varun International	Receivables	(0.09)	(0.09)	Customer
Dipi Enterprise	Receivables	(0.03)	(0.06)	Customer
G Metals Company	Receivables	(0.14)	(0.16)	Customer
Emerald Distributors	Receivables	(0.15)	(0.11)	Customer
Smd Rays	Receivables	(0.08)	(0.08)	Customer
Aryan International	Receivables	(0.06)	(0.07)	Customer
Shree Saibaba Petroleum	Receivables	(0.02)	(0.02)	Customer
Sumati Exports	Receivables	(0.05)	(0.05)	Customer
Deepak Acid And Chemical Industries	Receivables	(0.03)	(0.03)	Customer
Unique Tobacco Products	Receivables	(0.08)	(0.09)	Customer
A-One Jewellery	Receivables	(0.14)	(0.04)	Customer
Hoffensoft	Receivables	(0.06)	(0.04)	Customer



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.)**  
**FOR THE YEAR ENDED 31ST MARCH, 2022**

(₹ in Lakh)

Name of Company	Nature of Transactions	FY 2021-22	FY 2020-21	Relationship
		Balance outstanding	Balance outstanding	
Gujeswori Apparels	Receivables	(0.01)	(0.03)	Customer
Dsr Overseas	Receivables	(0.06)	(0.06)	Customer
Hashtag	Receivables	(0.10)	(0.10)	Customer
JP Horology	Receivables	(0.03)	(0.03)	Customer
Stash Barn Enterprises	Receivables	(0.01)	(0.02)	Customer
Goldmine Overseas	Receivables	(0.13)	(0.13)	Customer
Trendz Inc	Receivables	(0.16)	(0.16)	Customer
Easy Warehousing	Receivables	(0.01)	0.00	Customer
Unitrade World	Receivables	(0.11)	(0.05)	Customer
Kishore Export House	Receivables	(0.13)	(0.17)	Customer
Ms Hub Shooting Sports	Receivables	(0.35)	(0.37)	Customer
Satya Pal Shiv Kumar	Receivables	(0.02)	(0.04)	Customer
Shlok Information Systems India Private Limited	Receivables	(0.04)	(0.02)	Customer
Beacon Infotech	Receivables	(0.34)	(0.36)	Customer
Bajaj Warehousing Services	Receivables	0.00	0.00	Customer
R.K. Exports	Receivables	(0.03)	(0.03)	Customer
Authentic Ocean Treasure	Receivables	(0.27)	(0.06)	Customer
Jmd International	Receivables	(0.09)	(0.09)	Customer
C Abhay Kumar And Company	Receivables	(0.06)	(0.07)	Customer
Innovate Polimer Company	Receivables	(0.01)	(0.01)	Customer
Texpoly Impex	Receivables	(0.12)	(0.25)	Customer
Gemni Food Equipments	Receivables	(0.08)	(0.01)	Customer
Gaga Exports	Receivables	(0.05)	(0.05)	Customer
Egnaro	Receivables	(0.05)	(0.05)	Customer
Divine Diamonds	Receivables	(0.16)	(0.16)	Customer
Shashwat Stainless Works	Receivables	(0.05)	(0.05)	Customer
Gemini Enterprises	Receivables	(0.09)	(0.02)	Customer
Lucent Innovation	Receivables	(0.02)	(0.02)	Customer
Soni International Jewelry Co.	Receivables	(0.16)	(0.16)	Customer
Rishi International India	Receivables	(0.12)	(0.17)	Customer
Renaissance Inc	Receivables	(0.09)	(0.09)	Customer
Kapoor Technology	Receivables	(0.30)	(0.03)	Customer
Ankita Overseas	Receivables	(0.28)	(0.05)	Customer
Parth Exports	Receivables	(0.06)	(0.08)	Customer
Sehar Overseas	Receivables	(0.09)	(0.09)	Customer
The Mindlabs	Receivables	(0.06)	(0.06)	Customer
San Enterprises	Receivables	(0.05)	(0.05)	Customer
Vimal Trading	Receivables	(0.03)	(0.05)	Customer
Super Ca India	Receivables	0.02	0.00	Customer
Rare Rocks	Receivables	(0.07)	(0.10)	Customer
S I Overseas Jewellers	Receivables	(0.01)	(0.01)	Customer
SPJ Exports	Receivables	(0.09)	(0.09)	Customer
Shivaay Jewels	Receivables	(0.34)	(0.27)	Customer
Metadata Technologies	Receivables	(0.03)	(0.03)	Customer
Neutec International	Receivables	(0.05)	(0.05)	Customer
Panama Overseas	Receivables	(0.05)	(0.03)	Customer
Bash Technologies	Receivables	(0.02)	(0.02)	Customer
S B Creation	Receivables	(0.01)	(0.01)	Customer
Hitech Mechtronics	Receivables	(0.05)	(0.06)	Customer
Vishwas Enterprises	Receivables	(0.05)	(0.05)	Customer

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Name of Company	Nature of Transactions	FY 2021-22	FY 2020-21	Relationship
		Balance outstanding	Balance outstanding	
Dolphin Apparles	Receivables	(0.03)	(0.02)	Customer
Kay Salizar	Receivables	(0.05)	(0.05)	Customer
Rolon Seals International	Receivables	(0.08)	(0.09)	Customer
II Global	Receivables	(0.07)	(0.05)	Customer
Aum Solvchem	Receivables	(0.04)	(0.09)	Customer
Adiinfo Solution And Services	Receivables	(0.04)	(0.04)	Customer
L N Jewels	Receivables	(0.06)	(0.09)	Customer
Aarna International	Receivables	(0.04)	(0.02)	Customer
Gie Colour Impex	Receivables	(0.06)	(0.06)	Customer
Jupiter Gems And Jewels	Receivables	(0.03)	(0.04)	Customer
Harsh Industries	Receivables	(0.06)	(0.11)	Customer
Plazma Mpcvd And Research Center	Receivables	(0.02)	(0.05)	Customer
Ambe International	Receivables	(0.01)	(0.01)	Customer
Discover Zero	Receivables	(0.05)	(0.05)	Customer
Shrine Technologies	Receivables	(0.05)	(0.01)	Customer
Godavari Chemicals	Receivables	(0.04)	(0.05)	Customer
Ganpati Overseas	Receivables	0.00	(0.05)	Customer
Isha Impex	Receivables	(0.07)	(0.02)	Customer
Ab Warehousing	Receivables	(0.04)	(0.05)	Customer
Cargo Care Agency	Receivables	(0.02)	(0.05)	Customer
Dole Logistics	Receivables	0.00	(0.01)	Customer
Renew Plastics Unit II	Receivables	(0.02)	(0.01)	Customer
DJ Creation	Receivables	(0.04)	(0.03)	Customer
A And I Exim	Receivables	(0.06)	0.00	Customer
Rehan Jewels	Receivables	(0.05)	(0.09)	Customer
Sunrise Internationals Unit II	Receivables	(0.04)	(0.04)	Customer
Shree Ganesh Export	Receivables	(0.02)	(0.02)	Customer
Vacation Me Developers	Receivables	(0.05)	(0.05)	Customer
Jmbm Warehousing	Receivables	(0.03)	(0.04)	Customer
Nimex Trading Corporation	Receivables	(0.04)	(0.05)	Customer
V Unit	Receivables	(0.16)	(0.16)	Customer
Sai Krishna Logistics	Receivables	(0.01)	(0.15)	Customer
Shriji Overseas	Receivables	(0.06)	(0.01)	Customer
JSD Foods And Beverages	Receivables	(0.02)	(0.05)	Customer
Ahmad Brass Inc	Receivables	0.00	0.00	Customer
Mango Tree Warehouse	Receivables	(0.06)	0.00	Customer
Shri Guru Shipping And Logistics	Receivables	(0.01)	0.00	Customer
Texpoly Polymers Unit II	Receivables	(0.05)	0.00	Customer
Axiogen Bio Tech	Receivables	0.06	0.00	Customer
Norm International	Receivables	(0.03)	0.00	Customer
Scalexuss Aero Solutions	Receivables	(0.02)	0.00	Customer
F N Impex	Receivables	(0.01)	0.00	Customer
Avm Engineering Service	Receivables	0.05	0.00	Customer
I C Rawal And Co	Receivables	0.06	0.00	Customer
Business Excellence Trust Iv G	Receivables	0.01	0.00	Customer
True North Gift Fund VII	Receivables	0.00	0.00	Customer
Eco Plastics	Receivables	(0.03)	0.00	Customer
Surabhi Imports And Exports	Receivables	0.05	0.00	Customer
Pandara Trust	Receivables	0.12	0.06	Customer
<b>Total</b>		<b>(22.83)</b>	<b>(22.72)</b>	



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (contd.) FOR THE YEAR ENDED 31ST MARCH, 2022

### Annexure - 2 : Analytical Ratios

Sr. No.	Ratio	Numerator	Denominator	As at 31.03.2022	As at 31.03.2021	% Variance	Reason for variance
1	Current Ratio	Current Assets	Current Liabilities	3.22	2.09	54.49	Change in Current Ratio is due to increase current Investment, Trade Receivables and Surplus money available due to Increase profit and Revenue from operation during the year.
2	Debt–Equity Ratio	Total Debt	Shareholder's Equity	Not Applicable	Not Applicable	Not Applicable	
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	Not Applicable	Not Applicable	Not Applicable	
4	Return on Equity (ROE)	Net Profits after taxes less Pref. Dividend (if any)	Average Shareholder's Equity	21.40	16.46	29.98	Increase Ratio due increase Profits and revenue from operations during the year.
5	Inventory Turnover ratio	Cost of goods sold OR sales	Average Inventory	Not Applicable	Not Applicable	Not Applicable	
6	Trade receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	10.85	10.73	1.12	
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	4.23	3.45	22.68	
8	Net capital turnover ratio	Net Sales	Working Capital	1.25	1.80	-30.67	Due to increase in working capital mainly due to increase in current Investment, Trade Receivables and Surplus money available due to Increase profit and revenue from operation during the year.
9	Net Profit Ratio	Net Profit	Net Sales	44.60	38.33	16.37	
10	Return on capital employed	Earning before interest and taxes	Capital Employed	26.16	20.08	30.22	Increase Ratio due increase Profits and revenue from operations during the year.
11	Return on investment	Income generated from invested funds	Average invested funds in treasury investments	5.91	6.92	-14.60	



# NSDL Payments Bank



ANNUAL REPORT 2021-22



# CONTENTS

## Corporate Overview

259-275

MD's Message

259

Our Journey So Far

261

Business Outlook

262

Corporate Governance

271

Board of Directors

273

Our Team

274

## STATUTORY REPORTS

276-288

Notice

276

Director's Report

281

Form No. MR-3

285

## FINANCIAL STATEMENTS

289-309

Independent Auditor's Report

289

Balance Sheet

294

Statement of Profit & Loss

295

Cash Flow Statement

296

Schedules Forming Part of the Financial Statements

297

Notes

309

## MD's Message

### FY 2021-22



Dear Members,

We are delighted and honoured to present our annual report 2021-22. This report will offer a qualitative and quantitative view into the operations and our strategic approach toward making the nation's vision - Financial Inclusion - a reality.

Let me start by saying NSDL Payments Bank, a wholly digital and paperless bank, has come a long way since October 29, 2018. Driven by passion, the Bank has worked hard to exceed the expectations of its customers, partners, and stakeholders.

#### **FY 2021-22 Run-Through**

The first quarter of FY 2021-22 coincided with the second wave of COVID-19 in India, which was more severe than the first wave. But amid chaos, there is opportunity. As a Payments Bank, we passionately believe that the government's Digital India Initiative can be truly achieved when Financial Inclusion is accompanied by Digital Inclusion. Following this train of thought, we worked towards bringing banking services to every doorstep through our inclusive banking initiatives and with its easy-to-use technology, we have ensured that our end-users can bank through their mobile phones, anytime anywhere. This helped us push the Bank's net worth from ₹117 crores to ₹125 crores, reflecting its operational resilience.

Through our mobile app – NSDL Jiffy – we try to provide superior service, innovative connectivity, and intuitive technology to inspire and enable all our customer segments to Bank seamlessly. The app allows a fully digital savings account opening process with features like virtual debit cards and payments through NEFT, IMPS, UPI and QR Codes. The customers can also avail themselves of our Recharge and Bill Payments services, making it a one-stop-shop for our users. To improve their experience, we have introduced features like a customer redressal mechanism and FAQs.

With the easy-to-use features, we received good user reviews on social media, and our ratings have gone up to 4.3 on the google play store. We also saw a tremendous increase in referrals, resulting in our customer base soaring to 3.5 lakhs as of March 31, 2022.

Third-party mutual fund investments and simple insurance products are offered to our customers. We have even partnered with well-known stock broking companies to put forward Linked Trading Accounts to the capital market brokers, helping our customers do real-time, one-click transfers from their Bank to their trading account.

We at NSDL Payments Bank, keeping the government's vision of bringing Modern India and Rural Bharat under the



digital banking umbrella, have successfully made in-roads into the underbanked and unbanked areas. As per the Bank's model of B2B partnership, we have tied up with multiple BCs (Business Correspondents) and have successfully created a nationwide merchant ecosystem of mom-and-pop shops to allow basic banking transactions through Micro ATMs, AePS and DMT. Seva Kendras (Customer Service Points) have been opened for redressal purposes, helping our customers Bank better. We now have 20+ lakhs touchpoints through this channel.

As you go through the report, you will see how our inclusive banking operations have increased many folds with business worth ₹1,615 crores in the first quarter, it went up to ₹11,634 crores in the fourth quarter, in which AePS services alone rose from ₹310 crores in the first quarter to ₹8,979 crores in the final quarter.

We have designed a broad Business Banking Product Suite for our SMEs and MSMEs, including Current Accounts, Prepaid cards, and the latest addition - DBT (Direct Benefit Transfer). In the last financial year, our Prepaid Cards alone showed a throughput of approx. ₹7,800 crores. We also offer Payment Gateway and Point of Sale (PoS) solutions for our offline merchants, showing our resolve towards a strong cashless world.

There are a few more accomplishments that we wish to highlight. During this period, we had our first RBI inspection and were able to conduct the same to the regulator's satisfaction. We closed the financial year 2021-22 in green, by registering an operational profit and recently, we also shifted to a bigger and better office space.

Our positive performance has resulted from unwavering teamwork, so to retain and attract key talents, the Bank has framed an ESOP policy. Steps are also being taken to ensure employee wellness. During the COVID-19 lockdown, PPE kits and ambulance service in emergencies were provided. Vaccination camps were organized for employees and their family members. Today, all our employees are fully vaccinated. We have even partnered with portals to provide our staff with ready access to nationwide doctors for medical consultations.

#### **Future Outlook**

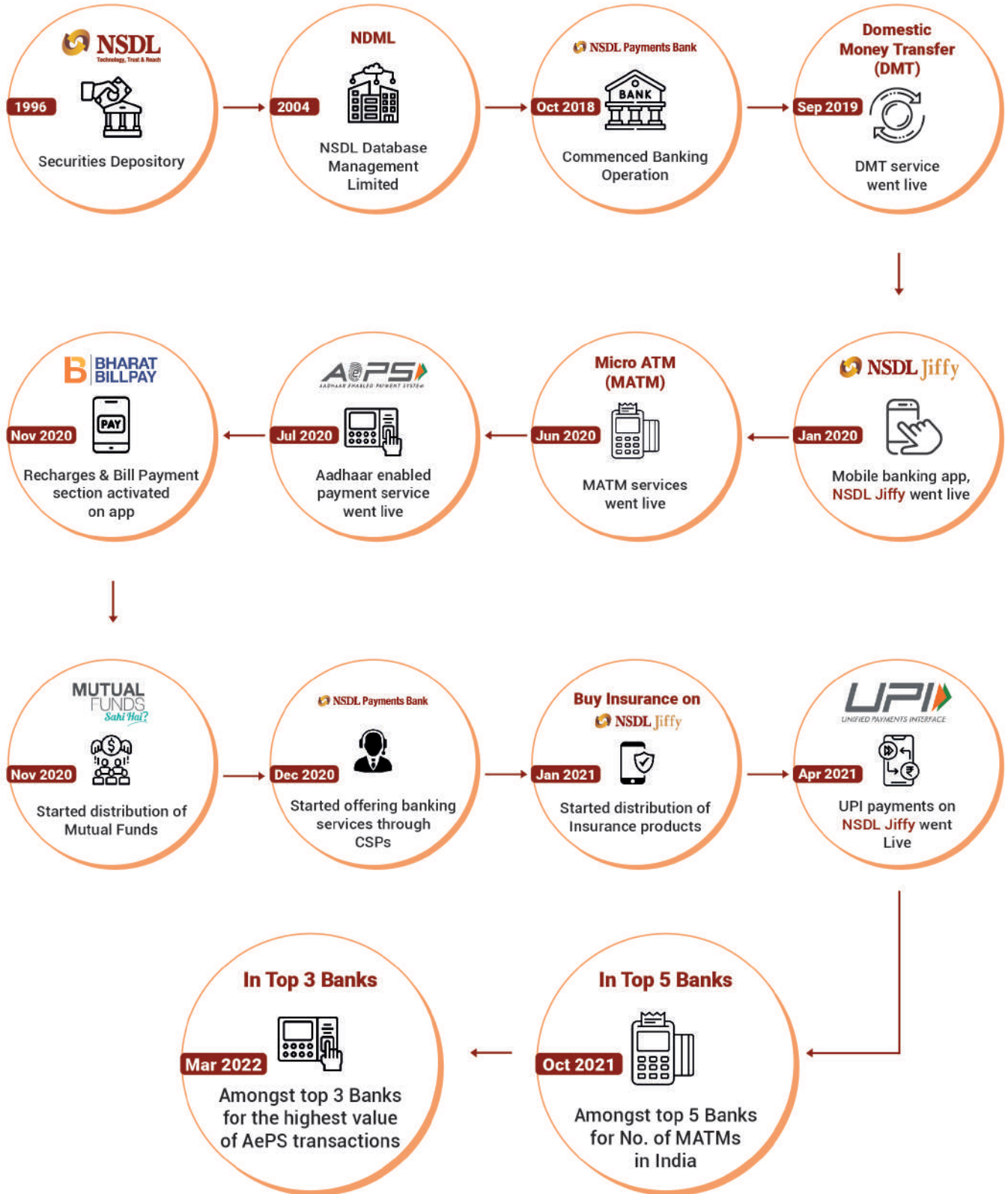
2022-23 should be an exciting year, full of opportunities, growth, and learning. This year too, our focus will be on building an institution with the highest standards of governance, robust risk processes and which is financially vital and technologically powered to deliver the best value to its customers and all stakeholders. We plan to bring regular interventions to stay relevant to the various customer segments we serve. In the process, becoming a systematically important bank in the payments bank space.

#### **Thank You**

We want to acknowledge and express gratitude for the trust placed in us by our esteemed customers, shareholders, regulators, and all other stakeholders. We remain grateful for your confidence in us, our Bank's capabilities, and your willingness to evaluate us on the strength of our achievements.

With best wishes,  
**Abhijit M. Kamalapurkar**  
MD & CEO

## OUR JOURNEY SO FAR

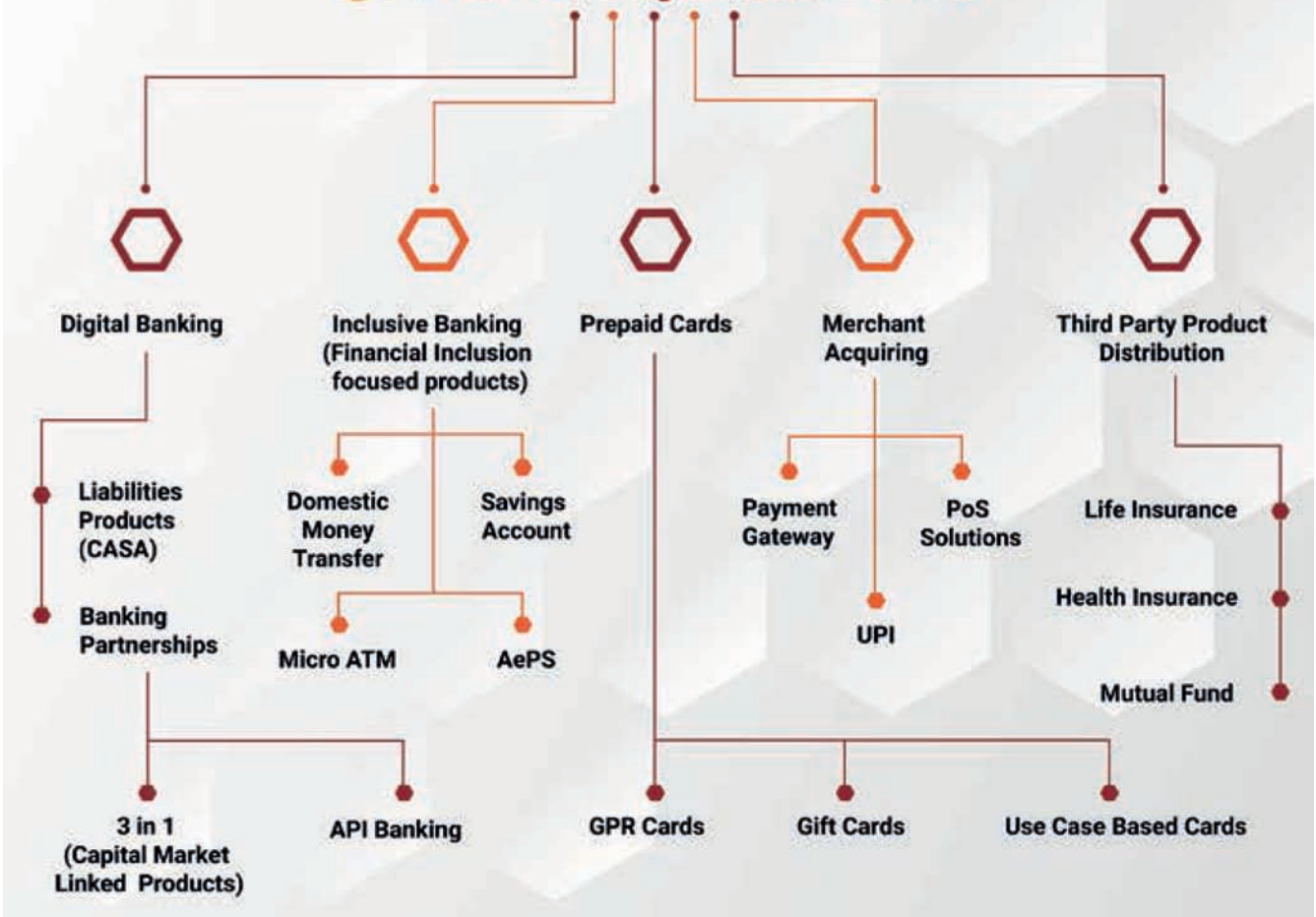




## BUSINESS OUTLOOK



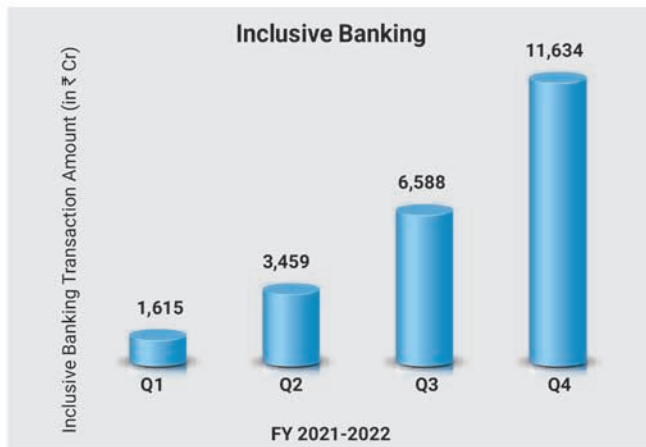
### NSDL Payments Bank





### Bank's Growth in line with Financial Inclusion

NSDL Payments Bank in 2021-22 asserts a strong foothold Pan-India in Inclusive Banking. Through its inclusive banking solutions, it has adopted scalable and exceptional steps to enable the financial inclusion of the disadvantaged and low-income population in the cities and various unbanked and underbanked areas.



NSDL Payments Bank successfully rode the digital wave brought about by the pandemic with NSDL Jiffy, the bank's flagship app known for its superior service, innovative connectivity, and intuitive technology and its customer-friendly features like Zero Balance Accounts, Digital Debit Cards, Fund Transfers - IMPS, NEFT and UPI, Online Bill Payments and Recharges, Mutual Funds, and Insurance. This has led to a continuous upward surge in the Android and IOS userbase. NSDL Payments Bank, keeping the government's vision of "Financial Inclusion" in mind, has introduced features that can be availed by all. Other than an ensemble of online savings accounts that cater to the customers' diverse needs. The bank has taken up initiatives like DMT (Domestic

Money Transfer), Micro ATM, AePS (Aadhar Enabled Payment System), Savings Account opening for our offline customers with the help of the nationwide network of our Inclusive Banking Partners (Corporate BCs) and Business Correspondents (BCs). They usually run neighbourhood shops like small kiranas, stationary, pharmacies etc.

2021-22 has been a good year for Inclusive Banking. The operations grew many folds, wherein we did a total business worth ₹23,296 crores, our volumes grew from ₹1,615 crores in Q1 to ₹11,634 crores in Q4.

### Inclusive Banking Partners

For the promising inclusive banking performance, the credit goes to its extensive banking partner network. With their help, the bank has been able to expand its outreach and offer its banking services at a low cost. As evident in the graph below, our partner network has been consistently growing. In the FY 2021-22, the bank tied up with 11 more partners and is working towards taking that number higher.

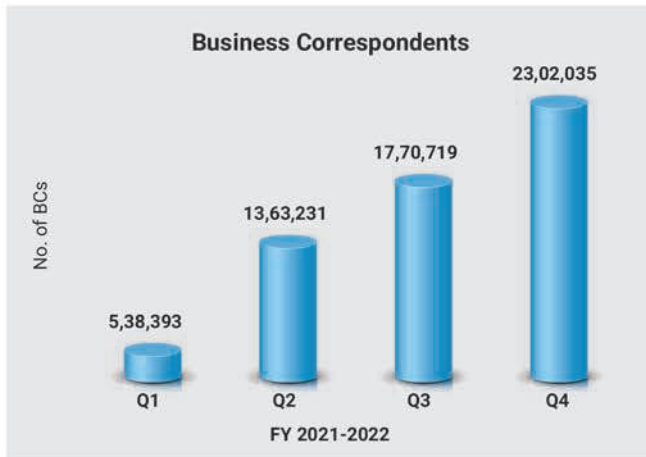


With its help our BC network in terms of number Of BCs (agents) grew by more than 300%.



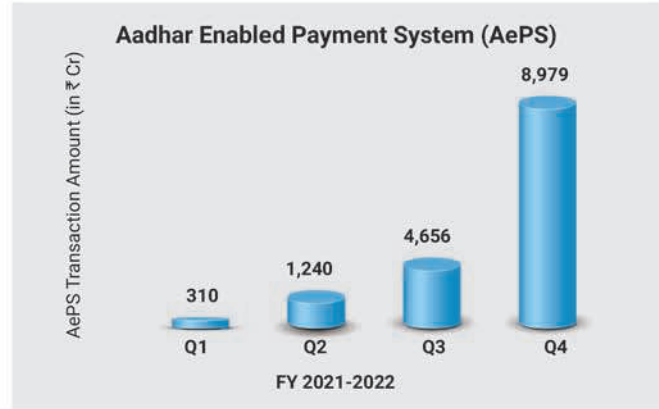
### Customer Service Points

The Bank has set up various Customer Service Points (CSPs) for extending banking services and remittances facilities across India. NSDL Payments Bank witnessed a 200% increase in the number of Customer Service Points in the last FY, from 197 in the first qtr. to 408 in the last qtr. The bank is working hard toward adding more CSPs in order to push financial inclusion forward.



### Aadhaar Enabled Payment System (AePS)

Aadhaar enabled Payment System allows offline bank customers basic banking transactions like cash deposit, cash withdrawal, intrabank or interbank fund transfer and balance enquiry through the bank's Business Correspondents. We started with ₹310 crores in the first quarter to ₹8,979 crores in the fourth quarter taking the total to ₹15,185 crores.



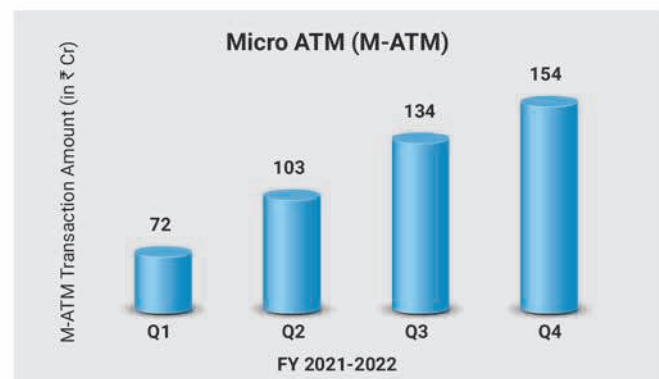
As per NPCI's March 2022 ranking for AePS Acquiring, the Bank ranked 3rd in India as opposed to 19th in April 2021.



### Micro ATM (M-ATM)

Micro ATM services are offered through Business Correspondents (BC) appointed by the Bank who deliver essential banking services like cash withdrawal and balance enquiry. In FY 2021-22, the Bank witnessed a steady growth in the bank's Micro ATM initiative, where volumes increased from ₹72 crores to ₹154 crores in the last quarter taking the total to ₹463 crores.

As per RBI's bank wise ATM/POS/CARD statistics, the Bank ranked 6th in India as opposed to 15th in April 2021 and was in top 5 in the month of October 2021.



Ranking No. of MATMs of NSDL Payments Bank



### Domestic Money Transfer (DMT)

It is a cash-to-account fund transfer where the Bank enables non-account holders to send money to any bank through the Banks' fund transfer services. DMT, too showed consistent growth in 2021-22, from ₹1,233 crores in Q1 to ₹2,501 crores in Q4, summing up to ₹7,648 crores.

Domestic Money Transfer (DMT)



NSDL Payments Bank has a comprehensive Business Banking Product Suite for SMEs and MSMEs. It includes opening Current Accounts through Digital and offline modes, with corporate internet banking facilities (desktop and mobile versions) and Prepaid cards, helping the business customers digitize their daily and ad-hoc payments. Its latest addition, DBT (Direct Benefit Transfer), allows account holders receive subsidies from the government through the Public Financial Management System (PFMS). The bank now boasts 20+ lacs touchpoints through B2B, and many more are on the way.

In the next fiscal year, the bank looks forward to gaining 3 Lakhs CASA accounts through its BC channels and getting more business volume from its existing partners. It is also working toward expanding the network of its banking outlets and enrolling new business partners across the nation to provide a varied range of inclusive banking products offered by the bank. With the initiatives mentioned above, it aspires to reach the top 3 positions in DMT and AePS as well.

NSDL Payments Bank looks forward to a less-cash-dependent economy, where banking is not only affordable to Indians but also easily accessible through its digital platforms.

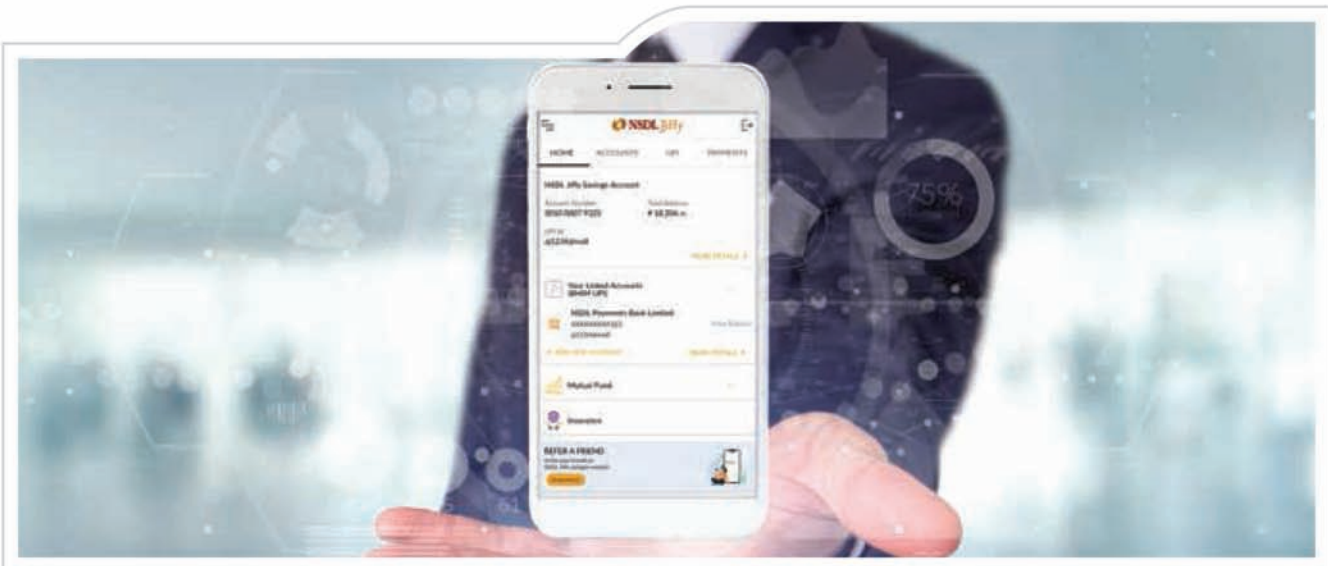


### Digital Banking

During the financial year 2021-22, NSDL Payments Bank made considerable progress towards simplifying & redesigning customer journeys and improving the overall banking experience for them, with its advanced mobile banking app- NSDL Jiffy. Till 31st March 2022, we had digitally opened more than 3.5 Lacs Savings Accounts on our Mobile App out of which 2 Lacs were opened in FY 2021-22.

NSDL Jiffy Mobile App is built with a focus on personalization, intuitiveness, and simplicity to deliver a superior user experience. Here are some of the features that make it best-in-class:

- **Log In** - Seamless and secure.
- **Dashboard**- One dashboard that gives a holistic overview of your banking and investments with us.
- **Transactions**: Fund transfers are quick & simple with multiple options for the mode of transfer. At the same time, it is more secure with the beneficiary validation option, where we ensure the money gets transferred to the right beneficiary.
- **Bill Payments & Recharges**: With a wide range of billers to choose from, users can pay all the monthly bills and do recharges in a jiffy.
- **Payment Assist**: The user can set reminders of any payment or schedule future payments. In the case of Bill Payments, the user can register for autopay as well.



### NSDL Jiffy App Growth and Developments

In our continuous effort to achieve excellence in mobile banking and user experience, we released 14 updates to

our app's android version in the said year. By the end of the fiscal year, we had acquired 1.1 million users\* on the app, out of which 67% of users were acquired in FY 2021-22.

To achieve this milestone, we leveraged our marketing efforts in Social Media Marketing, Search Engine Marketing, Online Advertising, Referral Campaigns, Campaigns on Recharge & Bill Payments, and various other re-targeting campaigns.

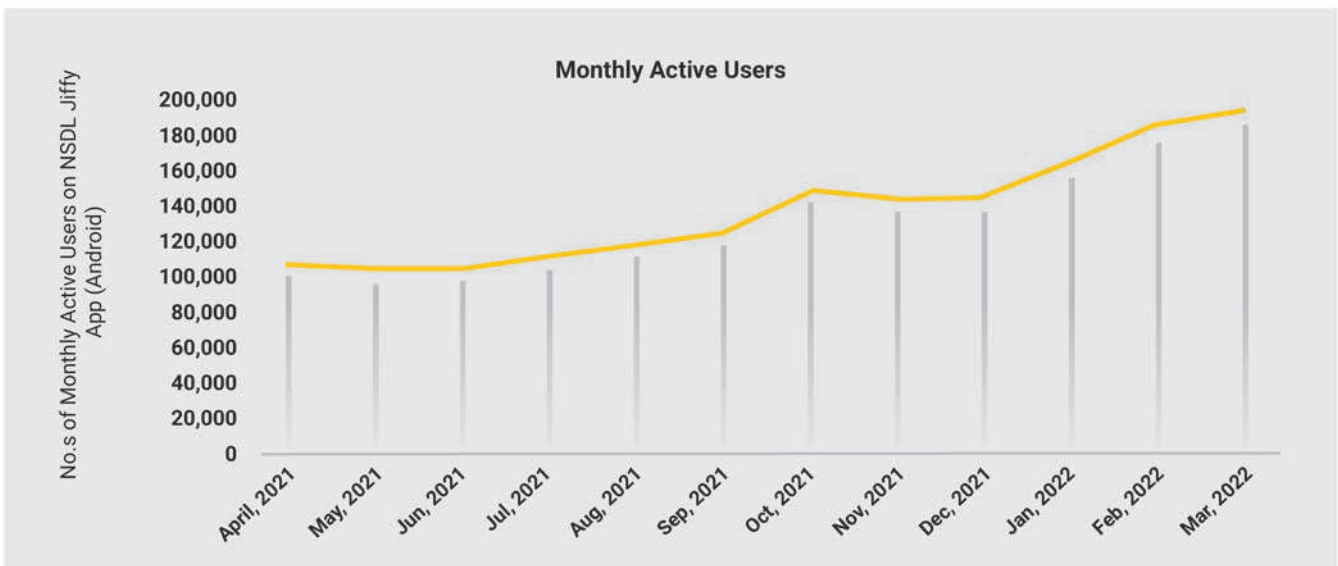
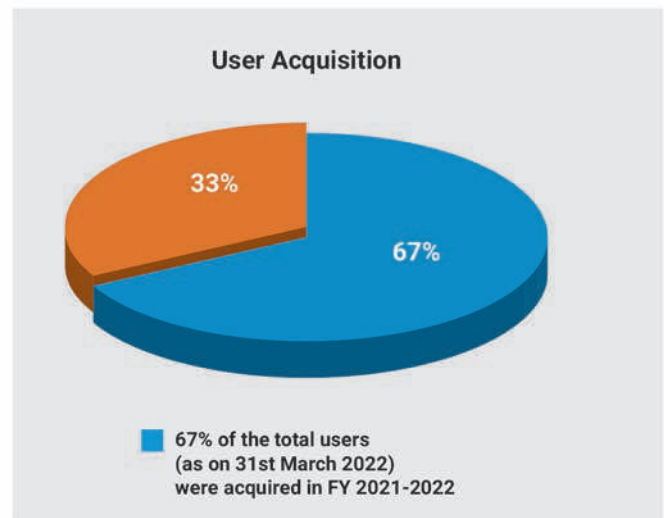
To improve the user experience, we monitored ratings and reviews of our app on different platforms. This effort improved the Google Play store ratings from 3.9 to 4.2 in FY 2021-22. By the end of the FY, our app rating was 16% higher than our peers.

Throughout the year, we constantly engaged with our app users to keep them active on our mobile banking app. We ran referral programs and Cashback on Bill Payment and Recharges. Our Monthly Active User base was increased by 60% in the FY 2021-22.

The bank has seen growth in the Business Banking arena for both Individual and Non-Individual customer bases. Our Current Account offering is tailored to provide customers' businesses with premium banking services and ease of managing money more profitably. By the end of the financial year, we had opened 6000+ accounts, out of which 50% of accounts were acquired in FY 2021-22.

We look into the future of Digital Banking with hope. The bank eagerly anticipates going live with its digital partners and offering use case-based products through their interface.

It is also working toward providing a seamless sweep facility to its existing and prospective Current Account customers. To provide a more comprehensive digital banking experience, the bank looks forward to adding significant Billers to the BBPS ecosystem as a BOU. The bank hopes to explore the option of offering credit products like Co-branded Credit Cards and Small Ticket Loans through banking partnerships. Taking a step further toward the nation's goal of digital financial inclusion, the NSDL Payments Bank is also pushing towards introducing a Savings Account for Minors on NSDL Jiffy.





## Banking Partnerships

Keeping in line with the bank's aim of digital financial inclusion of both banked and underbanked sections, we aimed to offer our banking products not only through traditional channels but also by expanding our services to other organizations that can extend them to end-users. In this effort, NSDL Payments Bank has initiated multiple business partnerships in the FY 2021-22.

The Bank has started to partner with many capital market brokers to offer integrated 3-in-1 saving accounts that combine the features of Savings, Demat & Trading accounts to the customers of our broking partners. This offering is a unique tech integration, and once the product is live with all its modules, it will enable clients to allocate funds while retaining the money in their saving account till the trade is successfully executed. The product offers a single-click and seamless experience to clients for availing margins without going through the slow & traditional fund transfer journey.

In the last few years, the participation in Indian capital market has soared significantly and the bank is working hard to help its account holders make the best out of it. In the current financial year, the bank hopes to focus on offering savings or current accounts to capital market brokers/NBFC partners' clients for investment purposes. To make the trading

experience secure and profitable for the account holders, the bank is working towards providing account verification services and is enlisting discount brokers for 3-in-1 product integration.

We have also partnered with two Agent Institutes in the BBPS ecosystem to offer Recharge & Bill Payments services to their customers. These partnerships increased the Bank's monthly BBPS transaction volume by more than 5 times in FY 21-22.

UPI became one of the most preferred mode of payments across the country but a certain section of the population, namely feature phone users were out of the UPI ecosystem due to a lack of smartphone or internet connectivity in their phones. RBI initiated steps to enable them to use UPI service through their feature phones. In order to take this initiative forward, NSDL Payments Bank collaborated with NPCI and ToneTag to develop and launch "UPI123," i.e., UPI payments through feature phones. The RBI launched it on 8th March 2022.

In order to simplify the day-to-day banking activities of the end users, NSDL Payments Bank has started collaborating with various Digital Partners to brainstorm, innovate, and offer multiple use case-based products, hoping to bring more and more people into digital banking umbrella.



### Prepaid Cards

As payment innovators, the Bank is always on the lookout for improving money movement, and one of the areas that it has been working tirelessly on digitizing B2B payments. It comprises employee expense, partner engagement and payouts. NSDL Payments Bank Prepaid Cards have managed to streamline the B2B Payments and are successfully making the experience more optimized and seamless.

The Bank offers a host of Prepaid Cards like Corporate gifting cards and various reloadable cards like Student Cards, Meal Cards, Payroll Cards and many more. These Visa/ RuPay certified cards come in different formats like Physical and Virtual Wallets. The Bank also provides novel contactless wearable cards where the customers can transact using daily accessories like a Band, Keychain, Mobile Sticker etc. It

now boasts of 40 program managers and various big-name partners and processors.

The Bank can now issue full-KYC Prepaid Payment Instructions (PPI) to beneficiaries of inward remittances under the Money Transfer Services Scheme (MTSS) of RBI.

In the last fiscal year, the Bank's prepaid card section recorded a throughput of approx. ₹7,800 crores and a top line of ₹157 crores. In FY-23, the Bank looks forward to continuing its growth momentum. It is working towards onboarding more partners for the reloadable use case and exploring more options like Transit Card, Multi-Wallet Card, Fuel Card, Fleet Management Cards, Transit Cards and RuPay-On-The-Go by partnering with various processors. It also looks forward to introducing inter-operability on Prepaid Cards, Add-On Cards, Parent-Child Cards etc.



### Third-Party Product Distribution

The Bank distributes third-party products, including mutual fund schemes, life insurance, health insurance and other

general insurance policies. The Bank offers comprehensive investment and protection solutions to cater to the diverse needs of each customer segment, adopting tech-enabled



delivery mechanisms across all customer touch points.

Digital initiatives continue to be the Bank's top-most priority, which will help streamline the customer onboarding and servicing processes. Currently, the Bank distributes Mutual Funds schemes of 25 major Asset Management Companies through its digital channels. The Bank tied up with ICICI

Prudential Life Insurance in its life insurance distribution business. In General Insurance, the Bank is focused on

increasing customer penetration by bringing in contextual products powered by HDFC Ergo General Insurance.

We launched Direct-to-Customer (D2C) sales fulfilment process on mobile banking platforms for term and health products, ensuring frictionless journeys.

The Bank continues to focus on reimagining end-to-end journeys and building a digital ecosystem for third-party product distribution.



### Merchant Acquiring

The Bank has identified Merchant Acquiring as one of the emerging lines of business. It is centered around providing a digital payment collection mode for Merchants. Here the Bank can have a direct arrangement with merchants or through Payment Facilitators (Aggregators).

Currently, the Bank is focused on taking the Aggregator model forward by enabling merchants to process cards, net banking & UPI transactions. This helps merchants increase their sales by providing the latest options to their customers for online payments. Currently, through the Aggregator model, the Bank has 129 active merchants and is working towards tying up with multiple partners to increase that

number. It has also begun to offer UPI as a payment solution to merchants, which includes QR, VPA push, collect and IVR modes.

NSDL Payments Bank looks ahead to 2023 to reshape the merchant services and transaction processing ecosystems. The Bank is actively working towards tie-ups with new PA/PGs on the aggregator model. It is also focusing on onboarding more merchants via the aggregator model in UPI QR and VPA collect format. Having said that, UPI Static QR will soon go live with the Bank's payment partners. It also looks forward to working with various entities to enable UPI IVR acquiring services for government and merchant payments.

# CORPORATE GOVERNANCE

The timely and accurate disclosure of information regarding the financial situation, performance, board constitution, ownership of the Bank etc is an important part of Corporate Governance.

The Corporate Governance Policy at the Bank provides the framework under which the Board of Directors operate. It includes Bank's corporate structure, culture, policies and the manner in which it deals with various stakeholders. The Bank's Corporate Governance philosophy stems from the belief that Corporate Governance is a key element in improving efficiency and growth as well as enhancing investors/regulators confidence. The Bank strongly believes in ethical values and self-discipline to achieve higher standard of Corporate Governance and continues to strive for excellence in business operations through transparency, accountability to its stakeholders, Government and others who deal with the Bank.

The Bank defines the internal control system as a set of mechanisms to ensure control of its development, profitability, risks, and business operations. These mechanisms seek to ensure that:

- Risks of any kind are identified, assessed, and managed.
- Operations and behaviours are in accordance with the decisions made by the management bodies and comply with the laws, regulations, values, and internal rules of the NSDL Payments Bank.
- Operations are carried out to ensure effective and efficient use of resources. Lastly, this system provides managers with access to the information and tools required for properly analysing and managing these risks. It also ensures the accuracy and relevance of the NSDL Payments Bank's financial statements as well as the information disclosed to financial markets.

The Bank has implemented a risk management and control system that revolves around transparent governance supported by a dedicated team of professionals.

### Risk management:

The Bank with a view to mitigate business risks: :

- Implements and monitors the risk management system.
- Monitors the Bank's overall risk profile and identifies and assesses emerging risks.
- Reports on risk exposure and advises the Board of Directors on risk management matters
- Defines and monitors the Bank's risk appetite.
- Updates the mapping of risks to which NSDL Payments Bank is exposed.

### Internal Audit

The Internal Audit function is an independent function with sufficient authority, stature, independence, and resources within the bank, thereby enabling internal auditors to carry out their assignments with objectivity and provide independent assurance. The Internal Audit function of the Bank operates independently under the supervision of the Audit Committee of the Board.

In line with the RBI's guidelines on Risk-Based Internal Audit (RBIA), the Bank has adopted a robust internal audit policy. The Risk-Based Internal Audit has been designed after factoring in regulatory guidelines and as per the Risk assessment framework adopted by the Bank.

The Bank's Internal Audit function provides an independent view to its Board of Directors and Senior Management on the quality and efficacy of the internal controls, risk management systems, governance systems and processes in place on an ongoing basis. This is provided to primarily ensure that the business and support functions comply with both internal and regulatory guidelines. Further to augment the internal audit function, the concurrent audit has been integrated into the internal audit process to make the function more robust. Internal Audit and Concurrent audit observation along with management response are placed before the Audit Committee for review.

Keeping pace with digitalization in the Bank, the bank's Internal Audit function also performs Information systems and Security audits leveraging on external resources with the required skills and efficiency. The overall responsibility and accountability remain with the Internal Audit function including the audit planning process and follow-up of compliances. The IS Audit findings along with the management response are placed before the Audit Committee for review.

### Human Resource Management

We are a Digital Bank comprising a small team of 100+ employees. Our Bank encourages a culture of diversity, equity, and inclusion- promoting gender balance and respecting the contribution of all employees across gender, age, race, and sexual orientation.

NSDL Payments Bank believes in and acknowledges the critical role of its employees in achieving its present and future organizational goals. It has put in place a comprehensive policy that provides the road map for



acquiring appropriate & need-based human resources, and its development through training, job enrichment, reward and recognition for better performance, career progression, and welfare.

Curated learning is provided to our workforce to enhance skills and fill in knowledge gaps to achieve measurable dive-in outcomes. In FY 2021-22 training programs were held in thrust areas e.g., IDRBT, Cyber security - ISMS, and LMS certification. For soft skills, a Tabletop exercise was conducted.

The Learning and Development strategy has been customized for enriching employees through virtual training programs, enabling them to avail themselves of these services from anywhere.

Keeping physical and mental health awareness to the forefront, all health, safety, and environment guidelines were followed during the lockdown and even post lockdown. Vaccination camps were organised. The bank also tied up with a platform that eased the process of accessing online medical attention for our staff and their family.

## BOARD OF DIRECTORS



**MS. PADMAJA CHUNDURU**  
Non-Executive Director



**MR. ABHIJIT MADHUKAR  
KAMALAPURKAR**  
(Managing Director & CEO)



**MR. L. RAVI SANKAR**  
Independent Director



**DR. SANTANU PAUL**  
Independent Director



**MR. N.S. VENKATESH**  
Independent Director



**DR. (MRS.) BALA  
KRISHNAMOORTHY**  
Independent Director



**MR. PATRIC BARLA**  
Independent Director



## OUR TEAM



**MR. ABHIJIT MADHUKAR  
KAMALAPURKAR**  
(Managing Director & CEO)



**MR. ASHUTOSH SINGH**  
President & Chief Business Officer



**MS. DIKSHA GIRISH  
KHUSHALANI**  
Head - Prepaid Cards



**MR. HEMANT MODAK**  
Head - Inclusive Banking



**MR. SHAILESH SHETTY**  
Head - Investment & Insurance



**MR. ABHINAV CHATURVEDI**  
Head - Digital Banking



**MR. ASHUTOSH SHIRBHATE**  
Chief Technology Officer



**MR. JIGAR SHAH**  
Chief Financial Officer



**MR. RANJAN SINGH**  
Chief Compliance Officer



**MR. ANIS PATHAN**  
Chief Risk Officer



**MR. BALAN SANTOSH  
PARTHASARTHY**  
Company Secretary & Legal Head



**MS. AVANI GAJRAJ JAIN**  
Internal Auditor

## BOARD OF DIRECTORS

### Ms. Padmaja Chunduru\*

MD & CEO, NSDL (Non-Executive Director)

### Mr. Abhijit Madhukar Kamalapurkar

(Managing Director & CEO)

### Mr. L. Ravi Sankar

(Independent Director)

### Dr. Santanu Paul

(Independent Director)

### Mr. N.S. Venkatesh#

(Independent Director)

### Mr. Patric Barla+

(Independent Director)

### Dr. (Mrs.) Bala Krishnamoorthy§

(Independent Director)

\* (Ms. Padmaja Chunduru has been appointed as a Non-Executive Director effective from September 25, 2021)

+ (Mr. Patric Barla has been appointed as an Independent Director effective from August 7, 2021)

# (Mr. N S Venkatesh has been re-appointed as an Independent Director effective from November 12, 2021)

§ (Dr.Mrs Bala Krishnamoorthy has been re-appointed as an Independent Director effective from November 12, 2021)

## COMMITTEES

### Audit Committee

Mr. L. Ravi Sankar (Chairman)  
 Mr. N.S. Venkatesh  
 Mr. Patric Barla

### Nomination and Remuneration Committee

Dr. Santanu Paul (Chairman)  
 Mr. L. Ravi Sankar  
 Ms. Padmaja Chunduru

### Risk Management Committee

Mr. N S Venkatesh (Chairman)  
 Dr. Santanu Paul  
 Mr. L Ravi Sankar  
 Mr. Patric Barla  
 Mr. Abhijeet Kamalapurkar

### Customer Service Committee

Ms. Padmaja Chunduru (Chairman)  
 Mr. N S Venkatesh  
 Dr. Bala Krishnamoorthy  
 Mr. Patric Barla  
 Mr. Abhijeet Kamalapurkar

### IT Strategy Committee

Dr. Santanu Paul (Chairman)  
 Mr. L. Ravi Sankar  
 Mr. N.S. Venkatesh  
 Ms. Padmaja Chunduru  
 Mr. Abhijeet Kamalapurkar

### COMPANY SECRETARY

Mr. Balan Santosh Parthasarathy

### AUDITORS

#### Statutory Auditors

V. SANKAR AIYAR & CO.  
 (CHARTERED ACCOUNTANTS)  
 Flat No.202 & 301, Satyam Cinema Complex  
 Ranjit Nagar Community Centre,  
 New Delhi- 110008  
 Tel. (0 It) 25702691, 25704639.  
 e-mail: newdelhi@vsa.co.in

### CORPORATE OFFICE

401, 4th Floor, Tower 3,  
 One International Center,  
 Senapati Bapat Marg,  
 Prabhadevi, Mumbai - 400 013

### SECRETARIAL AUDITOR

#### MMJB & Associates LLP

Company Secretaries Ecstasy,  
 803/804, 8th Floor, City of Joy,  
 J.S.D Road, Mulund (West),  
 Mumbai - 400080

### Internal Auditor

Ms. Avani Gajraj Jain

### REGISTRAR & SHARE TRANSFER AGENT

NSDL Database Management Limited  
 Trade World, 'A' Wing, 4th Floor,  
 Kamala Mills Compound,  
 Senapati Bapat Marg,  
 Lower Parel (West),  
 Mumbai – 400 013

### BANKERS

HDFC Bank  
 IDBI Bank  
 Bank of America  
 Bank of India  
 Yes Bank  
 Kotak Mahindra Bank

### REGISTERED OFFICE

Trade World, 'A' Wing, 4th Floor,  
 Kamala Mills Compound,  
 Senapati Bapat Marg,  
 Lower Parel (West),  
 Mumbai – 400 013



## NOTICE OF SIXTH ANNUAL GENERAL MEETING

Notice is hereby given that the Sixth Annual General Meeting of the Members of NSDL Payments Bank Limited will be held on Wednesday, September 21, 2022 at 10.30 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The venue shall be deemed to be Registered Office of the Company i.e. Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai- 400 013

### ORDINARY BUSINESS:

1. **To receive consider and adopt the audited financial statements for the year ended March 31, 2022 together with the reports of the Board of Directors and auditors thereon.**
2. **To consider and approve the appointment of director in place of Ms. Padmaja Chundurur who retires by rotation and being eligible, offers herself for re-appointment and in this connection to consider and if thought fit, to pass the resolution as an Ordinary resolution**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Ms. Padmaja Chundurur (DIN: 08058663), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Bank."

3. **To approve the appointment of Mr. CH S.S. Mallikarjuna Rao (DIN: 07667641) as Independent Director of the Bank**

"RESOLVED THAT Mr. CH S.S. Mallikarjuna Rao (DIN: 07667641), who was pursuant to Section 161 of the Companies Act, 2013 and Articles of Association of the Bank appointed as an Additional Independent Director of the Bank with effect from August 25, 2022 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Bank for a period of 3 years with effect from August 25, 2022.

**RESOLVED FURTHER THAT** Mr. Mallikarjuna Rao (DIN: 07667641) as per the provisions of section 197 (5)

of the Companies Act, 2013 shall receive remuneration by way of fee for attending the meetings of the Board or Committee thereof and for any other purpose as may be decided by the Board, provided the amount of such fees shall not exceed the amount as may be prescribed under relevant rules of the Companies Act, 2013.

**RESOLVED FURTHER THAT** any Director and Company Secretary of the Company be and are hereby severally authorized to sign the requisite forms / documents and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

4. **To approve the appointment of Mr. CH S.S. Mallikarjuna Rao (DIN: 07667641) as the part-time Non Executive Chairman of the Bank**

"RESOLVED THAT pursuant to the provisions of the 10B (1A)(i) of the Banking Regulation Act, 1949, (including any modification(s) or re-enactment(s) thereof), and subject to grant of approval by Reserve Bank of India (RBI), the approval of the members of the Bank be and is hereby accorded for the appointment of Mr. CH S.S. Mallikarjuna Rao (DIN: 07667641) as the Part Time Non-Executive Chairman of the Bank for such period as he holds the position as an Independent Director or for a period of 3 years whichever is earlier subject to approval of RBI.

**RESOLVED FURTHER THAT** Mr. CH S.S. Mallikarjuna Rao (DIN: 07667641) as per the provisions of section 197 (5) of the Companies Act, 2013 shall receive remuneration by way of fee for attending the meetings of the Board or Committee thereof and for any other purpose as may be decided by the Board, provided the amount of such fees shall not exceed the amount as may be prescribed under relevant rules of the Companies Act, 2013.

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Bank be and are hereby severally authorised to take such steps and do all acts, deeds and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

**Registered Office:**  
Trade World, 'A' Wing, 4th Floor,  
Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel (West)  
Mumbai- 400 013

**By Order of the Board of Directors  
For NSDL Payments Bank Limited**

Sd/-  
**Balan Santosh Parthasarathy**  
Company Secretary  
Membership No. ACS49602  
Date: July 27, 2022  
Place: Mumbai

## NOTES:

1. In view of the ongoing COVID-19 pandemic the Ministry of Corporate Affairs ("MCA") has vide its Circular dated May 5, 2022, read together with circulars dated April 8, 2020, April 13, 2020, June 15, 2020, August 28, 2020, June 23, 2021 and December 8, 2021 (collectively referred to as "MCA Circulars") permitting convening the Annual General Meeting ("EGM") through Video Conferencing (VC) or Other Audio Visual Means (OAVM). In accordance with the MCA circulars and provisions of the Companies Act, 2013 ("the Act"), the EGM of the Company is being held through VC/OAVM.
2. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company located at 4th Floor, "A" Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (W), Mumbai – 400 013, which shall be deemed venue of the AGM.
3. Members are requested (Institutional/Corporate Shareholders) to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at [balanp@nsdlbank.co.in](mailto:balanp@nsdlbank.co.in)

### ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

4. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
5. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to [balanp@nsdlbank.co.in](mailto:balanp@nsdlbank.co.in)
6. The Notice of AGM along with Annual Report for the financial year 2021-22, is available on the website of the Company a [www.nsdlbank.com](http://www.nsdlbank.com).

### PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

7. Members will be able to attend the 6th AGM through VC/OAVM Facility. For this purpose, please use the Microsoft Teams Link shared in the email to join the said meeting.
8. For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM.
9. Members who need assistance with the use of technology for joining the AGM through VC/OAVM can contact the Company Secretary at the below mentioned details:  
  
**Mr. Balan Santosh Parthasarathy**  
Company Secretary  
Mobile no - +91 9870031277  
Email id: [balanp@nsdlbank.co.in](mailto:balanp@nsdlbank.co.in)
10. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
11. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

### PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

12. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views/ send their queries in advance mentioning their name, email id, mobile number at [balanP@nsdlbank.co.in](mailto:balanP@nsdlbank.co.in) Questions/queries received by the Company till 5.00 p.m. on on September 18, 2022 shall only be considered and responded during the AGM.
13. Members who would like to express their views or ask questions during the EGM may raise their hands as per the functionality available on the Microsoft Teams application, however the Company reserves the right to restrict the number of questions and number speakers, as appropriate for smooth conduct of the EGM.



#### GENERAL INFORMATION:

14. The voting rights shall be as per the number of equity shares held by the Member(s) as on AGM date, being the cut-off date.
15. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection upon request.
16. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The Bank pursuant to the Section 10 (A) (2) of the Banking regulation Act, 1949 is required to appoint not less than 51% of the total number of members of the Board of Directors as persons not having any substantial interest in any entity.

The Board of Directors on August 23, 2022, upon recommendation of the NRC, appointed Mr. CH S.S. Maliikarjuna Rao (DIN: 07667641) as an Additional Director (Independent Category) of the Bank with effect from August 25, 2022. In terms of the provisions of Section 161 of the Act and the Articles of Association of the Company, Mr. CH S.S. Maliikarjuna Rao (DIN: 07667641) will hold office up to the date of this Annual General Meeting and is eligible

to be appointed a Director of the Company. The Bank has, in terms of Section 160 of the Act, received, in writing, a notice proposing the candidature of Mr. CH S.S. Maliikarjuna Rao (DIN: 07667641) for the office of Director.

Mr. CH S.S. Maliikarjuna Rao (DIN: 07667641) is a B.Sc., LLB and Certified Associate of the Indian Institute of Bankers (CAIIB). He began his career as probationary officer in Bank of Maharashtra in 1985 and was the MD & CEO of Allahabad Bank and Punjab National Bank.

During his tenure at Punjab National Bank (PNB) he successfully completed the amalgamation of Oriental Bank of Commerce and United Bank of India into PNB. Post amalgamation PNB emerged as the second largest Public Sector Bank with more than 10,000 branches and more than one lakh workforce.

He further has had extensive experience in Credit, Information Technology, Recovery, Treasury, Risk Management, Digital Banking, Retail Banking, Marketing and Publicity. Mr. CH S.S. Maliikarjuna Rao (DIN: 07667641) has further held the position as the Deputy Chairman at the Indian Banks Association (IBA) and was a member of the Insolvency Law Committee (ILC) as well, being a Standing Committee constituted under the aegis of the Ministry of Corporate Affairs.

The Board of the Bank has further approved the appointment of Mr. CH S.S. Maliikarjuna Rao (DIN: 07667641) as the part-time non executive Chairman of the Bank.

Except Mr. CH S.S. Maliikarjuna Rao (DIN: 07667641), being an appointee, none of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the resolution set out at Item No. 3 and Item No.4. The Members are requested to consider and approve the same.

**Other Disclosure relating to Directors seeking appointment/re-appointments pursuant to Clause 1.2.5 of Secretarial Standards-2 on General Meetings**

Name of Director	Ms. Padmaja Chunduru (DIN: 08058663)	Mr. Mallikarjuna Rao (DIN: 07667641)
Category	Non -Executive Director	Independent Director
Date of Birth	02-08-1961	22-01-1962
Qualifications	M.Com, CAIIB	B.Sc., LLB, CAIIB
Experience	Ms. Padmaja Chunduru is currently the MD & CEO of NSDL and has been responsible for setting and achieving the overall strategic agenda of Indian Bank, focused on delivering growth and enhancing value. During her tenure, she executed the merger of two equal sized banks -Allahabad Bank with Indian Bank - with critical differences in organizational culture, operations, and IT stack. This included managing organizational and cultural change, driving operational efficiencies, as well as managing the Board and key stakeholders.	He further has had extensive experience in Credit, Information Technology, Recovery, Treasury, Risk Management, Digital Banking, Retail Banking, Marketing and Publicity. Mr. Mallikarjuna Rao (DIN: 07667641) has further held the position as the Deputy Chairman at the Indian Banks Association (IBA) and was a member of the Insolvency Law Committee (ILC) as well, being a Standing Committee constituted under the aegis of the Ministry of Corporate Affairs. During his tenure at Punjab National Bank (PNB) he successfully completed the amalgamation of Oriental Bank of Commerce and United Bank of India into PNB. Post amalgamation PNB emerged as the second largest Public Sector Bank with more than 10,000 branches and more than one lakh workforce.
Terms & Conditions appointment or reappointment	Appointment is as per Banking Regulation Act 1949; Companies Act, 2013 and guidelines as may be specified by RBI.	Appointment is as per Banking Regulation Act 1949; Companies Act, 2013 and guidelines as may be specified by RBI.
Remuneration Details	NIL	Sitting Fees
Date of first appointment on the Board	September 25, 2021	August 25, 2022
Shareholding in the Company	NIL	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None
Number of Board meetings attended during the year 2021-22	2	NIL
List of other Directorship held	National Securities Depository Limited NSDL Database Management Limited	NIL
Chairman/Member of the Committees of Board of other Companies	Member Committee (NSDL) Corporate Social Responsibility Committee (NSDL) Stakeholder Relationship Committee (NSDL) IPO Committee (NSDL) Nomination and Remuneration Committee (NDML) Audit Committee (NDML) Corporate Social Responsibility Committee (NDML)	NIL



Name of Director	Ms. Padmaja Chunduru (DIN: 08058663)	Mr. Mallikarjuna Rao (DIN: 07667641)
Chairman/Member of the Committees of Board of the Company	Customer Service Committee IT Strategy Committee Nomination and Remuneration Committee	NIL

## DIRECTOR'S REPORT FOR THE YEAR ENDED MARCH 31, 2022

### To the Members,

Your Directors have the pleasure of presenting the 6<sup>th</sup> Annual Report along with the Audited Financial Statements of your Bank for the year ended March 31, 2022.

### FINANCIAL POSITION

The financial results of the Bank are as under:

(Amt In '000')

Particulars	2021-2022	2020-21	2019-20	2018-19
Total income	29,99,561	623,045	63,678	59,148
Total expenses	30,74,531	747,860	202,374	1,24,439
Profit / (Loss) for the year	(74,970)	(124,815)	(138,696)	(65,291)
Loss brought forward	(3,66,556)	(241,741)	(103,045)	(37,754)
<b>Total Loss After Tax</b>	<b>(4,41,525)</b>	<b>(366,556)</b>	<b>(241,741)</b>	<b>(103,045)</b>
Basic & diluted EPS	(0.42)	(0.77)	(1.02)	(0.60)

The comparative financial information of the Bank for the year ended March 31, 2022 has been included as per the Banking Regulation Act, 1949.

Total income of the Bank increased to ₹ 299.96 crore during the year from ₹ 62.30 crore in the previous year, while the loss for the year reduced to ₹ 7.50 crores from ₹ 12.48 crores.

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

Your Bank has not undergone any changes in the nature of the business during the financial year.

### Dividend

Your Directors do not propose any dividend for the financial year 2021-22.

### Transfer to General Reserves

Due to absence of profits, no amount has been proposed to transfer to general reserves.

### Share Capital

As on March 31, 2022, the paid-up share capital stood at ₹ 180 crores comprising of 18,00,00,000 equity shares of ₹ 10 each. During the year under review, the Bank had not made any offer by way of rights issue. None of the Directors of the Bank hold shares in the Bank.

### REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your Bank did not have any subsidiary, associate and joint venture company.

### STATUTORY AUDITORS

M/s. V Sankar Aiyar and Co, Chartered Accountants, (ICAI Firm Registration No. 109208W) had been appointed as the auditors of the Bank for a period of three years subject to approval by RBI at annual intervals and retire at the 8<sup>th</sup> Annual General Meeting of the Bank.

### SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Bank has appointed MMJB & Associates LLP to undertake the Secretarial Audit. The Secretarial Audit Report in Form MR-3 is annexed herewith as "Annexure". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instance of frauds committed in the Bank by its officers or employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

### INTERNAL CONTROLS AND AUDIT

Your Bank has well established processes and clearly defined roles and responsibilities at various levels. Comprehensive policies and standard operating procedures have been/are in process of being put in place in various departments of your Bank. There is an internal auditor appointed for conducting internal and operations audit of the Bank. The report of the Internal Auditor along with management response is before the Audit Committee for review. In order to provide further comfort, the Bank has also appointed a third party auditor to provide independent assurance on policy and processes of the Bank in an advisory capacity. As part of regulatory requirements, your Bank has also undergone IT Audit conducted by CISA certified auditor. Your Bank has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at March 31, 2022.

### RISK MANAGEMENT AND INSURANCE

Taking into account various risks involved, an Executive Risk Management Committee has been constituted by



the Bank for the identification, assessment, evaluation, monitoring, mitigation and management of risks. The Committee functions as the apex management body to approve policies, evaluate/monitor risks and take decisions on mitigation of critical risks and compliance issues.

The Risk Management Policy and Framework approved by the Board of the Directors of the Bank drives the enterprise-wide function of Risk Management, wherein all material risks faced by the Bank are identified and assessed. For each of the risks identified, corresponding controls are assessed and policies and procedures are put in place for monitoring, mitigating and reporting on periodic basis.

### DEPOSITS

Being a banking company, the disclosures required as per Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014 read with sections 73 & 74 of the Companies Act, 2013 are not applicable to your bank.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

No material related party transactions were entered during the Financial Year under review, by your Company and hence the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, in Form AOC -2, is not applicable to your Company.

### POSITIVE WORK ENVIRONMENT

Your company has formulated and adopted a policy on prevention of sexual harassment at work place and takes all necessary measures to ensure a harassment free work place and has instituted an Internal Complaints Committee for redressal of complaints and to prevent sexual harassment.

No complaints were received during the FY 2021-22.

### Board Of Directors

#### A. CHANGES IN BOARD DURING THE YEAR

The selection and appointment of Directors of the Bank is done in accordance with the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder, the Banking Regulation Act, 1949 and the Guidelines issued by the RBI. As on March 31, 2022, the Bank has Seven (7) Directors.

During the year under review, Mr. Patric Barla was appointed as an Independent Director on August 7,

2021 and Ms. Padmaja Chunduru as the Non-Executive Director of the Bank on September 25, 2021.

#### B. Board Procedures and Meetings

A minimum of four Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice in advance to all the Directors to address the specific needs of the Bank. The dates of the Board meetings are decided with the mutual consent of all the Directors. The Board meetings are usually held at the registered office of the Bank. However in case of special and urgent business, the Board also approves by Circular Resolution, important items of business which are permitted by Companies Act.

During the year under review, four Board meetings were held on May 18, 2021; August 7, 2021; November 3, 2021 and February 4, 2022. Details of attendance of each director at the Board Meetings held during the financial year 2021-22 are as follows:

Name of the Member	Designation	May 18, 2021	August 7, 2021	November 3, 2021	February 4, 2022
Mr. G.V Nageswara Rao*	Chairman	P	P	-	-
Mr. L Ravi Sankar	Member	P	P	P	P
Dr. Santanu Paul	Member	P	P	P	P
Mr. N.S.Venkatesh	Member	P	P	P	P
Dr. (Mrs) Bala Krishnamoorthy	Member	P	P	P	P
Ms. Padmaja Chunduru+	Member	-	-	P	P
Mr. Patric Barla#	Member	-	-	P	P
Mr. Abhijit M Kamalapurkar	Member	P	P	P	P

\* Resigned from the position as Chairman and Director of the Bank on August 31, 2021.

+ Appointed by the Board as non-executive Director on September 25, 2021.

# Appointed by the Board at its Meeting held on August 7, 2021

#### C. DECLARATION FROM INDEPENDENT DIRECTORS

The Independent Directors have given declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013. In the opinion of the Board, these Independent Directors fulfil the conditions specified in the Companies Act, 2013 and rules made there under for appointment as Independent Directors and confirm that they are independent of the management.

#### D. POLICY ON DIRECTORS', KEY MANAGERIAL PERSONNEL & OTHER EMPLOYEES APPOINTMENT AND REMUNERATION

The Policy on appointment and remuneration of Directors, Key Managerial personnel and other employees including

criteria for determining qualifications, positive attributes, independence and other matters provided under Section 178(3) of the Companies Act, 2013, has been adopted by the Board pursuant to the recommendation of the Nomination and Remuneration Committee.

## E. PERFORMANCE EVALUATION OF THE BOARD AND DIRECTORS:

Bank has introduced a evaluation criteria for evaluation of the Board's own performance and the Directors individually and same has been implemented as a prudent governance practice. During the year under review, the annual performance evaluation of the Board's own performance, the Directors individually was carried out by the Bank.

## BOARD COMMITTEES

### I. Audit Committee

The Board has constituted the Audit Committee in accordance with provisions of Section 177 of the Companies Act, 2013. The Committee has three members with Mr. L. Ravi Sankar as its Chairman. The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Bank and its compliance with the legal and other regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company and review the quarterly and annual financial accounts of the Bank. The Committee reviews reports of the Internal Auditors and Statutory Auditors and discusses their findings, suggestions, internal control system, scope of audit, observations of the auditors and also reviews accounting policies followed by the Bank.

During the FY 2020-21 the Committee met six times on May 17, 2021; August 6, 2021; November 2, 2021; January 28, 2022; February 3, 2022 and February 15, 2022 respectively. The details of composition and attendance of members of the Audit Committee are given hereunder:-

Name of the Director	Designation	May 17, 2021	August 6, 2021	November 2, 2021	January 28, 2022	February 3, 2022	February 15, 2022
Mr. L Ravi Sankar	Chairman	P	P	P	P	P	P
Mr. G.V. Nageswara Rao	Member	P	P	-	-	-	-
Ms. Padmaja Chunduru	Member	-	-	P	-	-	-
Mr. N.S. Venkatesh	Member	P	P	P	P	P	P
Mr. Patric Barla	Member	-	-	P	P	P	P

### II. Nomination and Remuneration Committee

The Board has constituted the Nomination and Remuneration Committee in accordance with provisions of Section 178 of the Companies Act, 2013 and rules made thereunder. The Committee has three members with Dr. Santanu Paul as its Chairman. The Nomination and Remuneration Committee discharges such functions as defined in the Companies Act, 2013. The Committee met Four times during the year on May 17, 2021; August 7, 2021, November 2, 2021 and February 3, 2022. Details of compositions and attendance of each member at the Committee Meetings held during the year are as follows:

Name of the Director	Designation	May 17, 2021	August 7, 2021	November 2, 2021	February 3, 2022
Dr. Santanu Paul	Chairman	P	P	P	P
Mr. L Ravi Sankar	Member	P	P	P	P
Mr. G. V. Nageswara Rao	Member	P	P	-	-
Ms. Padmaja Chunduru	Member	-	-	P	P

In addition to the Committees covered specifically in detail above as per the Companies Act, 2013, the Bank also has following Committees, namely:

- i) Strategic Advisory Committee
- ii) Board-level Committees
  - Risk Management Committee
  - Customer Service Committee
  - IT Strategy Committee
- iii) Executive-level Committees
  - Executive Risk Management Committee
  - Assets-Liability Management Committee
  - Information & Cyber Security Committee
  - Standing Committee on Customer Service
  - Investment Committee
  - Audit Committee of Executives

### DETAILS OF KEY MANAGERIAL PERSONNEL (KMPs)

In terms of Section 203 of the Companies Act, 2013, the details of the KMPs are as under:

Name	Designation
Mr. Abhijit M Kamalapurkar	Managing Director & CEO
Mr. Abhishek Bagchi	Chief Financial Officer
Mr. Balan Santosh Parthasarathy	Company Secretary

\* Mr. Abhijit Kamalapurkar took charge as MD & CEO of the Bank on March 9, 2021.



### CORPORATE SOCIAL RESPONSIBILITY

Your Bank currently does not fall within the purview of Corporate Social Responsibility (CSR) in accordance with the provision of Section 135 of the Companies Act, 2013.

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Bank has a Whistleblower Policy for informing any event fearlessly which goes against the Bank's values and ethical standards to a designated authority in the Bank. This Policy is intended to help Directors and employees of the Bank report major concerns over any wrongdoing within the Bank. The Bank has appointed the Vigilance Officer for the purpose of reporting, enforcing and monitoring the Whistleblower Policy and procedures.

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

During the year under review, no significant and material order was passed by the Regulators or Courts or Tribunals impacting the going concern status and Bank's operation in future.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to the material departures, if any;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit or loss of the Bank for that period;
- that they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Bank and for preventing & detecting fraud and other irregularities;
- that internal financial controls to be followed by the Bank are laid down and that such internal financial controls are adequate and were operating effectively.

- that they have prepared the annual accounts on a going concern basis; and
- that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company is in compliance with Secretarial Standards issued by the Institute of Company Secretaries of India.

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

- a) Conservation of Energy, Technology absorption -  
The Company has a policy of switching off power after the office time in those areas where staff has left for the day. Staffs are strictly instructed to switch off their monitors before they leave for the day. The Company also maintains the air conditioning temperatures to conserve energy. The Company continuously strives to optimize its energy usage and efficiency. The nature of business is purely service oriented and does not require substantial energy consumption.
- b) Foreign Exchange earnings/outgo during the period under review  
Earnings – NIL  
Outgo – NIL

### EXTRACT OF ANNUAL RETURN

Annual Return i.e. Form MGT-7 can be accessed on the Company's website at the web-link [https://nsdlbank.com/regulatory\\_disclosure.php](https://nsdlbank.com/regulatory_disclosure.php)

### PARTICULARS OF EMPLOYEES

During the year under review, no employee has received remuneration either from the Bank, and/or its holding company in excess of the limits prescribed under Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### APPRECIATION

Your Directors would like to place on record their sincere appreciation of the support provided by Reserve Bank of India, Ministry of Corporate Affairs, its bankers and shareholders.

For and on behalf of the Board of Directors

Sd/-  
**Abhijit M Kamalapurkar**  
MD & CEO  
DIN: 08849177

Sd/-  
**Padmaja Chunduru**  
Director  
DIN: 08058663

Place: Mumbai  
Date: 27th July 2022

# FORM NO. MR.3

## SECRETARIAL AUDIT REPORT SUBJECT TO REQUIREMENT OF E-FORM MGT-14

for the Financial Year Ended March 31, 2022

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**NSDL Payments Bank Limited**  
Trade World, 'A' Wing, 4th Floor,  
Kamala Mills Compound, Senapati Bapat Marg,  
Lower Parel (West), Mumbai – 400013.

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

### **Auditor's Responsibility:**

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

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

### **Unmodified Opinion:**

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on March 31, 2022 (hereinafter called the “Audit Period”) complied with the statutory provisions listed hereunder and also that the Bank has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Bank during the Audit Period**)



- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); -
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Bank during the Audit Period)**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable to the Bank during the Audit Period)**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Bank during the Audit Period)**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Bank during the Audit Period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Bank during the Audit Period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Bank during the Audit Period)**;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Bank during the Audit Period)** and

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder **(Not Applicable to the Bank during the Audit Period)**.

**We further report that**, having regard to the compliance system prevailing in the Bank and on test-check basis, the Bank has complied with the following applicable sector specific laws and circulars issued thereunder:

- i. Banking Regulation Act, 1949 to the extent applicable to the Payment Bank
- ii. Reserve Bank of India Act, 1934 read with applicable circulars/ notifications/guidelines, etc. issued by RBI from time to time;
- iii. The IRDA (Registration of Corporate Agents) Regulations, 2015.

During the Audit Period under review, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

**We further report that**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent

at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**For MMJB & Associates LLP**  
Company Secretaries

Sd/-

**Saurabh Agarwal**

Designated Partner

FCS: F9290

CP: 20907

PR: 904/2020

UDIN: F009290D000332272

Place: Mumbai

Date: 17th May, 2022

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



## 'Annexure A'

To,  
The Members,  
**NSDL Payments Bank Limited**  
Trade World, 'A' Wing, 4th Floor,  
Kamala Mills Compound, Senapati Bapat Marg,  
Lower Parel (West), Mumbai - 400013

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

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

**For MMJB & Associates LLP**  
Company Secretaries

Sd/-  
**Saurabh Agarwal**  
Designated Partner  
FCS: F9290  
CP: 20907  
PR: 904/2020  
UDIN: F009290D000332272

Place: Mumbai  
Date: 17th May, 2022

# INDEPENDENT AUDITOR'S REPORT

## To the Members of NSDL Payments Bank Limited

### Report on the Audit of Financial Statements

#### Opinion

We have audited the accompanying financial statements of NSDL Payments Bank Limited ("the Bank"), which comprise the Balance Sheet as at 31st March, 2022 and the statement of Profit and Loss Account and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with notes thereon give full information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013, in the manner so required for banking Companies and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of Balance Sheet, of the state of affairs of the Bank as at March 31, 2022;
- b. in case of the Profit and Loss Account, of the loss of the Bank for the year ended on that date;
- c. in the case of Cash Flow Statement, of the cash flows of the Bank for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Bank's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Bank's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.



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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained

up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

## Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and Profit and Loss Account and Cash Flow Statement have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
2. As required by Section 30(3) of the Banking Regulation Act, 1949, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and have found them to be satisfactory;
  - (b) The transaction of the Bank, which have come to our notice have been within the powers of the Bank; and
  - (c) Since the bank is having only one branch, the question on reporting the number of branches audited by us and the manner of audit thereon does not arise.
3. As required by Section 143 (3) of the Act, we report that:
  - (d) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (e) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books.
- (f) 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.
- (g) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 in so far as they apply to the Bank;
- (h) There are no material observations or comments on the financial transactions or matters which have any adverse effect on the functioning of the Bank;
- (i) On the basis of written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (j) With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank and the operating

effectiveness of such controls, refer to our separate report in "Annexure A".

- (k) With respect to the other matters to be included in Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended

In our opinion and to the best of our information and according to the explanations given to us, being a banking company, Section 197 of the Act related to managerial remuneration is not applicable.

- (l) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report as under:
  - i) The Bank does not have any pending litigations which would impact its financial position.
  - ii) The Bank has made adequate provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts- Refer note .....
  - iii) The bank is currently not liable to transfer any amount to the Investor Education and Protection Fund.

**For V. Sankar Aiyar & Co.**  
Chartered Accountants  
ICAI Firm Regn. No. 109208W

Sd/-  
**Karthik Srinivasan**  
Partner  
Membership No. 514998  
UDIN: 22514998AJNESQ7048

Place: New Delhi  
Date: 17th May, 2022



## Annexure A to the Independent Auditors' Report

### [referred to in paragraph 9(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

#### Report on the Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls with reference to financial statements of **NSDL Payments Bank Limited ('the Bank')** as at March 31, 2022 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls

with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system with reference to financial statements.

#### Meaning of Internal Financial Controls with reference to Financial Statements

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal

control with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Place: New Delhi  
Date: 17th May, 2022

**For V. Sankar Aiyar & Co.**  
Chartered Accountants  
ICAI Firm Regn. No. 109208W

Sd/-  
**Karthik Srinivasan**  
Partner  
Membership No. 514998  
UDIN: 22514998AJNESQ7048



## BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ in Lakh)

	Schedule No.	As at March 31, 2022	As at March 31, 2021
<b>CAPITAL &amp; LIABILITIES</b>			
Capital	1	18,000.00	18,000.00
Reserves and Surplus	2	(4,415.25)	(3,665.56)
Deposits	3	1,301.49	652.95
Borrowings	4	-	-
Other Liabilities and Provisions	5	10,125.07	9,564.38
<b>TOTAL</b>		<b>25,011.31</b>	<b>24,551.77</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	10,122.82	6,126.29
Balances with banks and money at call and short notice	7	4,844.43	10,966.05
Investments	8	7,377.79	3,139.06
Advances	9	-	-
Fixed Assets	10	1,154.27	2,755.71
Other Assets	11	1,512.00	1,564.66
<b>TOTAL</b>		<b>25,011.31</b>	<b>24,551.77</b>
Contingent Liabilities	12	35.00	45.00
Bills for Collection			
Significant Accounting Policies	18		
Notes To Accounts	19		

The Schedules referred to above form an integral part of the Balance Sheet

The Balance Sheet has been prepared in conformity with Form "A" of the Third schedule to the Banking Regulation Act, 1949

As per our report of even date  
For **V.Sankar Aiyar & Co.**  
Chartered Accountants  
ICAI Firm Regn. No. 109208W

For and on behalf of the Board of Directors of  
**NSDL Payments Bank Limited**  
CIN: U65900MH2016PLC284869

Sd/-  
**Karthik Srinivasan**  
Partner  
Membership No. 514998  
Place : Delhi

Sd/-  
**L Ravi Sankar**  
Director  
DIN: 00185931

Sd/-  
**Padmaja Chunduru**  
Director  
DIN: 08058663

Sd/-  
**N S Venkatesh**  
Director  
DIN: 01893686

Place : Mumbai  
Date : 17th May, 2022

Sd/-  
**Abhijit M Kamalapurkar**  
MD & CEO  
DIN: 08849177

Sd/-  
**Abhishek Bagchi**  
Chief Financial Officer  
M.No. 061680

Sd/-  
**Balan Santosh Parthasarathy**  
Company Secretary  
M.No. A49602

# STATEMENT OF PROFIT & LOSS

## FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakh)

Particulars	Schedule No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>I INCOME</b>			
Interest Earned	13	714.65	552.80
Other Income	14	29,280.96	5,677.65
<b>TOTAL</b>		<b>29,995.61</b>	<b>6,230.45</b>
<b>II EXPENDITURE</b>			
Interest Expended	15	28.76	13.38
Operating Expenses	16	29,247.97	7,458.88
Provisions and Contingencies	17	1,468.57	6.34
<b>TOTAL</b>		<b>30,745.30</b>	<b>7,478.60</b>
<b>III PROFIT/LOSS</b>			
Net Profit / (Loss) for the year		(749.69)	(1,248.15)
Profit brought forward		(3,665.56)	(2,417.41)
<b>TOTAL</b>		<b>(4,415.25)</b>	<b>(3,665.56)</b>
<b>IV APPROPRIATIONS</b>			
Transfer to Statutory Reserve		-	-
Transfer to Investment Reserve		-	-
Balance carried over to Balance Sheet		(4,415.25)	(3,665.56)
<b>TOTAL</b>		<b>(4,415.25)</b>	<b>(3,665.56)</b>
EPS Basic (₹)	19 (2.7)	(0.42)	(0.77)
EPS Diluted (₹)		(0.42)	(0.77)
Face Value of shares (₹)		10/-	10/-
Significant Accounting Policies	18		
Notes To Accounts	19		

The Schedules referred to above form an integral part of the Profit and Loss Account  
As per our report of even date

As per our report of even date  
For **V.Sankar Aiyar & Co.**  
Chartered Accountants  
ICAI Firm Regn. No. 109208W

For and on behalf of the Board of Directors of  
**NSDL Payments Bank Limited**  
CIN: U65900MH2016PLC284869

Sd/-  
**Karthik Srinivasan**  
Partner  
Membership No. 514998  
Place : Delhi

Sd/-  
**L Ravi Sankar**  
Director  
DIN: 00185931

Sd/-  
**Padmaja Chunduru**  
Director  
DIN: 08058663

Sd/-  
**N S Venkatesh**  
Director  
DIN: 01893686

Place : Mumbai  
Date : 17th May, 2022

Sd/-  
**Abhijit M Kamalapurkar**  
MD & CEO  
DIN: 08849177

Sd/-  
**Abhishek Bagchi**  
Chief Financial Officer  
M.No. 061680

Sd/-  
**Balan Santosh Parthasarathy**  
Company Secretary  
M.No. A49602



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakh)

Sr.	Particulars	As at March 31, 2022	As at March 31, 2021
<b>I</b>	<b>Cash Flow from Operating Activities</b>		
	Net Profit for the Year (before taxes)	(749.69)	(1,248.15)
	Adjustments for:	-	-
	Add : Non-Cash Expenditure	-	-
	- Write off of Employee cost upto March 2021 (net of depreciation reversal benefit)	1,456.70	-
	- Intangible Assets under development written off	4.83	-
	- Provision for bad and doubtful debts	7.04	6.34
	- Depreciation	389.36	538.31
	<b>Cash Flow before Changes in Working Capital</b>	<b>1,108.24</b>	<b>(703.50)</b>
	Adjustments for working capital changes		
	Deposits	648.54	635.07
	Other Liabilities	560.69	9,132.07
	Other Assets	114.31	(922.60)
	Direct Taxes paid	(73.52)	(12.79)
	(Increase)/Decrease in AFS Investments	(4,238.73)	(1,509.13)
	Cash generated from Operating Activities	<b>(1,880.47)</b>	6,619.12
<b>II</b>	<b>Cash Flow from Investing Activities</b>		
	Addition to Other Fixed Assets	(35.62)	(486.08)
	Sale/Deletions in Fixed Assets	-	19.20
	(Addition)/Deletion to Capital Work in Progress	(209.00)	(179.70)
	<b>Cash generated from Investing Activities</b>	<b>(244.62)</b>	<b>(646.58)</b>
<b>III</b>	<b>Cash Flow from Financing Activities</b>		
	Proceeds of share issue	-	3,000.00
	<b>Cash generated from financing Activities</b>	<b>-</b>	<b>3,000.00</b>
<b>IV</b>	<b>Increase/Decrease during the Year</b>	<b>(2,125.09)</b>	8,972.54
<b>V</b>	<b>Opening Cash and Cash Equivalents</b>	<b>17,067.34</b>	8,094.80
<b>VI</b>	<b>Closing Cash and Cash Equivalents</b>	<b>14,942.25</b>	17,067.34
	<b>Notes to the Cash Flow Statement:</b>		
	Cash and cash equivalents includes the following:		
	(i) Cash and Balances with Reserve Bank of India (Refer Schedule 6)	10,122.82	6,126.29
	(ii) Balances with Banks in Current Accounts (Refer Schedule 7)	4,844.43	10,966.05
	(iii) Less: Lien Fixed Deposit	25.00	25.00
	<b>Cash and cash equivalents at the end of the year</b>	<b>14,942.25</b>	17,067.34

As per our report of even date

As per our report of even date  
For **V.Sankar Aiyar & Co.**  
Chartered Accountants  
ICAI Firm Regn. No. 109208W

For and on behalf of the Board of Directors of  
**NSDL Payments Bank Limited**  
CIN: U65900MH2016PLC284869

Sd/-  
**Karthik Srinivasan**  
Partner  
Membership No. 514998  
Place : Delhi

Sd/-  
**L Ravi Sankar**  
Director  
DIN: 00185931

Sd/-  
**Padmaja Chunduru**  
Director  
DIN: 08058663

Sd/-  
**N S Venkatesh**  
Director  
DIN: 01893686

Place : Mumbai  
Date : 17th May, 2022

Sd/-  
**Abhijit M Kamalapurkar**  
MD & CEO  
DIN: 08849177

Sd/-  
**Abhishek Bagchi**  
Chief Financial Officer  
M.No. 061680

Sd/-  
**Balan Santosh Parthasarathy**  
Company Secretary  
M.No. A49602

# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

## 1 - CAPITAL

Particulars	(₹ in Lakh)	
	As at 31st March, 2022	As at 31st March, 2021
<b>Authorised Capital</b>		
20,00,00,000 Ordinary Shares of ₹ 10/- each	20,000.00	20,000.00
<b>Issued, Subscribed &amp; Paid-up</b>		
18,00,00,000 (PY 18,00,00,000) Ordinary Shares of ₹ 10/- each	18,000.00	18,000.00
<b>TOTAL</b>	<b>18,000.00</b>	<b>18,000.00</b>

## 2 - RESERVES & SURPLUS

Particulars	(₹ in Lakh)	
	As at 31st March, 2022	As at 31st March, 2021
<b>1. Statutory Reserve</b>		
(i) Opening Balance	-	-
(ii) Addition during the year	-	-
(iii) Deduction during the year	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>2. Investment Reserve</b>		
(i) Opening Balance	-	-
(ii) Addition during the year	-	-
(iii) Deduction during the year	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>3. Balance in Profit &amp; Loss Account</b>		
(i) Opening Balance	(3,665.56)	(2,417.41)
(ii) Addition during the year	(749.69)	(1,248.15)
(iii) Deduction during the year	-	-
<b>Total</b>	<b>(4,415.25)</b>	<b>(3,665.56)</b>
<b>TOTAL</b>	<b>(4,415.25)</b>	<b>(3,665.56)</b>

## 3 - DEPOSITS

Particulars	(₹ in Lakh)	
	As at 31st March, 2022	As at 31st March, 2021
<b>A. 1. Demand Deposits</b>		
i) From Banks (note-1)	29.91	21.10
ii) From Others	118.61	14.03
<b>Total</b>	<b>148.52</b>	<b>35.13</b>
<b>2. Savings Bank Deposits</b>	<b>1,152.97</b>	<b>617.82</b>



## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>3. Term Deposits</b>		
i) From Banks	-	-
ii) From Others	-	-
<b>Total</b>	-	-
<b>TOTAL</b>	<b>1,301.49</b>	<b>652.95</b>
<b>B.</b>		
i. Deposits of Branches in India	<b>1,301.49</b>	<b>652.95</b>
ii. Deposits of Branches outside India	-	-
<b>TOTAL</b>	<b>1,301.49</b>	<b>652.95</b>

Note-1: Represents balance maintained in other bank to enable sweep out facility above regulatory threshold limit

### 4 - BORROWINGS

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>1. Borrowings in India</b>		
(i) Reserve Bank of India	-	-
(ii) Other Banks	-	-
(iii) Other Institutions and Agencies	-	-
(iv) Subordinated debt	-	-
<b>Total</b>	-	-
<b>2. Borrowings outside India</b>	-	-
<b>TOTAL</b>	-	-

### 5 - OTHER LIABILITIES AND PROVISIONS

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
1. Bills Payable	-	-
2. Inter Office Adjustments (Net)	-	-
3. Interest Accrued	-	-
4. Others (Including Provisions)	<b>10,125.07</b>	<b>9,564.38</b>
<b>TOTAL</b>	<b>10,125.07</b>	<b>9,564.38</b>

# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

## 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
1. Cash in hand	-	-
2. Balances with Reserve Bank of India		
(i) In Current Account	10,122.82	6,126.29
(ii) In Other Accounts	-	-
<b>TOTAL</b>	<b>10,122.82</b>	<b>6,126.29</b>

## 7 - BALANCE WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>1. In India</b>		
(i) Balances with Banks	-	-
a) In Current Accounts	459.43	477.05
b) In other Deposit Accounts	4,385.00	10,489.00
(ii) Money at Call and Short Notice		
a) With Banks	-	-
b) With Other Institutions	-	-
<b>Total</b>	<b>4,844.43</b>	<b>10,966.05</b>
<b>2. Outside India</b>		
(i) In Current Accounts	-	-
(ii) In Other Deposits Accounts	-	-
(iii) Money at Call and Short Notice	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>4,844.43</b>	<b>10,966.05</b>

## 8 - INVESTMENTS

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>1. Investments in India (Gross)</b>	<b>7,377.79</b>	<b>3,139.06</b>
Less – Provision for depreciation	-	-
<b>Total</b>	<b>7,377.79</b>	<b>3,139.06</b>
<b>Investments in India in -</b>		
(i) Government Securities	7,377.79	2,478.73
(ii) Other Approved Securities	-	-



## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(iii) Shares	-	-
(iv) Debentures & Bonds	-	-
(v) Subsidiaries and / or Joint Venture	-	-
(vi) Others	-	660.33
<b>Total</b>	<b>7,377.79</b>	<b>3,139.06</b>
<b>2. Investments Outside India</b>	-	-
<b>Total</b>	-	-
<b>TOTAL</b>	<b>7,377.79</b>	<b>3,139.06</b>

### 9 - ADVANCES

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>A.</b>		
(i) Bills Purchased and Discounted	-	-
(ii) Cash Credits, Overdrafts and Loans Repayable on Demand	-	-
(iii) Term Loans	-	-
<b>Total</b>	-	-
<b>B.</b>		
(i) Secured by Tangible Assets	-	-
(ii) Covered by Bank/Government Guarantees	-	-
(iii) Unsecured	-	-
<b>Total</b>	-	-
<b>C.1 Advances in India</b>		
(i) Priority Sector	-	-
(ii) Public Sector	-	-
(iii) Banks	-	-
(iv) Others	-	-
<b>Total</b>	-	-
<b>C.2 Advances Outside India</b>		
<b>Total</b>	-	-
<b>TOTAL</b>	-	-

# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

## 10 - FIXED ASSETS

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>1. Premises</b>		
(i) At cost at 31st March of the preceding year	-	-
(ii) Additions during the year	-	-
(iii) Deductions during the year	-	-
(iv) Accumulated Depreciation to date	-	-
<b>Total</b>	-	-
<b>2. Other Fixed Assets</b>		
(i) At cost at 31st March of the preceding year	3,058.34	2,591.46
(ii) Additions during the year	297.03	486.08
(iii) Deductions during the year	1,236.96	19.20
(iv) Accumulated Depreciation to date	1,235.26	1,306.08
<b>Total</b>	<b>883.15</b>	<b>1,752.26</b>
<b>3. Capital Work in Progress</b>	<b>271.12</b>	<b>1,003.45</b>
<b>TOTAL (1+2+3)</b>	<b>1,154.27</b>	<b>2,755.71</b>

## 11 - OTHER ASSETS

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
1. Inter-Office Adjustment (Net)	-	-
2. Interest Accrued	105.27	195.66
3. Tax Paid in Advance/Tax Deducted at Source (Net of Provision)	93.94	20.42
4. Stationery and Stamps	-	-
5. Deferred Tax Assets (Net)	-	-
6. Others	1,312.79	1,348.58
<b>TOTAL</b>	<b>1,512.00</b>	<b>1,564.66</b>

## 12 - CONTINGENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
1. Claims against the bank not acknowledged as debts	-	-
2. Liability on Account of Outstanding Forward Exchange contracts	-	-
3. Liability on Account of Outstanding Derivative Contracts	-	-
4. Guarantees given on behalf of constituents		
(i) In India	-	-
(ii) Outside India	-	-



## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
6. Acceptances, Endorsements and other Obligations	-	-
7. Other items for which the bank is contingently liable		
(i) Income tax & other matters (under appeal)	-	-
(ii) Others		
(a) Capital Commitment	10.00	20.00
(b) Bank Guarantee issued by other Bank on our behalf	25.00	25.00
<b>TOTAL</b>	<b>35.00</b>	<b>45.00</b>

### 13 - INTEREST EARNED

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
1. Interest / Discount on Advances / bills	-	-
2. Income on Investments	197.22	40.07
3. Interest on balance with RBI and Other Inter bank funds	511.25	512.00
4. Others	6.18	0.73
<b>TOTAL</b>	<b>714.65</b>	<b>552.80</b>

### 14 - OTHER INCOME

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
1. Commission, Exchange and Brokerage	29,264.07	5,648.18
2. Profit on sale of Investments (Net)	14.05	18.34
3. Profit / (Loss) on sale of land, building and other assets (Net)	-	-
4. Profit on exchange transactions (Net)	(1.85)	(1.98)
5. Miscellaneous Income	4.69	13.11
<b>TOTAL</b>	<b>29,280.96</b>	<b>5,677.65</b>

### 15 - INTEREST EXPENDED

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
1. Interest on Deposits	23.30	11.95
2. Interest on Reserve Bank of India / Inter-Bank Borrowings	-	-
3. Others	5.46	1.43
<b>TOTAL</b>	<b>28.76</b>	<b>13.38</b>

## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

### 16 - OPERATING EXPENSES

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
1. Payments to and provisions for employees	1,992.67	1,107.22
2. Rent, taxes and lighting	142.12	132.78
3. Printing and stationery	0.78	0.57
4. Advertisement and publicity	75.33	12.31
5. Depreciation on banks property	389.36	538.31
6. Director's fees Allowances and expenses	60.42	45.78
7. Auditors' fees and expenses (Including branch auditor's fees and expenses)	29.71	28.03
8. Law Charges	-	-
9. Postage, Telegrams, Telephones, etc.	5.66	3.84
10. Repairs and maintenance	429.48	367.63
11. Insurance	31.81	22.11
12. Other Expenditure	26,090.63	5,200.30
<b>TOTAL</b>	<b>29,247.97</b>	<b>7,458.88</b>

### 17 – Provisions and Contingencies

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
1. Provision for bad and doubtful debts	7.04	6.34
2. Write off of Employee cost upto March 2021 (net of depreciation reversal benefit)	1,456.70	-
3. Intangible Assets under development written off	4.83	-
<b>TOTAL</b>	<b>1,468.57</b>	<b>6.34</b>



# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

## 17. Significant Accounting Policies

### 1. Background

**NSDL Payments Bank Limited ('the Bank')** was incorporated on 17th August 2016 under the Companies Act, 2013. The Bank is primarily engaged in the business of

- Accepting demand deposits in the form of savings bank deposits,
- To provide payment/ remittance/recharge services through its mobile application,
- Issue of debit cards for point of sale/Ecommerce and ATM transactions,
- Accepting demand deposits in the form of current account deposits,
- Offering domestic money transfer, Aadhar enabled payment services, Micro ATM transactions through Business Correspondents
- Issuing co-branded prepaid cards to customers through agreements with programme managers
- Offering mutual fund investment services through mobile app,
- Offering Bank verification services for corporate brokers,
- Offering insurance investment services through mobile app,

The RBI has granted license to carry on payments bank business in India, under Section 22(1) of Banking Regulation Act, 1949 subject to terms and conditions mentioned vide their letter dated 30<sup>th</sup> March, 2017. Thus, the Bank commenced banking business on 29<sup>th</sup> October, 2018.

### 2. Basis of preparation

**2.1** The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting except otherwise stated in accordance with the generally accepted accounting principles in India to comply with the statutory requirements prescribed under the Banking Regulation Act, 1949, the circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable

and practices generally prevalent in the banking industry in India.

The financial statements are presented in Indian Rupees ("Rupees" or "Rs" and all amounts are rounded off to the nearest lakhs except as stated otherwise). The Notes to Accounts under Schedule 19 are rounded off to the nearest crores.

### 2.2 Use of estimates

The preparation of the financial statements requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, revenues and expenses during the reporting period and disclosure of contingent liabilities at the date of the financial statements. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revisions to the accounting estimates are recognised prospectively in the current and future periods.

### 2.3 Going Concern

The Bank is operationally and financially fully supported by the holding company. In view of the Holding company's commitment to the business, the financial statements have been prepared on a going concern basis.

### 3. Investments

#### Classification:

In accordance with the RBI guidelines on investments classification and valuation, investments are classified at the time of purchase as:

- Held For Trading (HFT)
- Available For Sale (AFS)
- Held To Maturity (HTM)

However, for disclosure in the Balance Sheet, investments in India are classified under six categories-

- Government Securities,
- Other approved securities,
- Shares,
- Debentures and Bonds,
- Investment in Subsidiaries/Joint Ventures,
- Others(MF units, CD/CP, etc.).

**Basis of Classification:**

Investments that are held principally for sale within a short period are classified as HFT securities. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days, are reclassified as AFS securities.

All other investments are classified as AFS securities.

**Acquisition cost:**

Costs including brokerage and commission pertaining to investments, paid at the time of acquisition, are charged to the Profit and Loss Account. Broken period interest on debt instruments and government securities are considered as a revenue item under Profit and Loss account as per RBI guidelines. Cost of Investments is based on first in first out method.

**Valuation:**

Investments are marked to market on a periodical basis as per relevant RBI guidelines. The market or fair value of quoted investments included in the 'AFS' and 'HFT' categories is measured with respect to the market price of the scrip as available from the trades or quotes on the stock exchanges, SGL account transactions, and price list of RBI or prices declared by Financial Benchmark India Private Limited (FBIL) as at the year end.

The market or fair value of unquoted government securities included in the 'AFS' and 'HFT' categories is determined as per the price published by FBIL. Net depreciation, if any, within each category of each investment classification is recognised in the Profit and Loss Account. The net appreciation if any, under each category of each investment classification is ignored, except to the extent of depreciation previously provided.

Treasury Bills, being discounted instruments, are valued at carrying cost.

Units of mutual funds are valued at the latest repurchase price/net asset value declared by the mutual fund.

Realised gains/losses on investments under the AFS and HFT category are recognised in the Profit and Loss Account.

The Bank follows 'Settlement Date' accounting for recording purchase and sale transactions of securities.

**Disposal of Investments**

Profit/Loss on sale of investments under the aforesaid three categories are taken to Profit/Loss

account. The profit from sale of investments under HTM category if any, net of taxes and transfers to Statutory Reserve is subsequently appropriated to "Capital Reserve".

**4. Revenue recognition**

Revenue is recognised to the extent, that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

**Investing and other activities**

Income on account of interest and other activities are recognised on an accrual basis. Interest income on discounted instruments is recognised over the tenure of the instruments so as to provide a constant periodic rate of return. Interest income is recognised in accordance with AS-9, Revenue Recognition on time proportion basis.

**Other Revenues**

Service revenue is recognised on completion of provision of services. Revenue is recognised on transfer of all significant risks and rewards, reasonable right of recovery is established and when no significant uncertainty exists regarding realisation of consideration. The Bank recognises non-refundable (i.e. without clawback) affiliation income/one time integration income upfront on accrual basis, on business tie ups with partners, in the event of signing of the business agreement or on acceptance of the commercial terms.

Minimum balance charges recovery on deposit accounts are recognised on realisation basis. All other fees/commission is accounted for as and when they become due.

**Provision for doubtful debts**

The Bank provides for the amounts where the management is of the view that the amounts are not recoverable.

**5. Property, Plant and Equipment (Tangible and Intangible), Depreciation/Amortisation**

Property, Plant and Equipment (Fixed assets) are carried at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes initial handling and delivery charges, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably.



Capital work-in-progress includes cost of assets under development that are not ready for their intended use and reflects advances paid to acquire those assets, vendor payments made towards the development of the asset directly attributable towards development of intangible assets.

Intangible assets with finite useful lives are carried at cost and are amortised on a straight-line basis over their estimated useful life and charged to Profit and Loss Account.

Fixed Asset having value of ₹ 5,000/- & less has been fully depreciated in the year of purchase.

Depreciation is provided over the estimated useful life of a fixed asset on the straight-line method from the date of addition.

The Management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets for which a technical evaluation has been done by the Management this year. The assets residual value and useful lives are reviewed at each financial year end or whenever there are indicators for review and adjusted prospectively.

Asset category	Estimated Useful Life
Application software	5 years
Office Equipment	5 years
Computers and data processing units - Servers and networks - End user devices, such as, desktops, laptops, etc.	6 years 3 years
Electrical Installations and Equipment	10 years
Furniture and Fittings	10 years
Leasehold Improvements	5 years

## 6. Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised 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. An impairment is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

## 7. Transactions involving foreign exchange

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities of domestic operations are translated at closing exchange rates notified by FEDAI relevant to the balance sheet date. The resulting gain or loss on revaluation are included in the Profit and Loss Account.

## 8. Employee Benefits

The Bank's post-employment benefits include Defined Benefit Plan and Defined Contribution Plans. The Bank also provides other benefits in the form of compensated absences, by way of Privilege Leave and Sick Leave.

### Defined Benefit Plans:

#### Gratuity:

Under the Defined Benefit plan, the Bank provides retirement obligation in the form of Gratuity. In terms of the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Bank. Gratuity liability is defined benefit obligation and is provided on the basis of actuarial valuation based on projected unit credit method made at the end of each financial year. The Bank contributes towards gratuity fund (defined benefit retirement plan) administered by identified insurer for eligible employees. Under this scheme, the settlement obligations remain with the Bank, although insurer administers the scheme and determine the contribution premium required to be paid by the Bank. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Bank.

For defined benefit plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability in the balance sheet. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of balance sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. All expenses in respect of defined benefit plans, including actuarial gains and losses, are recognised as a part of salary cost.

#### Compensated Absences:

The employees of the Bank are entitled to compensated absences based on the un-availed leave balance as

well as other long-term benefits. The Bank records liability based on actuarial valuation computed under projected unit credit method.

Compensated absences by way of Privilege Leave and Sick Leave are provided for based on estimates of encashment/availment of leave. The Bank provides for the compensated absences based on actuarial valuation as per projected unit credit method conducted by an independent actuary. Actuarial gains/losses are considered as a part of salary cost and included in capital work in progress.

**Defined Contribution Plan:**

The Bank's contributions to defined contribution plans are recognised as a part of salary cost as they fall due. The Bank has no further obligations under these plans beyond its periodic contributions. The distinction between short-term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits.

**9. Leases**

**Finance Lease:**

Lease contracts where substantially all the risks and rewards incidental ownership has been transferred to the Bank are classified as Finance Lease.

Finance Lease is capitalized at the inception of the lease at fair value of the leased property or present value of minimum lease payments, whichever is lower and corresponding rental obligation with finance costs are included in other Financial Liability. Lease payments are apportioned between finance cost and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised in finance costs in the statement of Profit and Loss account. A leased asset is depreciated over lower of the useful life of the asset or period of lease term.

**Operating Lease:**

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease and other leases are classified as operating lease.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

**10. Taxation**

Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year taxes are determined in accordance with the relevant provisions

of Income tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off assets against liabilities representing current tax and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation 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. The impact of changes in the deferred tax assets and liabilities is recognised in the Profit and Loss Account.

Deferred tax assets are recognised and reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realised against future profits.

At each balance sheet date, unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably or virtually certain, as the case may be, that future taxable income will be available against which such deferred tax assets can be realised.

**11. Earnings Per Share**

The Bank reports basic and diluted earnings per share in accordance with AS-20, Earnings Per Share. Basic earnings per share is computed by dividing the net profit/ (loss) after tax by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end except where the results are anti-dilutive.

**12. Provisions, Contingent Liabilities and Contingent Assets**

In accordance with AS-29 relating to Provisions,



Contingent Liabilities and Contingent Assets; a provision is recognised when the Bank has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to 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.

No provision is recognised and a disclosure of contingent liability is made when there is:

- A possible obligation arising from a past event, the existence of which will be confirmed by occurrence of one or more uncertain future events not within the control of the Bank; or
- A present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Contingent assets are not recognised in the financial statements.

### 13. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

### 14. Cash flow Statements

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Bank are segregated.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

## 19. NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 1. Statutory disclosures as per RBI

#### 1.1 Capital Adequacy

Capital Adequacy Ratio as per RBI guidelines on Basel I Capital Regulations is detailed below.

Particulars	As at March 31, 2022	As at March 31, 2021
i) Common Equity Tier-1 capital ratio (%)	501.58%	229.67%
ii) Additional Tier 1 capital	-	-
iii) Tier 1 capital (i + ii)	501.58%	229.67%
iv) Tier 2 capital (%)	-	-
v) Totalcapital(Tier1+Tier2)	501.58%	229.67%
vi) TotalRiskWeighted Assets (RWAs) (Rs in crores)	25.01	55.38
vii) CET 1 Ratio (CET 1 as a percentage of RWAs)/ Paid Up share capital and reserves as percentage of RWAs(%)	501.58%	229.67%
viii) Tier 1 Ratio (Tier 1 capital as a percentage of RWAs) (%)	501.58%	229.67%
ix) Tier 2 Ratio (Tier 2 capital as a percentage of RWAs) (%)	-	-
x) Capital to Risk Weighted Assets Ratio (CRAR) (%)	501.58%	229.67%
xi) Leverage Ratio (%)	58.59%	67.60%
xii) Percentage of the shareholding of a) Government of India b) State Government	-	-
xiii) Amount of paid-up equity capital raised during the year (cr)	-	30
xiv) Amount of non-equity Tier 1 capital raised during the year, of which: a. Non-Cumulative Preference Shares (PNCPS) b. Debt Instruments (PDI)	-	-
xv) Amount of Tier 2 capital raised during the year, of which: a. Debt capital instruments: b. Preference Shares (PCPS) / Redeemable Non-Cumulative Shares (PCPS) /Perpetual Debt Instrument/ Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]	-	-

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

## 1.2 Investments

a. Composition of Investment Portfolio  
As at March 31, 2022:

(₹ in crores)

	Investments in India						Investments outside India				Total Investments	
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others		Total Investments outside India
Held to Maturity												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Available for Sale												
Gross	73.78	-	-	-	-	-	73.78	-	-	-	-	73.78
Less : Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	73.78	-	-	-	-	-	73.78	-	-	-	-	73.78
Held for Trading												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less : Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments	73.78	-	-	-	-	-	73.78	-	-	-	-	73.78
Less : Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less : Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	73.78	-	-	-	-	-	73.78	-	-	-	-	73.78

As at March 31, 2021:

(₹ in crores)

	Investments in India						Investments outside India				Total Investments	
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others		Total Investments outside India
Held to Maturity												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Available for Sale												
Gross	24.79	-	-	-	-	-	31.39	-	-	-	-	31.39
Less : Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	24.79	-	-	-	-	-	31.39	-	-	-	-	31.39
Held for Trading												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less : Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments	24.79	-	-	-	-	-	31.39	-	-	-	-	31.39
Less : Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less : Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	24.79	-	-	-	-	-	31.39	-	-	-	-	31.39

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31ST MARCH, 2022

### b. Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in crores)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i. Movement of provisions held towards depreciation on investment		
a) Opening balance	-	-
b) Add : Provisions made during the year	-	-
c) Less : Writeoff / writeback of excess provisions during the year	-	-
d) Closing balance	-	-
ii. Movement of Investment Fluctuation Reserve		
a) Opening balance	-	-
b) Add : Amount transferred during the year	-	-
c) Less : Drawdown	-	-
d) Closing balance	-	-
iii. Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	-	-

### 1.3 Repo/Reverse Repo Transactions (in Face Value terms)

(₹ in crores)

	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average outstanding during the year *	Outstanding as on March 31, 2022
i) Securities sold under repo				
a) Government securities	-	-	-	-
b) Corporate debt securities	-	-	-	-
c) Anyother securities	-	-	-	-
ii) Securities purchased under reverse repo				
a) Government securities	3.15	50.00	7.42	-
b) Corporate debt securities	-	-	-	-
c) Anyother securities	-	-	-	-

\* Daily Average outstanding during the year is calculated basis number of days the transaction was done during the year.

### 1.4 Non SLR Investment Portfolio

#### i. Issuer composition of Non SLR investments as at March 31, 2022

(₹ in crores)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	PSUs	-	-	-	-	-
(ii)	FIs	-	-	-	-	-
(iii)	Banks	-	-	-	-	-
(iv)	Private Companies	-	-	-	-	-
(v)	Subsidiaries/Joint Ventures	-	-	-	-	-
(vi)	Others	-	-	-	-	-
(vii)	Total (i to vi)	-	-	-	-	-
(viii)	Less: Provision held towards depreciation	-	-	-	-	-
<b>Total (viii – viii)</b>		-	-	-	-	-

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31ST MARCH, 2022

### ii. Issuer composition of Non SLR investments as at March 31, 2021

(₹ in crores)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	PSUs	-	-	-	-	-
(ii)	FIs	-	-	-	-	-
(iii)	Banks	-	-	-	-	-
(iv)	Private Companies	-	-	-	-	-
(v)	Subsidiaries/Joint Ventures	-	-	-	-	-
(vi)	Others	6.60	-	-	-	-
(vii)	Total (i to vi)	6.60	-	-	-	-
(viii)	Less: Provision held towards depreciation	-	-	-	-	-
<b>Total (viii – viii)</b>		<b>6.60</b>	-	-	-	-

### 1.5 Non-Performing Non-SLR investments

The Bank does not have any non-performing investments during the year 2021-22 ("Nil" during the year 2020-21).

### 1.6 Sale and Transfers to/ from HTM Category

The Bank did not sell or transfer any investments to / from HTM category during the year 2021-22 ("Nil" during the year 2020-21).

### 1.7 Derivatives

The bank has not entered into any derivative transactions (Forward Rate Agreement/ Interest Rate Swap/ Exchange Traded Interest Rate Derivatives) during the year 2021-22. ('Nil' during the year 2020-21) Therefore, qualitative and quantitative disclosures under RBI guidelines with respect to derivative transactions are not required.

### 1.8 Asset Quality

As per the RBI guidelines issued by RBI for licensing of Payments Bank; the payments bank are not allowed to give any advance or lend to any person including their directors. Therefore, the disclosure required for asset quality (movement in NPA's, disclosure on accounts subjected to restructuring, provisioning of standard assets etc.) are not applicable to payments bank.

### 1.9 Business Ratios

No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i.	Interest income as a percentage to working funds <sup>1</sup>	2.91%	3.37%
ii.	Non-interest Income as percentage to working funds <sup>1</sup>	119.03%	34.65%
iii.	Cost of Deposits	2.25%	3.38%
iv.	Net Interest Margin <sup>2*</sup>	4.80%	5.59%
v.	Operating profit as a percentage to working funds <sup>3</sup>	2.92%	(7.62%)
vi.	Return on assets <sup>3</sup>	(3.05%)	(7.62%)
vii.	Business (Deposit) 5 per employee <sup>4</sup> (₹ in crores)	0.12	0.07
viii.	Profit per employee <sup>4</sup> (₹ in crores)	(0.07)	(0.15)

<sup>1</sup>Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X for Commercial Banks and Form IX for UCBs, during the 12 months of the financial year.

<sup>2</sup>Net Interest Income/ Average Earning Assets. Net Interest Income= Interest Income – Interest Expense. Average earning assets to be reckoned as fortnightly average of interest earning assets reported in Form A

<sup>3</sup>Return on Assets would be with reference to average working funds (i.e., total of assets excluding accumulated losses, if any).

<sup>4</sup>For the purpose of computation of business per employee (deposits plus advances), inter-bank deposits shall be excluded

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31ST MARCH, 2022

### 1.10 Asset Liability Management

Maturity pattern of certain items of assets and liabilities as on March 31, 2022:

(₹ in crores)

Maturity Bucket	Deposits	Advances	Investments	Borrowings	Foreign currency assets	Foreign currency liabilities
Day 1	0.74	-	-	-	-	-
2 to 7 days	0.44	-	-	-	-	-
8 to 14 days	0.44	-	-	-	-	-
15 to 30 days	-	-	-	-	-	-
Days 31 to 2 months	-	-	16.93	-	-	-
Over 2 months to 3 months	-	-	14.89	-	-	-
Over 3 months to 6 months	-	-	14.79	-	-	-
Over 6 months to 1 year	-	-	27.17	-	-	-
Over 1 year to 3 years	11.38	-	-	-	-	-
Over 3 years to 5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-
<b>Total</b>	<b>13.01</b>	<b>-</b>	<b>73.78</b>	<b>-</b>	<b>-</b>	<b>-</b>

Maturity pattern of certain items of assets and liabilities as on March 31, 2021:

(₹ in crores)

Maturity Bucket	Deposits	Advances	Investments	Borrowings	Foreign currency assets	Foreign currency liabilities
Day 1	0.42	-	6.60	-	-	-
2 to 7 days	0.21	-	-	-	-	-
8 to 14 days	0.21	-	4.99	-	-	-
15 to 30 days	-	-	1.50	-	-	-
Days 31 to 2 months	-	-	2.99	-	-	-
Over 2 months to 3 months	-	-	2.98	-	-	-
Over 3 months to 6 months	-	-	12.33	-	-	-
Over 6 months to 1 year	-	-	-	-	-	-
Over 1 year to 3 years	5.68	-	-	-	-	-
Over 3 years to 5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-
<b>Total</b>	<b>6.52</b>	<b>-</b>	<b>31.39</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 1.11 Exposures

#### i) Sensitive Sectors

The Bank has not entered into any transactions related to capital market and real estate sector during the year 2021-22 and 2020-21.

ii) As per the RBI guidelines issued by RBI for licensing of Payments Bank; the payments bank are not allowed to give any advance or lend to any person including their directors. Therefore, the disclosure required in respect to

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

exposure to real estate sector, capital market, category wise country risk, single and group borrower limits and unsecured advances are not applicable to payments bank.

## 1.12 Disclosure of penalties imposed by RBI

No Penalty has been imposed by RBI during the year 2021-22 ("Nil" during FY 2020-21)

## 2. Disclosure Requirements as per Accounting Standards

### 2.1 Accounting Standard 15 - Employee Benefits

#### Leave Encashment

The actuarially determined liability for Compensated Absences (Privilege Leave) of the employees of the Bank is given below: (₹ in crores)

No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	Provision as at date (Unfunded)	2.02	1.39

#### Provident Fund

The Company's contribution to the Employee Provident Fund amounted to ₹ 0.60 crores for the year 2021-22 (₹ 0.44 crores for the year 2020-2021)

#### Gratuity

The following tables give the disclosure regarding the Gratuity Scheme in accordance with the Accounting Standard 15 (Revised):

#### Balance Sheet

##### Change in Defined Benefit Obligation during the year

(₹ in crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Defined Benefit Obligation at the beginning of the period	0.21	0.11
Service cost	0.12	0.05
Interest cost	0.01	0.01
Actuarial losses/(gains)	0.04	0.04
Benefit payments	-	-
Defined Benefit obligation at the end of the period	0.38	0.21

##### Amount recognised in Balance Sheet:

(₹ in crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Present value of defined benefit obligation at the end of the period	0.38	0.21
Fair value of plan assets at the end of the period	(0.31)	(0.22)
Funded status ((surplus)/ deficit)	0.07	(0.01)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	(0.07)	0.01

##### Change in the fair value of Plan Assets during the year

(₹ in crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Fair value of plan assets at the beginning of the year	0.22	0.20
Expected Return on Plan Assets	0.01	0.01
Contributions by the Bank	0.10	-
Actuarial Gain/ (Loss) recognised during the year	(0.02)	0.01
Benefit paid	-	-
Fair value of plan assets at the end of the year	0.31	0.22

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31ST MARCH, 2022

### Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

(₹ in crores)

No.	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
i	Current service cost	0.12	0.05
ii	Net Interest Cost	(0.01)	(0.01)
iii	Net Actuarial Losses/(Gains) recognised in the year	0.05	0.04
<b>Total included in "Employee Benefit Expense" [Schedule 16(I)]</b>		<b>0.16</b>	<b>0.08</b>

Experience adjustment is as follows:

(₹ in crores)

No.	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Gratuity</b>			
1	Actuarial (Gains)/Losses on Obligations – Due to Experience	0.04	(0.01)
2	Actuarial (Gains)/Losses on Plan Assets – Due to Experience	0.02	0.01

The principal actuarial assumptions used as at the Balance Sheet date are as follows:

No.	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1	Salary escalations	8.00%	8.00%
2	Discount rate	6.09%	5.58%
3	Attrition rate	20%	20%
4	Mortality rate	Indian assured Lives Mortality (2012-14)	Indian assured Lives Mortality (2006-08)

The above assumptions are considered for determining actuarial liability under Gratuity and Leave Encashment. Liability towards Leave Encashment and Gratuity are non-funded.

## 2.2 Accounting Standard 17 – Segment Reporting

1. The Bank has classified its business into the following segments, namely:
  - a. Treasury – primarily comprising investments in Treasury Bills, Mutual Funds, Deposit with Banks.
  - b. Other Banking Operations - comprising business activities like accepting deposits, offering domestic money transfer and other services.

As at March 31, 2022

(₹ in crores)

Business segments	Treasury	Other Banking Operation	Total
Revenue	7.29	292.67	299.96
Unallocated Revenue	-	-	-
Expenses	0.01	307.24	307.25
Unallocated Expenses	-	-	0.21
Operating Profit/(Loss)	-	-	(7.50)
Income Tax	-	-	-
Extraordinary Profit/(Loss)	-	-	-
Net Profit/(Loss)	-	-	(7.50)
<b>Other Information</b>			
Segment Assets	224.56	20.16	244.72
Unallocated Assets	-	-	5.39
Total Assets	-	-	250.11
Segment Liabilities	-	110.82	110.82
Unallocated Liabilities	-	-	3.45
Total Liabilities	-	-	114.27



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31ST MARCH, 2022

As at March 31, 2021

(₹ in crores)

Business segments	Treasury	Other Banking Operation	Total
Revenue	5.71	56.59	62.30
Unallocated Revenue	-	-	-
Expenses	0.08	74.69	74.77
Unallocated Expenses	-	-	0.01
Operating Profit/(Loss)	-	-	(12.48)
Income Tax	-	-	-
Extraordinary Profit/(Loss)	-	-	-
Net Profit/(Loss)	-	-	(12.48)
Other Information			
Segment Assets	204.33	40.98	245.31
Unallocated Assets	-	-	0.20
Total Assets	-	-	245.51
Segment Liabilities	0.01	102.17	102.18
Unallocated Liabilities	-	-	0.01
Total Liabilities	-	-	102.19

Unallocated segments, income, expense, assets and liabilities includes items which are not allocable to other segments. In allocation of some items of expenses/income and asset/liabilities, certain estimates and assumptions have been made by the management, which has been relied upon by the auditors.

### 2.3 Accounting Standard 18 – Related Party Disclosures

Related party disclosure as required in accordance with AS 18 – “Related Party Disclosures” and RBI guidelines, is provided below.

The related parties of the Bank are broadly classified as:

Relationship	Name of the related Party
Promoters	National Securities Depository Limited
Fellow Subsidiary	NSDL Database Management Limited
Key Management Personnel (KMP)	Mr. Abhijit Kamalapurkar (MD & CEO)
	Mr. Abhishek S. Bagchi (CFO)
	Mr. Balan Parthasarthy (CS)

In line with the Reserve Bank of India Circular No. DBR.BC.No.23//21.04.2018/2015-16 dated 1 July 2015; the Bank has not disclosed details pertaining to related parties where under a category there is only one entity. Similarly, there has been only one entity under Promoters and Fellow subsidiary category at any given point of time, therefore, those details are not disclosed. Related parties are identified by the Management and relied upon by the auditors.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31ST MARCH, 2022

As at March 31, 2022

(₹ in crores)

Items / Related Party	Parent (as per ownership or control)	Key Management Personnel	Relatives of Key Management Personnel	Fellow Subsidiary	Total
Borrowings	-	-	-	-	-
Deposit	-	-	-	-	-
Placement of deposits	-	-	-	-	-
Investments	-	-	-	-	-
Non funded commitments	-	-	-	-	-
Leasing / HP arrangements Availed/ provided	-	-	-	-	-
Sale/Purchase of fixed assets	-	-	-	-	-
Interest paid	-	-	-	-	-
Interest Received	-	-	-	-	-
Rendering of services	-	-	-	-	-
Remuneration*	-	1.41	-	-	1.41
Management Services	-	-	-	-	-

As at March 31, 2021

(₹ in crores)

Items / Related Party	Parent (as per ownership or control)	Key Management Personnel	Relatives of Key Management Personnel	Fellow Subsidiary	Total
Borrowings	-	-	-	-	-
Deposit	-	-	-	-	-
Placement of deposits	-	-	-	-	-
Investments	-	-	-	-	-
Non funded commitments	-	-	-	-	-
Leasing / HP arrangements Availed/ provided	-	-	-	-	-
Sale/Purchase of fixed assets	-	-	-	-	-
Interest paid	-	-	-	-	-
Interest Received	-	-	-	-	-
Rendering of services	-	-	-	-	-
Remuneration*	-	1.72	-	-	1.72
Management Services	-	-	-	-	-

\* Liability for Gratuity & Compensated Absences are provided on an actuarial basis and calculated for the Bank as a whole and not individual employees, the said liabilities for the KMPs are not known hence not disclosed in above table.

### 2.4 Accounting Standard 19 - Lease Disclosures

The total amount paid by the Bank under operating lease for FY 2021-22 is ₹ 1.18 crores. (₹ 1.22 crores during FY 2020-21). The Bank has not entered into any non-cancellable operating lease and financial lease arrangement in the current year.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in crores)

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
1. The total of future minimum lease payments under noncancellable operating leases for each of the following periods:		
a) Not later than one year	0.22	0.99
b) Later than one year but not later than five years	-	1.91
c) Later than five years	-	-
2. Total Expected future lease payment	0.22	2.89
3. Lease payment recognized in the statement of Profit and Loss for the period	1.18	1.22

#### 2.5 Accounting Standard 10 and 26 – Fixed Assets and Other application software's Other Fixed Assets (including furniture & fixtures)

The movement in fixed assets capitalised as hardware and other application software is given below:

(₹ in crores)

Hardware - PPE	For the period ended March 31, 2022	For the period ended March 31, 2021
WDV at the beginning of the year	1.37	1.52
Additions during the year	0.36	0.54
Deductions during the year	-	0.19
Depreciation during the year	0.58	0.50
WDV at the close of the year	1.15	1.37

(₹ in crores)

Software – Intangible	For the period ended March 31, 2022	For the period ended March 31, 2021
WDV at the beginning of the year	16.15	16.72
Additions during the year	2.61	4.32
Deductions/Write off during the year	7.77	-
Depreciation during the year	3.31	4.89
WDV at the close of the year	7.68	16.15

#### 2.6 Accounting Standard 22: Accounting for taxes

The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

(₹ in crores)

Particulars	For the period ended March 31, 2022**	For the period ended March 31, 2021**
Deferred tax asset on account of depreciation	0.07	0.13
Deferred tax asset on account of other items	0.22	0.17
Deferred tax liability on account of depreciation	-	-
Deferred tax liability on account of other items	-	-

\*\* recognised to the extent of reversal of Deferred Tax Liability

Deferred Tax (Net)-Considering the current working results of the bank, deferred tax assets have not been recognized during the year. Currently, Bank is not recognising the Deferred tax assets on accumulated losses of Rs 44.15 crores including Rs. 14.56 crores of employee cost written off this year, (capitalised earlier), on which the Bank is in process of taking professional tax advice. The Bank is confident of having probable future taxable profits to allow it to recognize the deferred tax assets in future.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

## 2.7 Accounting Standard 20 – Earnings Per Share ('EPS')

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
Net profit/(loss) after tax (₹ in crores)	(7.50)	(12.48)
Basic weighted average no. of shares	18,00,00,000	16,13,15,068
Diluted weighted average no. of shares	18,00,00,000	16,13,15,068
Basic EPS (₹)	(0.42)	(0.77)
Diluted EPS (₹)	(0.42)	(0.77)
Nominal value of shares (₹)	10/-	10/-

## 2.8 Accounting Standard 28 – Impairment of Assets

An asset is treated as impaired when its carrying amount exceeds its recoverable amount. The impairment is recognised by debiting the profit and loss account and is measured as the amount by which the carrying amount of the impaired assets exceeds their recoverable value.

The management has reviewed the carrying value of the assets, as per Accounting Standard 28 - "Impairment of Assets" and assessed that no impairment is required as the value in use is higher than the carrying value.

## 3 Additional Disclosures as per RBI

### 3.1 Provisions and contingencies

Break up provisions and contingencies

(₹ in crores)

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
Write off Intangible Assets – Employee Cost*	14.57	-
Intangible Assets under development written off	0.05	-
Provision for Doubtful Debts	0.07	0.06
<b>Total</b>	<b>14.69</b>	<b>0.06</b>

\*Includes employee cost written off for period prior to F.Y. 2021 – 2022 which was earlier capitalised under intangible assets / capital work in progress in terms of compliance submitted to Reserve Bank of India vide its annual inspection report dated 30th December 2021.

### 3.2 Draw down from reserves

The Bank has not drawn any amount from reserves during FY 2021-22 ("Nil" during the year 2020-21).

### 3.3. Summary information on complaints received by bank from customers and from the OBOs

Sr.No.	Particulars	Previous year	Current year
<b>Complaints received by the bank from its customers</b>			
1.	Number of complaints pending at the beginning of the year	-	3
2.	Number of complaints received during the year	114	680
3.	Number of complaints disposed during the year	111	675
3.1	Of which, number of complaints rejected by the bank	-	-
4.	Number of complaints pending at the end of year	3	8
<b>Maintainable complaints received by Bank from OBOs</b>			
5.	Number of maintainable complaints received by the bank from OBOs	104	81*
5.1	Of 5, number of complaints resolved in favour of the bank by Bos	100	81
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Bos	2	-
5.3	Of 5, number of complaints resolved after passing of Awards by BO against the bank	2	-
6.	Number of Awards unimplemented within the stipulated time (Other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the scheme.

\*There are 52 unique account numbers for which the Bank has received complaints from OBOs.

The count of complaints received in FY22 are in line with scaled up CASA business and resultant increased transaction volume, as compared to FY21, being first year of full-fledged operations.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

## Top five grounds of complaints received by the bank from customers.

Grounds of complaints (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase / decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Account opening/difficulty in operation of accounts	0	312	512%^A	4	0
Others	0	228	744%^A	1	0
Internet/Mobile/Electronic Banking	1	74	222%^A	1	0
ATM/Debit Cards	2	55	358%^A	2	0
Levy of charges without prior notice/excessive charges/foreclosure charges	0	11	1000%^A	0	0

<sup>A</sup>The number of accounts opened through the NSDL Jiffy App scaled up from Jan 2020, in the earlier years as it was in CUG mode hence the complaints show a % wise rise.

Grounds of complaints (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase / decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
FY 2020-21					
Account opening/difficulty in operation of accounts	0	51	Not Applicable	0	0
Others	0	27		0	0
Internet/Mobile/Electronic Banking	0	23		1	0
ATM/Debit Cards	0	12		2	0
Levy of charges without prior notice/excessive charges/foreclosure charges	0	1		0	0

### 3.4 Concentration of deposits

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
Total deposits* of twenty largest depositors (Rs. in crores)	0.68	0.39
Percentage of deposits of twenty largest depositors to total deposits of the Bank	5.20%	6.04%

\*Includes balance maintained in other bank to enable sweep out facility above regulatory threshold limit.

### 3.5 Off Balance sheet SPVs sponsored (which are required to be considered as per accounting norms)

There is no off-balance sheet SPVs sponsored during the year 2021-22 ("Nil" during the year 2020-21).

### 3.6 Provision for Long Term Contracts

The Bank has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. As at March 31, 2022, the Bank has reviewed and recorded adequate provision as required under applicable RBI laws/ accounting standards for material foreseeable losses on such long-term contracts, where applicable, in the books of account and disclosed the same under the relevant notes in the financial statements.

### 3.7 Details of provisioning related to fraud accounts

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
No. of frauds reported	27*	50*
Amount involved in such frauds (net of recovery) (₹ in crores)	0.02	-
Quantum of provision made (₹ in crores)	-	-
Quantum of unamortized provision debited from 'other Reserves' at the end of the Year (₹ in crores)	-	-

\*Bank is reporting regulatory returns relevant to Payments Banks as per directions of Department of Banking. Bank has implemented enhanced account security measures since Q4FY 20-21, resulting in reduction of fraud cases. e.g. SIM binding, Auto read of OTP, monthly debit limits etc.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

## 3.8 Remuneration of Directors (Non-executive)

(₹ in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Board Meeting	0.18	0.15
Audit Committee	0.10	0.04
Nomination & remuneration Committee	0.05	0.05
Risk Management Committee	0.07	0.05
Customer Service Committee	0.06	0.04
IT Strategy Committee	0.07	0.07
Independent Director Committee	0.03	0.02
Total	0.56	0.42

## 3.9 Marketing and distribution

The Bank has earned ₹ 0.26 crores from marketing and distribution of third party Mutual Fund products during FY : 2021-22 (₹ 0.01 crore during FY 2020-21).

## 3.10 Bancassurance Business

The Bank has earned ₹ 0.01 crores from bancassurance business during FY 2021-22 (₹ 0.01 crores during FY 2020-21).

## 3.11 Unamortised Pension and Gratuity Liabilities

The Bank does not have any unamortised Pension /Gratuity Liabilities as at March 31, 2022 ('Nil' as at March 31, 2021).

## 3.12 Disclosures on Remuneration

### (i) Qualitative Disclosure

#### a. Information relating to the composition and mandate of the Nomination and Remuneration Committee:

The Nomination & Remuneration committee comprises of minimum 3 non-executive directors out of which at least one half consist of Independent Directors of the Bank. Key mandate of the Nomination & Remuneration committee is to identify persons who are qualified to become directors and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. Managing Director and Chief Executive Officer is considered as Material Risk taker of the Bank.

#### b. Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy:

The current remuneration design offered is a competitive and market aligned remuneration package. The remuneration is designed to attract the required and quality talent. The remuneration is in line with the market practises.

#### c. Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks:

The incentive structures focus on ensuring sound and effective risk management by aligning with the Banks business strategy, values, key priorities and long-term goals. The bank is in process to develop a clear and predetermined role based KPIs which are set in accordance with the Banks overall strategy. This will further strengthen the future risk accounted from remuneration process.

#### d. Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration:

The performance measurement is based on the KRA mapped. The KRA to each role acts as a parameter based on which the employees are evaluated.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

- e. **A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting:**

The same is governed by the guidelines as per the remuneration and compensation policy approved by the NRC

- f. **Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms:**

The bank has Variable remuneration payout in cash which is determined by the end of the performance period.

The qualitative disclosure is made by the management and relied upon by the auditors

(ii) **Quantitative Disclosure:**

- a. **Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members:**

Number of meetings- 4 (4 during FY 2020-21)

Remuneration paid to the members during the year 2021-22 - ₹ 0.05 crores (₹ 0.02 crores during FY 2020-21)

- b. **Number of employees having received a variable remuneration award during the financial year:**

One (1) MRT and Two (2) KMPs (Two (2) KMPs during FY 2020-21)

- c. **Number and total amount of sign-on /joining bonus awards made during the financial year: No - Two (2) Total Amount - ₹ 10,00,000 (Nil during the year 2020-21)**

- d. **Details of severance pay, in addition to accrued benefits, if any:** Nil (Nil during the year 2020-21)

- e. **Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms:** Nil (Nil during the year 2020-21)

- f. **Total amount of deferred remuneration paid out in the financial year:** Nil (Nil during the year 2020-21)

- g. **Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred:**

\*\*Fixed Pay: Basic Salary ₹ 0.28 crores (PY ₹ 0.31 crores), Other Allowances\* ₹ 0.59 crore (PY ₹ 0.73 crore)

\*HRA, Conveyance, Medical Allowances, leave encashment, etc.

Deferred Variable Pay: Nil (PY Nil)

Non-Deferred Variable Pay: ₹ Nil (PY ₹ 0.17 crore)

# Variable Pay details pertains to payment made to MD & CEO as full and final settlement. Variable pay for the FY 2021-22 are yet to be reviewed and approved by the committee

\*\*Details pertaining to Material Risk Takers of the Bank as identified by the Bank

- h. **Total amount of outstanding deferred remuneration and retained remuneration exposed to explicit and/ or implicit adjustments:** Nil (Nil during the year 2020-21)

- i. **Total amount of reductions during the financial year due to ex- post explicit adjustments:** Nil (Nil during the year 2020-21)

- j. **Total amount of reductions during the financial year due to ex- post implicit adjustments:** Nil (Nil during the year 2020-21)

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

**k. Number of MRTs identified: The MD & CEO is only MRT identified at the Bank**

- a. Number of cases where malus has been executed: NIL (1 during the year 2020-21)
- b. Number of cases where clawback had been executed: NIL (NIL during the year 2020-21)
- c. Number of cases where both malus and clawback had been exercised: NIL (NIL during the year 2020-21)

**(iii) General Quantitative Disclosure**

The mean pay for the bank as a whole ₹ 0.15\* crores (excluding sub-staff) (₹ 0.14 crores during the year 2020-21) and the deviation of the pay of each of its WTDs from the mean pay: ₹ 0.71\* crores (₹ 1.09 crores during FY 2020-21)

\*Mean pay and deviation is calculated on average annual basis.

### 3.13 Credit Default Swaps

The Bank has not issued any Credit Default Swaps (CDS) during the year 2021-22 ("Nil" during the year 2020-21).

### 3.14 Intra-group Exposure

(₹ in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Total amount of intra group exposures	-	-
Total amount of top 20 intra group exposures	-	-
Percentage of intra group exposures to total exposure of the bank on borrowers / customers	-	-
Details of breach of limits on intra group exposures and regulatory action thereon, if any.	-	-

### 3.15 Transfers to Depositor Education and Awareness Fund (DEAF)

(₹ in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance of amounts transferred to DEAF	-	-
Add : Amounts transferred to DEAF during the year	-	-
Less : Amounts reimbursed by DEAF towards claims	-	-
Closing balance of amounts transferred to DEAF	-	-

### 3.16 Liquidity Coverage Ratio (LCR)

Disclosure pertaining to Liquidity Coverage Ratio (LCR) is not applicable to the payments bank.

### 3.17 Implementation of IFRS converged Indian Accounting Standards (IND AS)

Presently, the Bank is preparing its Annual Financial statements, in terms of the provisions of section 29 of the Banking Regulation Act, 1949, in the Forms set out in the Third Schedule of the Banking Regulation Act, 1949 vide Master Direction No.DOR.ACC.REC.No.46/21.04.018/2021-22, dated 15th November 2021. Simultaneously, the Bank also prepares Financial Statements compliant with IndAS standards/principles by converting the BR Act financials considering the IndAS adjustments relating to MTM of investments, OCI impact of Ind AS 19, Financial lease liability as per IndAS 116 etc. for the special purpose of consolidation at group reporting level. The same is subjected to audit by the statutory auditors.



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

### 3.18 Payment of DICGC Insurance Premium

(₹ in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
i) Payment of DICGC Insurance Premium	0.02	0.01
ii) Arrears in payment of DICGC premium	-	-

### 3.19 Micro, Small and Medium Enterprises Development Act, 2006

The dues to the micro and small enterprises as required under 'The Micro, Small and Medium Enterprises Development Act 2006' is disclosed as below.

(₹ in crores)

SrNo	Particulars	As at March 31, 2022	As at March 31, 2021
1.	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	0.24
2	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
3	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.02	0.01
4	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
5	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
6	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
7	Further interest remaining due and payable for earlier years	-	-

Interest on delay payment of MSME vendors is not paid as the Bank has obtained the interest waiver certificate.

The determination has been made to the extent such parties were identified by the management based on the information available and are relied upon by the auditors.

**3.20** As per Operating guidelines for Payments Bank issued by RBI dated 6th October, 2016, a Payments Bank cannot lend to any person except own employees. Accordingly, all disclosures in Notes to Accounts pertaining to advances including notes relating to Moratorium, Relief under RBI Package, Restructuring hasnot been made.

**3.21** The Bank has availed a Bank Guarantee for an amount of ₹ 0.25 crore (Prev. period ₹ 0.25 crore) in favour of UIDAI against a lien on Fixed Deposit.

### 3.22 Category wise Breakup of Other Expenses (Schedule-16)

(₹ in crores)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Membership Fees	0.29	1.24
Professional Fees	0.82	1.26
Office Maintenance	0.17	0.08
Travelling and Conveyance	0.04	0.08
Others	257.13	47.67
IT and Call Centre expenses	2.25	1.50
Security Charges	0.20	0.18
Registration Charges	0.01	0.01
Total	260.91	52.02

### 3.23 Corporate Social Responsibility (CSR)

As per the provisions of Section 135 of the Companies Act, 2013, the Bank is not required to spend towards CSR in the current year

### 3.24 Previous Year comparative figures

Previous period figures have been regrouped / reclassified where necessary to make them comparable to the current year classifications.

As per our report of even date  
For **V.Sankar Aiyar & Co.**  
Chartered Accountants  
ICAI Firm Regn. No. 109208W

For and on behalf of the Board of Directors of  
**NSDL Payments Bank Limited**  
CIN: U65900MH2016PLC284869

Sd/-  
**Karthik Srinivasan**  
Partner  
Membership No. 514998  
Place : Delhi

Sd/-  
**L Ravi Sankar**  
Director  
DIN: 00185931

Sd/-  
**Padmaja Chunduru**  
Director  
DIN: 08058663

Sd/-  
**N S Venkatesh**  
Director  
DIN: 01893686

Place : Mumbai  
Date : 17th May, 2022

Sd/-  
**Abhijit M Kamalapurkar**  
MD & CEO  
DIN: 08849177

Sd/-  
**Abhishek Bagchi**  
Chief Financial Officer  
M.No. 061680

Sd/-  
**Balan Santosh Parthasarathy**  
Company Secretary  
M.No. A49602





**National Securities Depository Limited**

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