

Committed to  
improve the financial  
well-being of people.

## Contents

Chairman's overview	002
Competitive advantage	004
Awards and accreditations	009
Milestones	010
Financial highlights	012
NSE and the India story	015
NSE and the Indian capital markets	018
NSE's strengths	024
Board of Directors	026
Management discussion and analysis	028
CSR activities 2016-17	032
Corporate information	034
Board's report	036
Report on corporate governance	102
Auditors' report on consolidated financial statements	122
Consolidated balance sheet	128
Consolidated statement of profit and loss	130
Consolidated cash flow statement	134
Notes to consolidated financial statements	136
Form AOC-1	227
Auditors' report on standalone financial statements	228
Standalone balance sheet	234
Standalone statement of profit and loss	236
Standalone cash flow statement	239
Notes to standalone financial statements	241





National Stock Exchange is more than an exchange.

NSE is a story of the success of a home-grown Indian brand that stands for entrepreneurship and professionalism.

It portrays how articulated vision coupled with technological competence has enabled to create a global icon in a challenging environment.

The result is over the last two decades, NSE has demonstrated its commitment to improve the financial wellbeing of people.

# Chairman's overview

It is heartening that during the fiscal 2017, NSE continued to maintain its market leadership, both domestically and globally. In terms of the domestic market share NSE witnessed a market share of around 84% in the CM segment with near 100% market share in the Equity Derivatives segment.



It gives me pleasure to share with you some of the key highlights of National Stock Exchange of India Limited (NSE) for the fiscal 2017. I am particularly delighted that, over the years, NSE has emerged as a prominent market infrastructure in the rapidly changing global marketplace. As you are aware, in fiscal 2017, the global financial markets were volatile with lurking uncertainties on both political and economic fronts.

At home, India continued to remain a bright spot, led by strong macroeconomic fundamentals in terms of GDP growth, sharp focus on inflation, efficient

management of the current account and fiscal deficit etc. This contributed significantly to boost investors sentiment for Indian markets.

While most of the developed markets witnessed a slowdown or modest single digit growth in fiscal 2017, Indian markets exhibited an impressive double digit growth. The Cash Market (CM) grew by around 20% y-o-y; the equity derivatives market grew by 24% y-o-y.

It is heartening that during fiscal 2017 NSE continued to maintain its market leadership, both domestically and globally. In terms of the domestic market, NSE had

a market share of around 84% in the CM segment with near 100% market share in the Equity Derivatives segment. Equally, in the Currency Derivatives market it continued to enjoy a market leadership share of around 55%+.

In terms of global ranking, NSE ranked 1st in the world in terms of the number of contracts traded in Index Options and Currency Options, 2nd in the world in terms of number of contracts traded in Stock Futures and Currency Futures and 4th in the number of trades in the CM segment. I believe this is something that should make India proud!!

NIFTY50, the flagship index of NSE, is one of the most liquid and diversified index and is traded across the world. Patronised by various fund houses and other market intermediaries, NIFTY50 is listed in more than 15 countries with total AUM of approx. USD 6 Bn. This makes NSE and NIFTY50 both truly Global. Additionally, during the year, India Index Services Limited (IISL), a 100% subsidiary arm of NSE, also launched 13 new indices in the equity and fixed income space. Singapore Stock Exchange (SGX) launched futures linked to NIFTY Bank and NIFTY Midcap 50 and are well received by the market participants. Taiwan Futures Exchange (TAIFEX) launched NIFTY based futures contracts whereas few of the fund houses in Korea and Hong Kong launched NIFTY based ETFs.

Akin to its fundamental role of Capital formation on the one hand and Savings mobilisation on the other, NSE continued to be the preferred venue for capital raising. With 1800+ companies listed on it and having a combined market capitalization of nearly INR 120 trillion, NSE continues to enjoy the status of the premier exchange of the country. During fiscal 2017, fresh capital raised through IPO and OFS was around INR 32653.17 crores.

NSE is there to serve not just big institutions and investors, but also small organisations and retail investors. Small and medium enterprises (SME) are crucial not only for economic growth, but also for inclusion. In this direction, NSE has developed a platform "EMERGE" for SME of India. There are 44 companies listed on this platform, of which 31 were listed during the year raising more than INR 363.23 crores.

While the traditional lines of businesses continue to propel the growth of the Company, there are few significant steps, which though at a nascent stage, have the potential to grow in the near future. Two new subsidiaries have been formed, namely NSE IFSC Limited and NSE IFSC Clearing Corporation Limited. These companies have launched an international exchange and a clearing corporation at International Financial Service Centre at GIFT City, Gujarat. This is one more step forward towards making India a global financial destination.

On the financial front, the Consolidated revenue of NSE Group stood at INR 2681 crs (y-o-y increase of 14%). Of this, approx. 78% of the revenue was contributed by core operations. The Profit before tax stood at INR 1775 crs; the Profit after Tax was at INR 1219 crs. After adjusting for the impact of Core SGF, the Profit before Tax for the year 2016-17 stood at INR 1909 crs and the Profit after Tax was at INR 1307 crs (y-o-y increase of 16%)

It is noteworthy that for the year 2016-17 while the EBIDTA margin for the Group stood at 76%, the ratio of Profit after Tax to Revenue was 49%. The Return on capital employed (ROCE) was 21%. This puts NSE in the Top Decile amongst the leading exchanges globally in terms of the financial performance.

The Company believes in creating long term value for its shareholders. Yet it is conscious of expectations and strives to

reward them appropriately. Consistent with its Dividend Policy, during the year 2016-17 the Company has distributed an interim dividend of 795% (i.e. INR 7.95 per share of Re1 each) and has recommended a final dividend of 1225% (i.e. INR12.25 per share of Re1 each). With this, the total Dividend Pay Out stands at INR 20.20 per share with a Pay-out ratio of 77% of the Consolidated Net Profit available for distribution. On a standalone basis, the Dividend Pay Out ratio works out to 97% of the profits available for distribution.

During the year the Company also issued Bonus share in the ratio of 1:10. To facilitate wider ownership the Company has also undertaken capital restructuring exercise by carrying out share split in the ratio of 10:1.

We propose to list the National Stock Exchange. The Company has, accordingly, filed the Draft Red Herring Prospectus (DRHP) with SEBI for public issue of shares in the form of OFS.

I would like to express my sincere gratitude to my fellow Board members for their commitment and valuable inputs. I would also like to take this opportunity to thank all our Shareholders and other stakeholders for their continued support and confidence in NSE. Last but not the least, I would like to place on record appreciation for the employees for their dedication and hard work.

**Ashok Chawla**

*Chairman*

National Stock Exchange of India Ltd.

# Competitive advantage

NSE India is not only the India's leading stock exchange but also world's fourth largest exchange by number of trades done on any exchange.

Source: WFE



## Background

National Stock Exchange of India (NSE) was established on recommendations of the Pherwani Committee in 1992 and recognised as a Stock Exchange in 1993. It was conceived to provide a modern, fully-automated screen-based trading system across India. In the process, NSE emerged as the first de-mutualised stock exchange in India, set up as a public limited company, owned by leading financial institutions, banks, insurance companies and other financial intermediaries while being actively managed by professionals.

## Influence

NSE is more than India's premier stock exchange; it is a pure reflection of its USD 2 trillion economy. NSE provides core infrastructure for mobilizing capital and

trading financial risk. NSE is recognised for its ability to provide operational transparency, speed, efficiency, safety and market integrity coupled with effective risk management, clearing and a settlement mechanism. The result is that NSE is now being seen as the benchmark of the global securities industry for professionalized systems, practices and procedures. Over the decades of its existence, NSE has played a pivotal role in reforming the Indian securities market through microstructure, market practices, trading volumes as well as capital and risk intermediation.

## Leadership

National Stock Exchange (NSE) is the leading stock exchange in India and the fourth largest in the world (by number of trades done on any exchange). NSE also ranked

first among global exchanges in terms of stock index option and currency option trading volumes. NSE also ranked second among global exchanges in terms of single stock future contracts trading volume and currency future contracts trading volume (Source: WFE, 2016).

## Service offerings

NSE offers comprehensive coverage of the Indian capital markets across asset classes (equity, fixed income and derivative and debt securities). NSE's fully-integrated business model comprises exchange listing, trading services, clearing and settlement services, indices, market data feeds, technology solutions and financial education offerings. NSE also oversees compliance by trading cum clearing members as well as listed companies with



### Purpose

Committed to improve the financial well-being of people



### Vision

To continue to be a leader, establish global presence; facilitate the financial well-being of people



### Values

Integrity, Customer focused culture, Passion for Excellence, Trust, Respect and Care for the individual

the exchange's rules and regulations.

Our derivatives market offers trading opportunities in various forms of derivatives, such as futures and options on stocks and domestic and global indices, currency futures and options and interest rate futures. Trading in derivatives represented 95.17% of the total trading volume on our exchange in fiscal 2017.

### Markets

NSE lists and trades securities on two markets: cash market and derivatives market. NSE's cash market can be categorized into the equity cash market for equities and equity-linked securities, and the debt cash market for fixed income securities.

Trading in NSE's cash market represented 4.83% of the total trading volume on the

exchange in fiscal 2017 .

NSE's vertically-integrated business model includes post-trade and non-trading businesses, which are intended to serve the investment community's diverse needs and provide complementary sources of revenue. NSE's clearing corporation and subsidiary National Securities Clearing Corporation Limited (NSCCL) provides clearing and settlement services for the exchange to support members throughout the lifecycle of a trade. NSCCL was the first clearing corporation established in India.

### Market share

NSE began operations in 1994 and enjoys leading market shares by total turnover of 83.5% in equity cash trading, 99.9% in equity derivatives trading, 58.1% in currency

derivatives trading, 70.3% in interest rate derivatives trading, 72.91% in ETFs trading for fiscal 2017.

### Infrastructure

NSE is headquartered at Exchange Plaza, Mumbai, with client-facing regional offices in Mumbai, Kolkata, Delhi, Chennai and Ahmedabad. In the last few years, NSE opened offices in Indore, Kanpur, Pune, Jaipur, Rajkot, Cochin, Hyderabad, Bangalore, Patna, Lucknow and Vadodara. NSE's proprietary technology infrastructure is at par with the best in the world in terms of size, scale and throughput. The standards set by NSE in terms of market practices, products, services and technologies have become industry benchmarks.

## Recognition

NSE was recognized as Indian Exchange of the Year for 2014 by Futures & Options World and received the CII EXIM Bank Excellence Prize for 2014 and 2016, IMC Ramkrishna Bajaj National Quality Certificate of Merit for 2014 and the Best Derivatives Providers Performance Award for 2014 from Global Finance.

## Brands

NSE's subsidiary India Index Services and Products Limited (IISL) owned and managed a portfolio of 73 indices under the NIFTY brand as of March 31, 2017, including the flagship index NIFTY 50. The NIFTY indices are used as benchmark for products traded on our exchange and as a benchmark index of the Indian economy and capital markets.

NSE's subsidiary DotEx International Limited (DotEx), operates data feed business, which distributes real-time and proprietary market information to global data vendors, financial institutions and individual investors. DotEx also provides shared platform called NEAT on web (NOW) which is shared CTCL and Risk management tool for the trading members. NSE offers outsourced IT services and financial education through wholly owned subsidiaries NSEIT Limited and NSE Academy Limited respectively.

## Investments

NSE has made investments in complementary businesses, including mutual fund registry services, back-end exchange support services for our platforms, depository services, e-corporate governance, mobile trading solutions and commodity, power and receivables exchanges.

## Alliances

NSE entered into cross-listing and licensing arrangements with Singapore Exchange,

Chicago Mercantile Exchange, Osaka Exchange and TAIFEX to provide for trading of derivatives benchmarked to our NIFTY 50 index and other NIFTY indices on foreign exchanges. As a result, derivatives benchmarked to NIFTY indices are traded on four global exchanges, including U.S. Dollar-denominated futures linked to NIFTY 50, NIFTY Bank, NIFTY IT, NIFTY CPSE and NIFTY Midcap 50 indices traded on the Singapore Exchange, U.S. Dollar-denominated futures linked to our NIFTY 50 futures traded on the Chicago Mercantile Exchange, Yen-denominated NIFTY 50 futures traded on the Osaka Exchange and New Taiwan Dollar denominated NIFTY 50 futures traded on the TAIFEX. In 2016, six ETFs linked to NIFTY indices were launched in the international markets, including Hong Kong, Taiwan and South Korea. As of March 31, 2017, 48 ETFs (37 ETFs in India and 11 ETFs in international markets) linked to NIFTY indices are traded across 17 stock exchanges (including NSE and BSE) across 15 countries.

## New products

NSE introduced new products for trading, such as futures and options on new currency pairs, new indices and interest rates, trading in mutual fund units and offer for sale bidding, and improvement of our trading technology and platforms.

## Technology

NSE has a culture of innovation and proactive investment in technology. NSE provides reliable and consistent transaction execution and settlement. NSE developed components of its technology platform in house, and made improvements to certain third-party-developed or licensed technologies, including the National Exchange for Automated Trading, its screen-based trading system. NSE licenses the NOW trading software that provides

exchange connectivity through trading terminals, web-based browsers and mobile devices. NSE systems processed an average approximately 1 billion messages per day in FY17.

## Pioneering

NSE launched electronic, screen-based trading in 1994 and derivatives trading (in the form of index futures), which were each the first of their kind in India. NSE launched internet trading in 2000, electronic filing system for listed companies, direct market access, co-location facilities and our mutual fund trading platform in 2009 and mobile trading for investors in 2010.

## Regulations

NSE is governed by SECC Regulations issued by SEBI, SEBI Act, various regulations/ circulars/ guidelines etc. issued there under, Regulations and Bye laws of NSE, RBI directives on forex trading, interest rate futures trading, debt securities trading, Prevention of Money Laundering Act and several other statutes that govern any employer/corporate body in the country.

The responsibilities of NSE as a front line regulator of trading members, clearing members and listed companies are to create, maintain, monitor and enforce regulatory procedures and policies with a view to ensure market integrity and investor protection. NSE engages in supervising members' trading, clearing and settlement activities, conducts surveillance function on the market and monitors compliance by listed companies and its trading members.

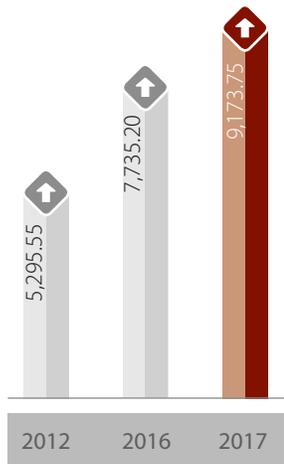
## NSE subsidiary companies

Companies	Details
National Securities Clearing Corporation Limited (NSCCL)	Wholly-owned subsidiary of NSE – first clearing corporation to introduce settlement guarantee
NSE Strategic Investment Corporation Limited (NSICL)	Wholly-owned subsidiary of NSE, was incorporated to inter alia make or hold all strategic investments in the equity shares and/ or other securities of NSE Group companies
NSE Infotech Services Limited (NSETECH)	Wholly-owned subsidiary of NSICL - caters exclusively to the technology needs of NSE
India Index Services & Products Limited (IISL)	Wholly-owned subsidiary of NSICL - provides a variety of indices and index related services and products
DotEx International Limited (DotEx)	Wholly-owned subsidiary of NSICL for data and info-vending products
NSEIT Limited (NSEIT)	Wholly-owned subsidiary of the NSICL - turnkey provider in innovative business solutions
NSEIT (US) Inc. (NSEIT US)	Wholly-owned subsidiary of NSEIT
NSE Academy Limited (NAL)	Wholly-owned subsidiary of NSICL- offers education programs in various aspects of banking, financial services, financial markets and financial literacy
NSE IFSC Limited (NSE IFSC)	Wholly-owned subsidiary of NSE- Stock Exchange - providing platform for trading for securities in IFSC
NSE IFSC Clearing Corporation Limited (NICCL)	Wholly-owned subsidiary of NSCCL- Clearing Corporation to provide clearing & settlement services in IFSC.

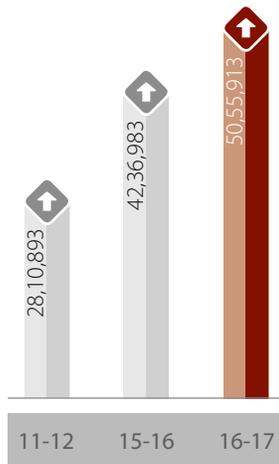
## Key products & services

Segments	Products & Services	Customer Group
Cash Market	<b>Products:</b> Equities, ETF, MF, SLBS, OFS <b>Services:</b> Settlement Guarantee	Proprietary, Retail and Institutional Participants - Domestic & Foreign
Derivatives	<b>Products:</b> Equity Derivatives (Index & Stock), Currency Derivatives, Interest Rate Futures, Derivatives on Global Indices & Volatility <b>Services:</b> Settlement Guarantee	Proprietary, Retail and Institutional Participants - Domestic & Foreign
Debt Market	<b>Products:</b> Debt securities, Corporate bonds, Govt. securities & T bills <b>Services:</b> Clearing and Settlement, Risk Management, Connect to NSE, Corporate bond database	Proprietary, Retail and Institutional Participants - Domestic & Foreign
Data and Information Vending	<b>Products:</b> NSE's online Real time Data Feed, 15-Min delayed, 5 minutes, 2 minutes and 1 minute Snapshot Data, EOD data, Historical Trade & order and Corporate Data <b>Services:</b> Providing data feed	Data vendors, researchers, TV channels, financial websites, software and algorithm developers
Index Services	<b>Products:</b> Equity Index- NIFTY, NIFTY 100, NIFTY Bank indices etc. and Debt Index. <b>Services:</b> Index IP Licensing and Customized Index solution	AMCs, ETF issuers, insurer, NBFCs, investment banks, stock exchanges and AIFs

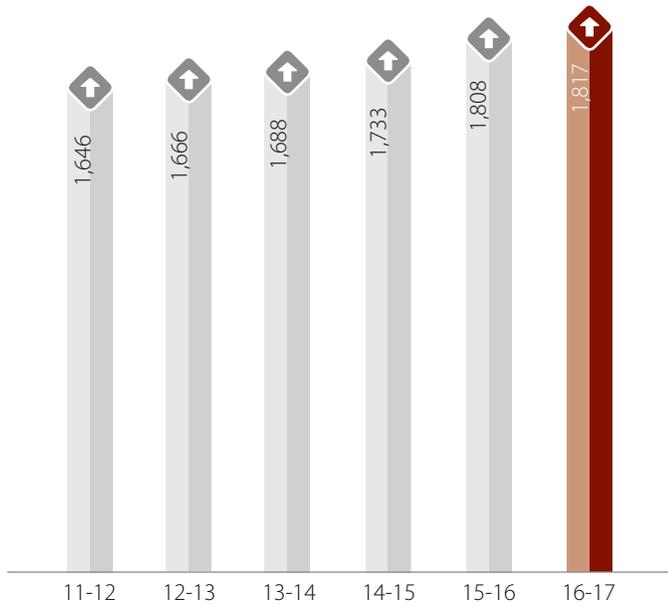
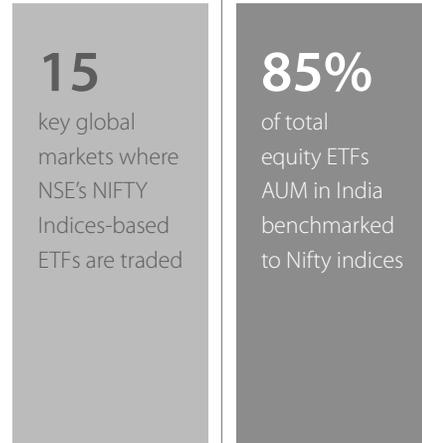
### Growth in NIFTY 50 index



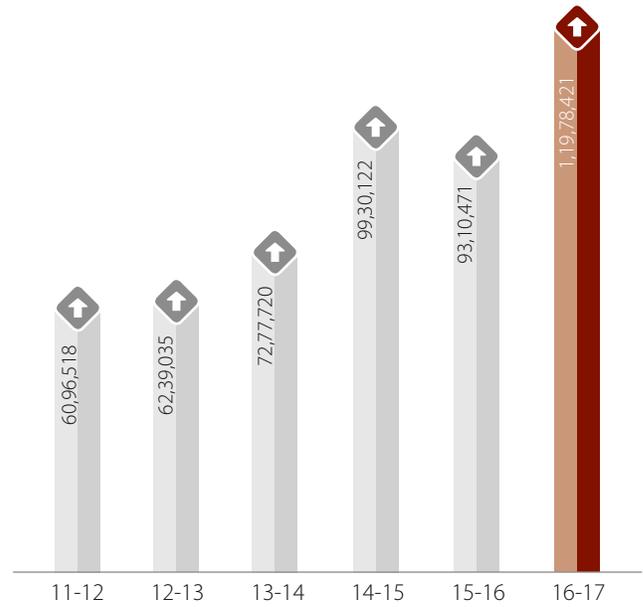
### Total NSE turnover (CM segment) (Rs in cr)



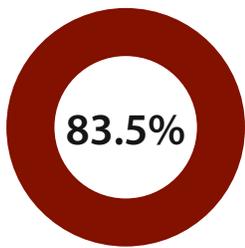
### NSE's competitive positioning



Number of Companies listed on NSE



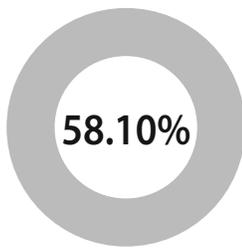
NSE's combined market capitalization (Rs/cr)



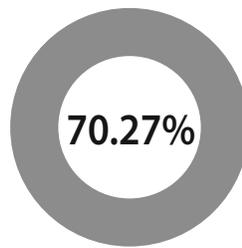
Cash equities



Equity derivatives



Currency derivatives



IR derivatives

NSE's market share (%) as on March 31, 2017

# Awards and accreditations



2017 Great Place to Work-NSE Ranks 44<sup>th</sup>- India's Best Companies to Work



2016 CII- Exim Bank Prize for Business Excellence



2016 Global Architecture Excellence Awards 2016 – New Service Offering Initiative



2015 Golden Peacock Innovative Product /Service Award



2015 The Asian Banker Achievement Awards 2015 - Stock Exchange of the Year



2015 FOW Awards for Asia – Best New Technology Product – Market Surveillance



2014 Futures and Options World Award for Indian Exchange of the Year



2014 Global Finance – Best Derivatives Providers Award 2014 for exchange performance



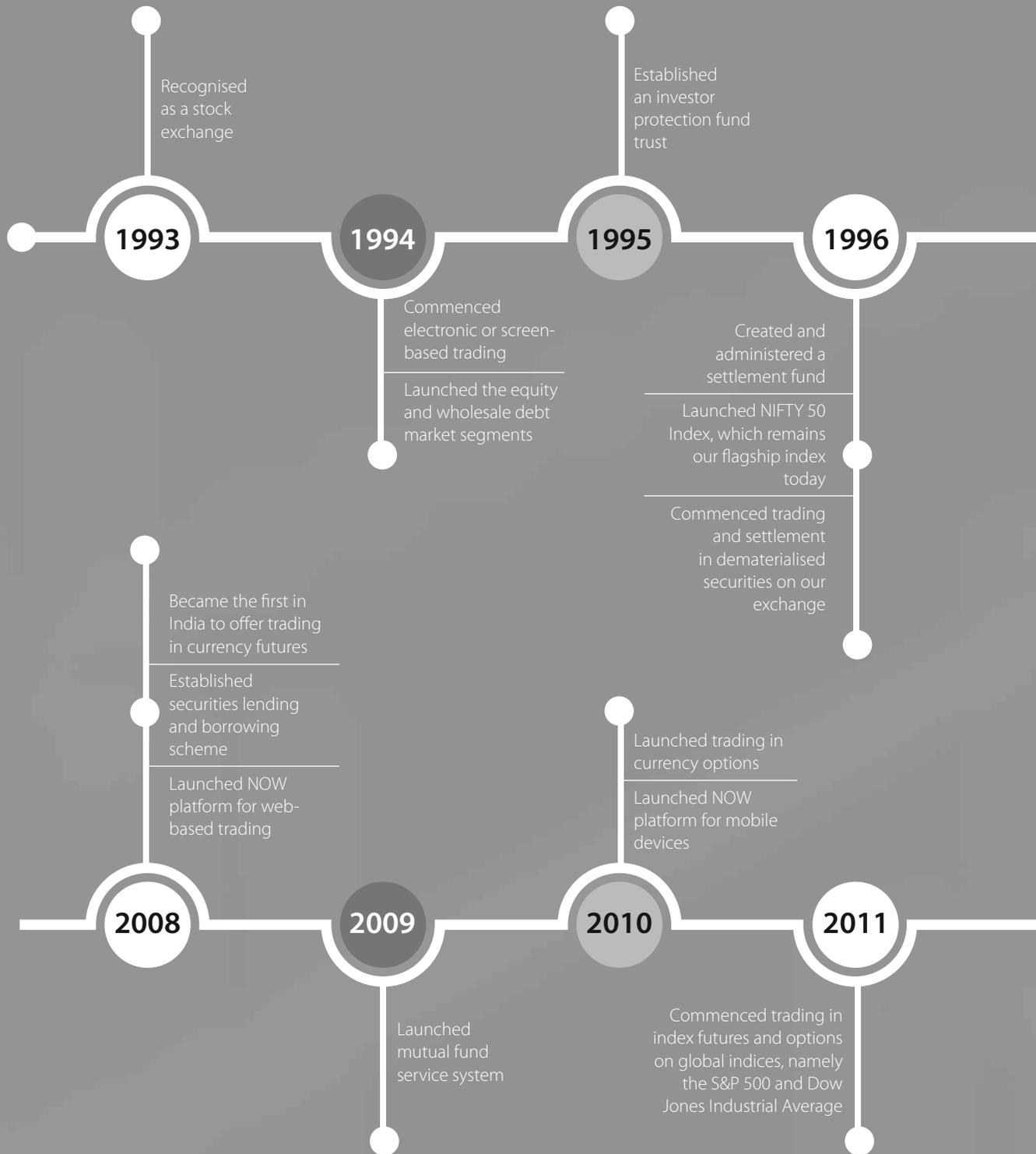
2014 CII- Exim Bank Prize for Business Excellence

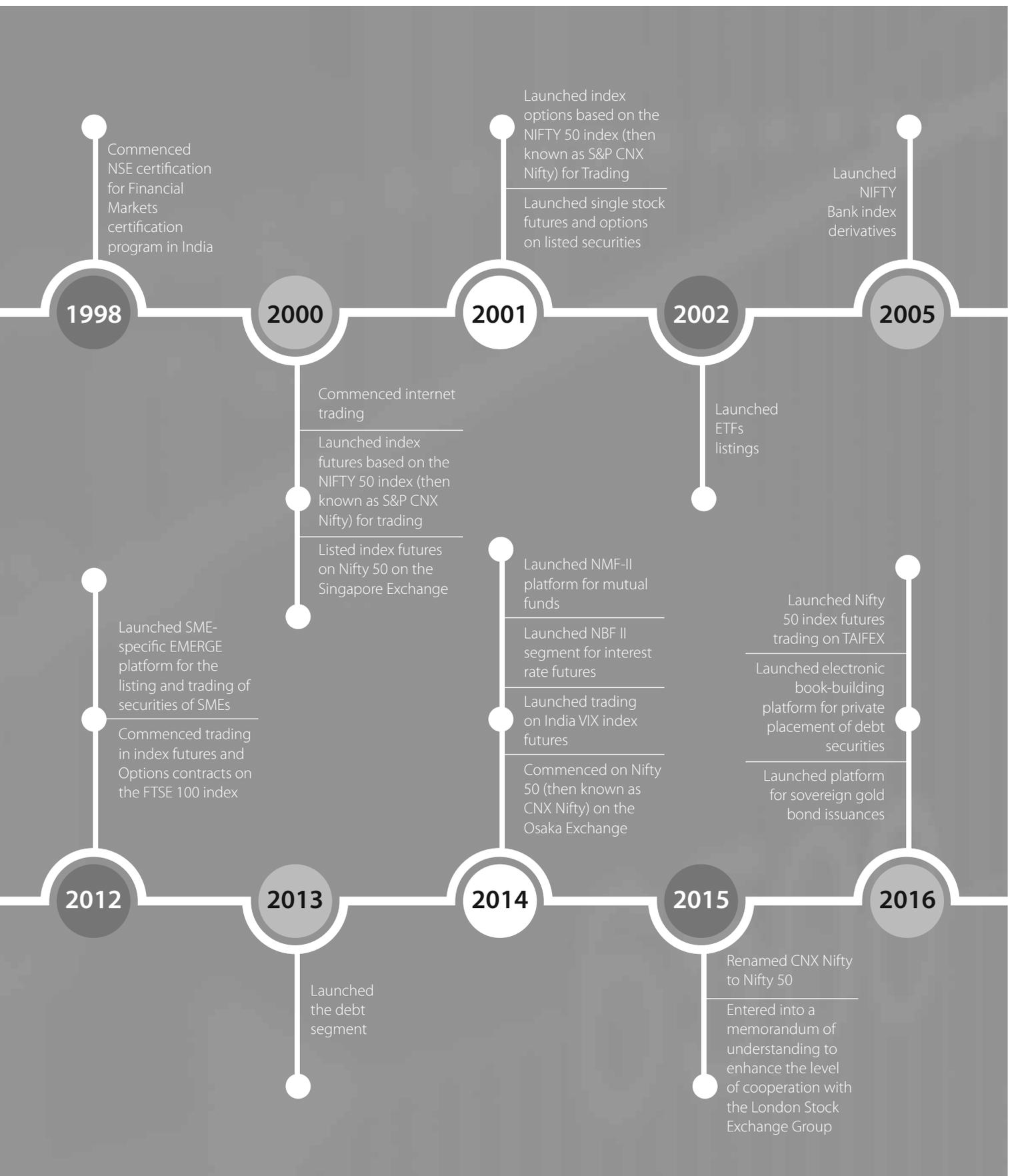


2013 Capital Finance International - Best Stock Exchange Award, India



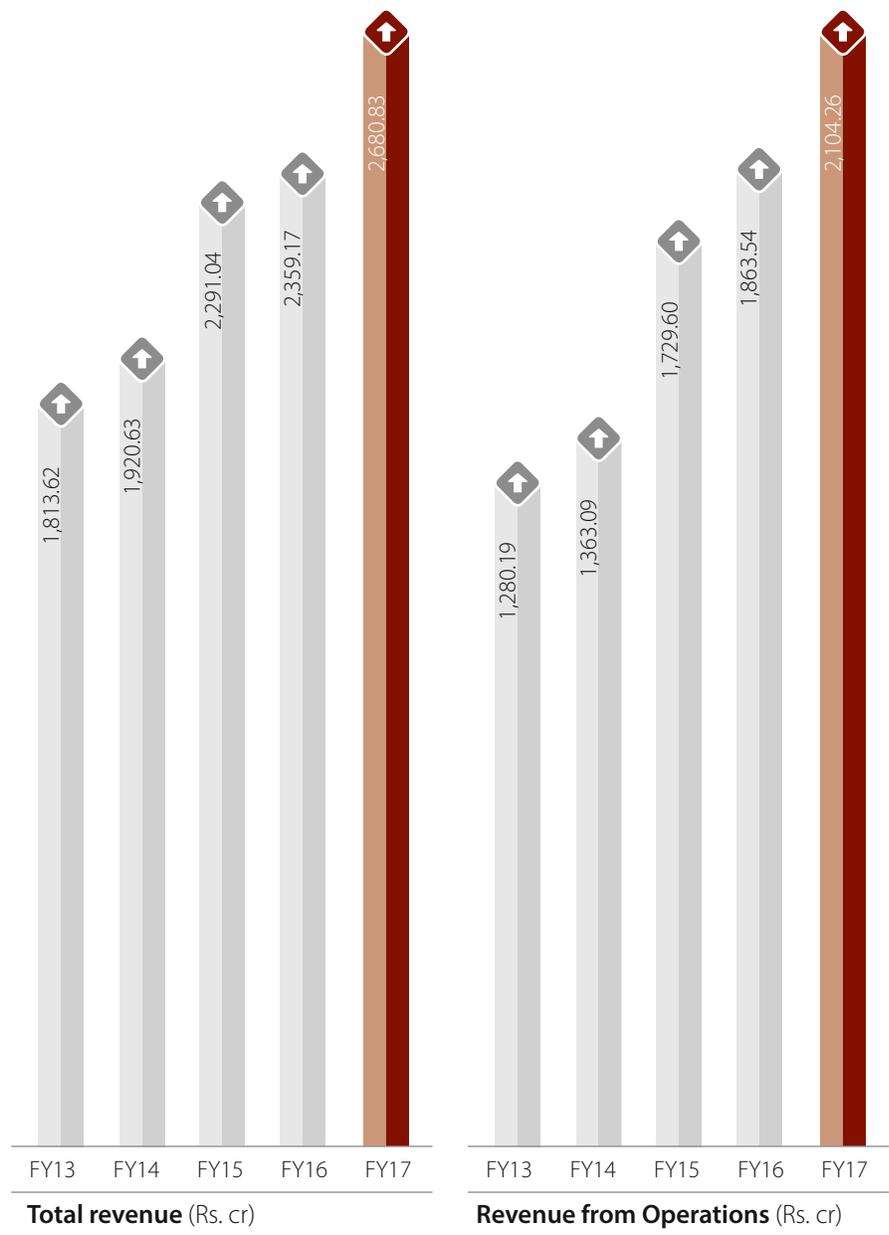
2010 The Asian Banker Achievement Awards for Markets and Exchanges - Financial Derivative Exchange of the Year Award





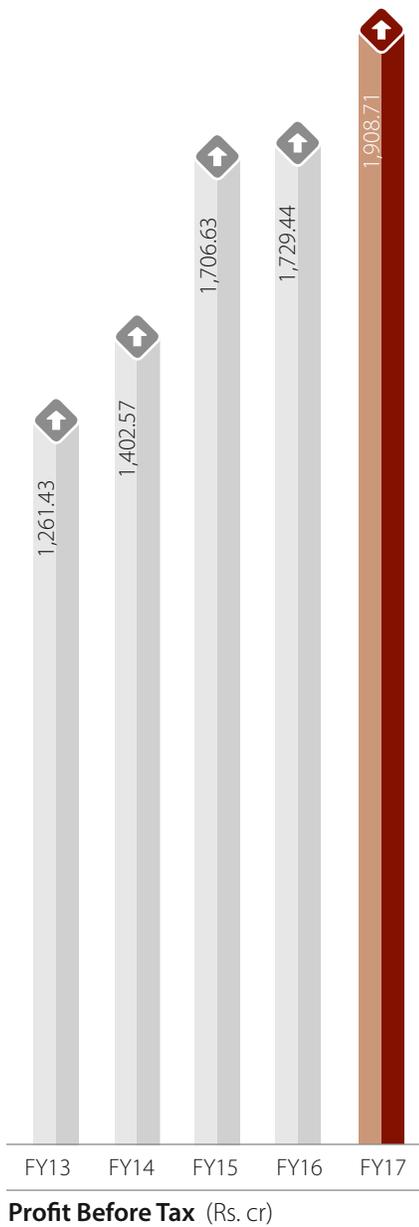
# How we have enhanced value

## HIGHER REVENUES

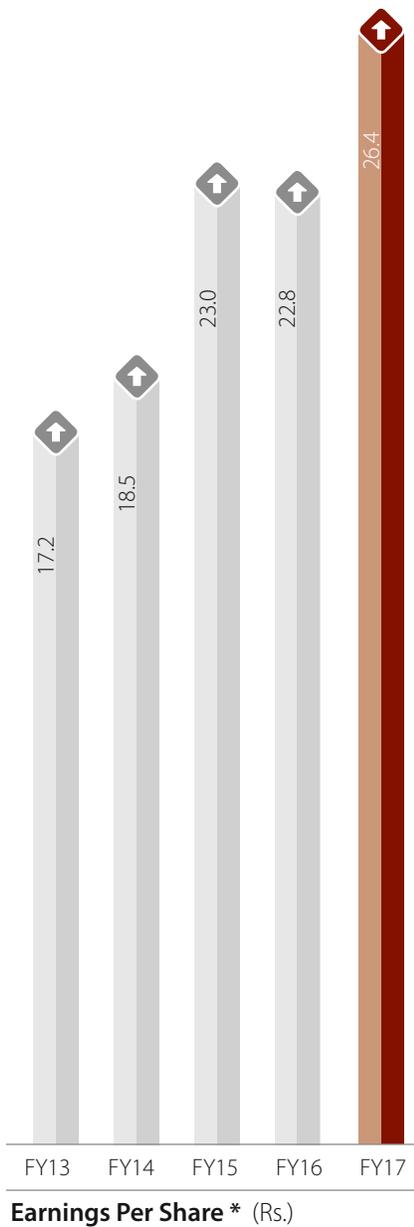


# in the last 5 years

## GROWING PROFITS

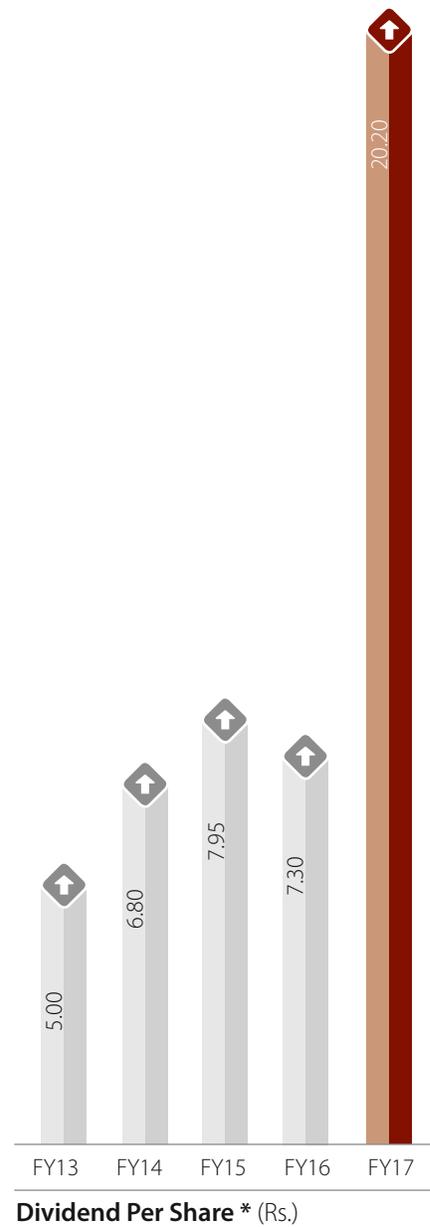


## GROWING EPS



\* Face Value Re 1. Number of shares 49.5 Crs

## HIGHER DIVIDEND



\* Face Value Re 1



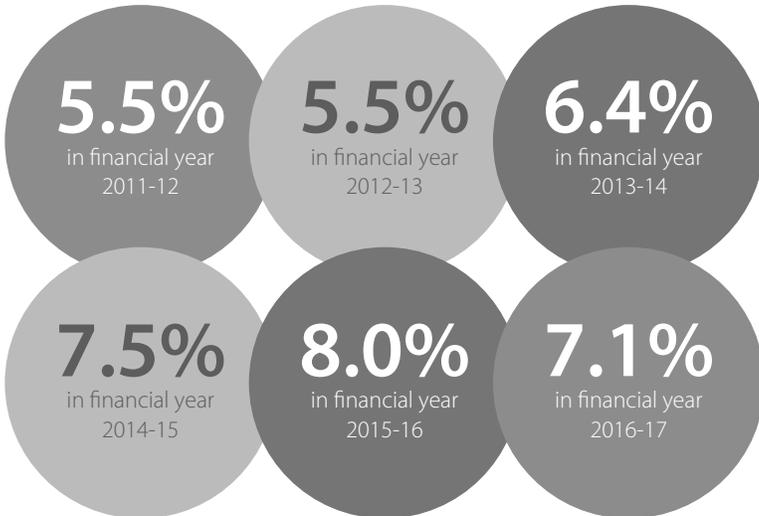


# NSE and the India story

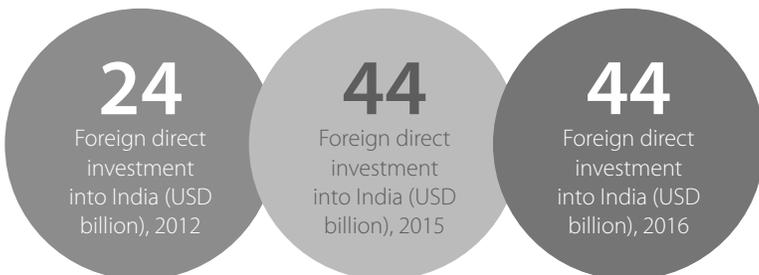
India is the fastest growing economy; NSE is arguably India's most visible growth index. The implication is that as India grows faster across the foreseeable future, this is expected to correspondingly translate into growth for its leading exchange.



### India's real GDP growth



Source: CSO



Source: CMIE

**India's growth story is being driven by a number of diverse realities.**

**GDP growth:** India's growth is projected to be among the fastest growing global economies between 2016 and 2020; the country is projected to emerge as the third largest economy in the world by 2030, its GDP approximately trebling to \$7 trillion by 2030 (Source: Oliver Wyman).

**FDI:** Even as foreign direct investment into India steadily increased from approximately USD 24 billion in calendar year 2012 to approximately USD 44 billion in calendar year 2016, it accounted for only approximately 2% of India's GDP in 2015..

**Urbanisation:** The World Bank Group estimates the share of India's population living in areas in urban-like surroundings to be approximately 55% and rising, enhancing access to financial products.

**Services:** India's 16%-plus annual growth rate in the services sector between 2006 and 2014 driven by export of IT and BPO services (source: CEIC)

**Demographics:** India's workforce is estimated at the second largest in the world comprising 860 million 15–64 year olds accounting for approximately 66% of the total population (source: The World Bank Group), a robust consumption-driving population. India is expected to overtake China with the world's largest workforce by 2026 (source: World Bank)

**Rising youth literacy:** India's youth literacy levels have increased from 81.1% in 2006 to 89.7% in 2015 (source: UNESCO; gross enrolment ratio for tertiary education increased from 11.5% in 2006 to 23.9% in 2013 (source: UNESCO )

**Rising employment levels:** India's unemployment has declined from approximately 12% in early 1990s to approximately 5.5% (source: Oxford Economics).

**Large consumer market:** The number of India's middle-class households has grown from 65 million in 2006 to more than 75 million in 2015, catalysing consumption (source: Euromonitor) and a 2.9x increase in per capita private

consumption (source: Economist Intelligence Unit)

**Mature regulatory architecture:**

India's commercial laws are graduating to at par with international laws. The enactment of Companies Act, 2013 maps Indian laws at par with the International Company law (source: EY). RBI's guidelines on on-tap licensing of banks and small bank licences as well as SEBI's encouragement for a corporate bond market indicate growing reform

**Investment flows:** India's net foreign institutional investor inflows over the past decade grew around 24%; they grew from approximately USD 24 billion in calendar year 2012 to approximately USD 44 billion in calendar year 2016.

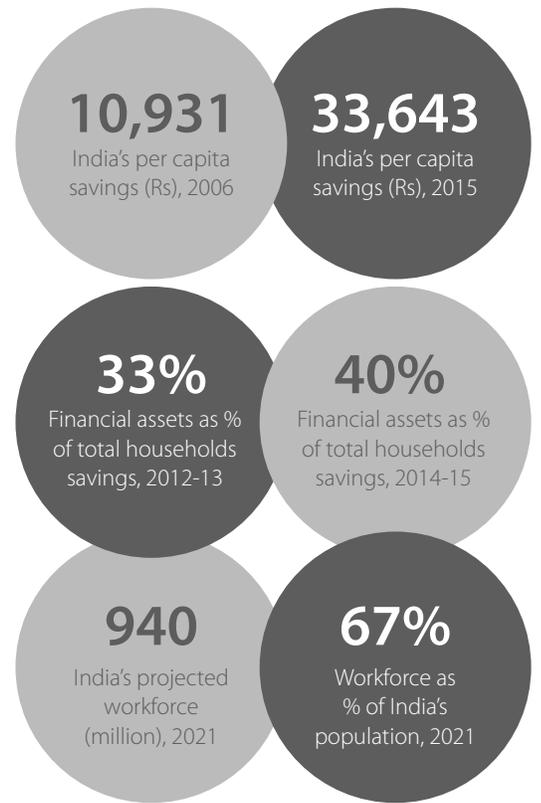
**Reforms:** The passage of Goods and Services Tax, enhancing business ease, launch of industrial corridors, as well as the launch of Start-up India, Make in India, Skill India, Digital India and India Stack are expected to catalyse the country's economic growth.

**Mobile and Internet penetration:**

Smartphone users in India are expected to grow from 168 million in 2015 to 317 million by 2019 (source: Statista). Similarly, internet users are expected to grow from 340 million in 2015 to 500 million by 2017, strengthening online businesses (source: Bloomberg).

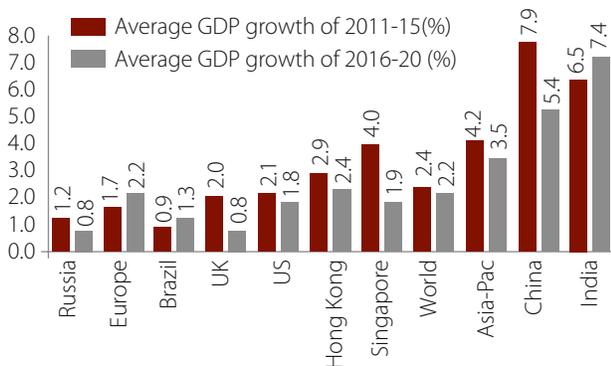
**Global integration:** The relaxation of foreign investment caps include insurance firms (from 26% to 49%), military contractors (from 49% to 100%), real estate companies (now any project regardless of size can access FDI) make India a preferred investment destination.

**Inflation:** India's inflation moderated to 5%–6% since 2014, lowering interest rates and strengthening consumer spending.

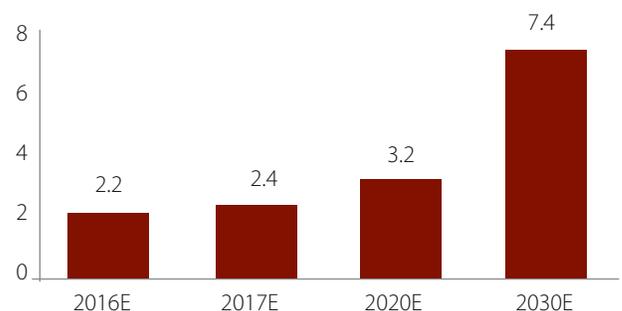


Source: World Bank

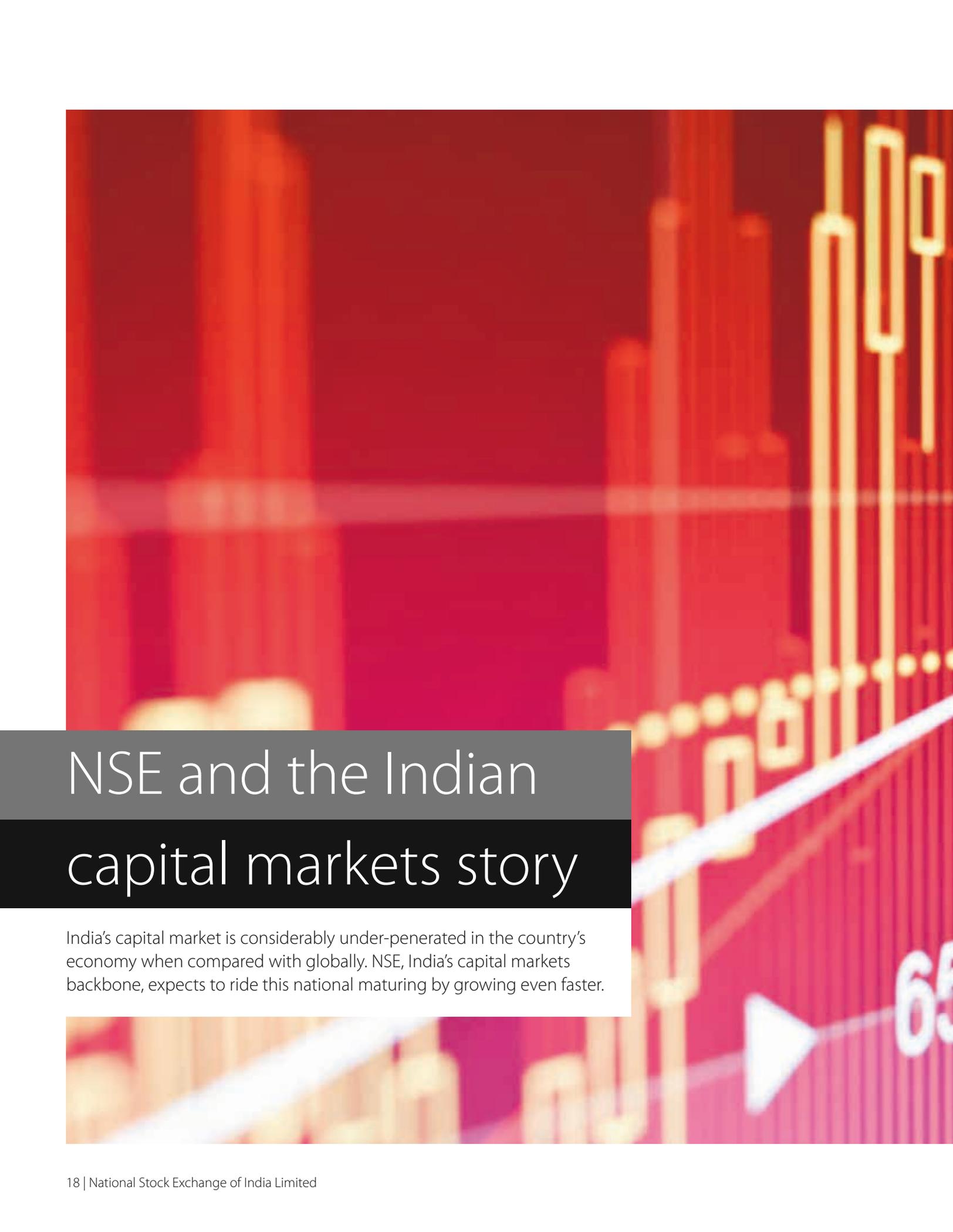
**India expected to continue to remain the fastest growing global economy**



**Nominal GDP (US\$ TN)**



Source: Oxford Economics



# NSE and the Indian capital markets story

India's capital market is considerably under-penetrated in the country's economy when compared with globally. NSE, India's capital markets backbone, expects to ride this national maturing by growing even faster.





Source: Asia Bond Monitor, RBI, World Bank (2015)

## India's capital markets are expected to sustainably outperform the growth of global capital markets for a number of reasons.

**Income growth:** India's per capita income increased approximately 3.5 times from 2006 to 2015; per capita savings grew approximately 2.5 times from 2006 to 2015

**Financial inclusion:** Financial inclusion for all in India is being driven by initiatives like Pradhan Mantri Jan Dhan Yojana, linking of Aadhaar card to the opening of bank accounts, Pradhan Mantri Fasal Bima Yojana, Digital India, India Stack, new bank licenses, launch of payment banks and small banks.

**Financial asset growth:** Traditionally, Indian households invested a majority of their savings (approximately 60%) in physical assets like gold and real estate; the savings share of financial assets has begun to increase over the last three years .

**Ease of access:** India's capital market growth is being driven by a boom in the country's telecom sector (internet and mobiles), launch of banking services on mobile phones and a rise of fin-tech companies focusing on customer experience

**Greater investing confidence:** SEBI has strengthened governance and disclosure standards, helped curb malpractices like insider trading, strengthening investing confidence

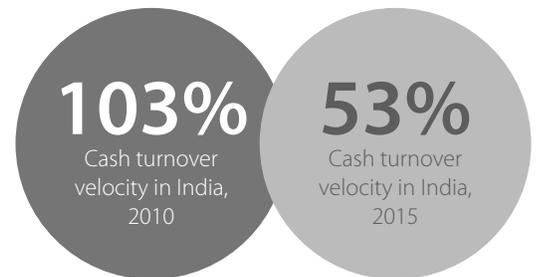
**Lending correction:** As the economy matures, the reliance on bank funding could decline, strengthening the role of the capital markets.

**Low retail investor participation:** India's retail investors constitute only approximately 13% of stock ownership in India; demat accounts were less than 10% of the number of banking accounts, indicating strong growth potential .

**Low free-float levels:** A large number of listed companies in India had significant promoter holding with correspondingly low free-float levels - 47% for NSE compared with 89% for Bovespa, 82% for LSE and 90% for NASDAQ) – which could be corrected as promoters dilute their holdings over time

**New cross-currency pairs:** RBI introduced three new cross-currency pairs (GBP- INR, EUR-INR, and JPY-INR) last year which led to an increase in volumes in the currency markets. Introduction of more popular cross-currency pairs could catalyse trading volumes

**More IPOs:** An increase in the number of IPOs could drive listing revenues for Indian exchanges, which could potentially grow 15-20% over the next five years.



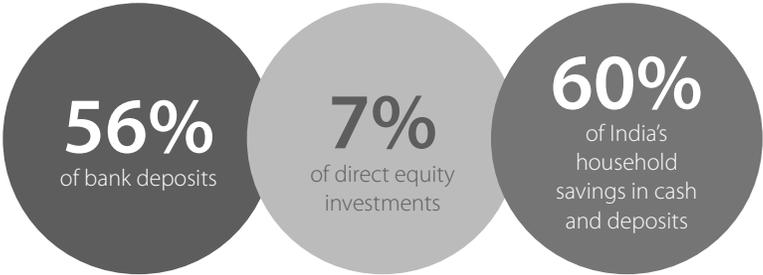
Source: Oliver Wyman



Source: World Bank



**Financial savings in India (%)**  
 (approximately USD 0.5 TN, 2015)



Source: RBI

The three main Indian exchanges include National Stock Exchange (NSE), Bombay Stock Exchange (BSE) and Metropolitan Stock Exchange of India (MSEI).

**Market share:** NSE is the undisputed market leader in cash equities, equity derivatives, currency derivatives and IR derivatives.

**Pricing:** NSE is not just the largest exchange in India; it is also the most cost-efficient in the world. The estimated full value chain transaction fee for cash equities was 0.3 bps at NSE compared to 1.3 bps at SET, 3.6 bps at Bursa Malaysia, 3.8 bps at SGX and 1.5 bps at LSE (source: Oliver Wyman).

**Margins:** NSE's profitability was comparable with most global exchange groups with EBITDA margins of around 50%.

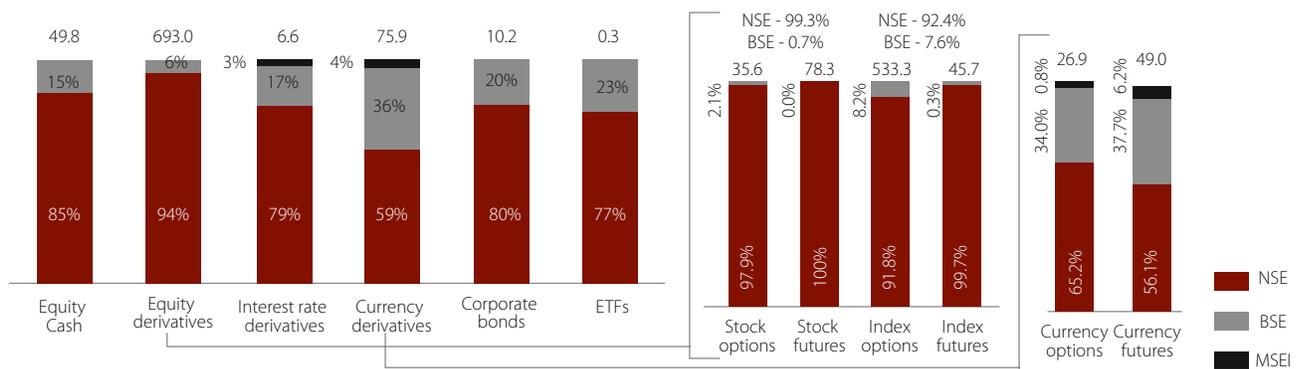
	Indicators	India			Developed economies (2015)	Source
		2006	2016	Annual change		
CAPITAL MARKETS	Market capitalisation (USD TN)	0.8	1.6	3.3%	1.3–2.7	Bloomberg, The World Bank Group
	Market capitalisation as % GDP	86%	69%	3.3%	100–147%	The World Bank Group
	Assets under management of mutual funds (USD TN)	0.077	0.21	17%	1.3–1.5 (2015)	AMFI, ICI8
	Number of listed companies	4,736	5,835 (2015)	2%	1,070–2,860	The World Bank Group

		NSE	BSE
Year of establishment		1992	1875
Products	Cash equities	√	√
	Stock options	√	√
	Stock futures	√	√
	Index options	√	√
	Index futures	√	√
	Foreign indices	√	√
	Debt instruments	√	√
	Currency futures (USD, EUR, GBP, JPY)	√	√
	Currency options (USD)	√	√
	Interest rate futures	√	√
	Other asset classes (direct or through associates)	Power, Commodities, Receivables	Power, Commodities
Number of companies listed		1,808	5,911
Market capitalisation (INR TN)		93.1	94.8
Turnover (INR TN)	Cash equities	42.4	7.4
	Equity derivatives	648.3	44.8
	Currency derivatives	45.0	27.6
	Interest rate derivatives	5.3	1.1

Source: SEBI annual report 2016

## Total turnover and market share of different players and different asset classes

Turnover in INR TN, market share in % FY16



Note: The data is for financial year (1st April to 31st March)

\*Corporate bond number as reported by SEBI – may include trades that are reported to exchanges but executed off-exchange

Source: WFE, SEBI

# NSE'S Strengths

NSE's enduring success in a competitive space has been derived from the aggregation of a number of strengths. These strengths now represent an effective moat, translating into a sustained competitive advantage



## The drivers of our competitiveness

**Products and services:** The scale and breadth of NSE products and services, sustained leadership across multiple asset classes in India and globally as well as its integrated business model have enhanced NSE's market responsiveness.

**Efficient price discovery:** NSE's leadership in trading volumes has helped attract participants to its exchange, strengthening efficient price discovery, attracting additional listing, generating trading activity and the driving demand for data and index products.

**Responsiveness:** NSE leveraged high trading volumes particularly in the

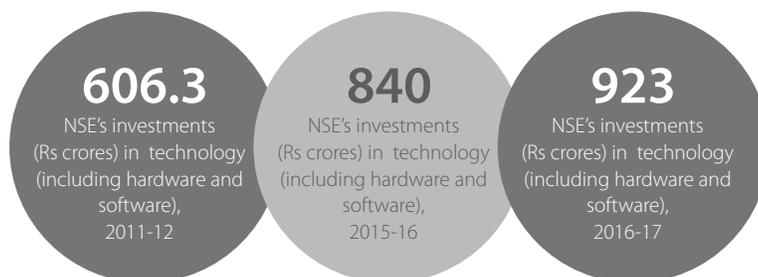
derivatives market to expand trading and non-trading product offerings, introduce new derivatives and other structured products for trading, introduce new NIFTY indices to track different market sectors and support algorithmic trading through co-location facilities – addressing the demanding needs of high volume and high frequency traders.

**Technical parameters:** NSE provides a dependable trading backbone; outages were nil in the last three years and lower than global peers (SGX – 4, DBG – 2, NASDAQ – 1, CME – 1).

**Integrated model:** Our integrated business

model provides comprehensive pre- and post-trade products and services for our trading members and market participants throughout the entire life cycle of a trade

**Technology:** NSE leverages prudent technologies and related innovation to offer services at the lowest possible cost. NSE's trading platform can process over 450+ million messages per day, performing at the highest level of reliability and availability. NSE teams developed components of its technology platform, and made improvements to outsourced or licensed technologies. NSE also licenses the NOW trading software that provides connectivity



to its exchange through trading terminals, web-based browsers and mobile devices.

**Pioneer:** NSE pioneered technologies, adopting real-time risk monitoring of trading on the exchange. NSE's launches of electronic, screen-based trading in 1994 and derivatives trading (in the form of index futures) were the first of their kind in India.

NSE launched internet trading in 2000, electronic filing system for listed companies, direct market access, co-location facilities and our mutual fund trading platform in 2009 and mobile trading for investors in 2010.

**Domain experience:** NSE employs about 520 individuals from diverse capabilities

and backgrounds with an extensive experience in financial market operations. The management team is supported by our Board of Directors, possessing extensive executive leadership experience in the public and private sectors across business, regulation and technology. The NSE average age was 33.5 as on March 31, 2017.

## The results of our strengths

**Leadership:** NSE has been ranked as the largest stock exchange in India (by total and average daily turnover for equity shares) every year since 1995. NSE was ranked first among exchanges by trading volume in 2015 (*Source: WFE*). This sustained leadership across asset classes in the Indian and global exchange sectors indicates the robustness and liquidity of the exchange backed by advanced technology platforms and a robust risk management framework.

**Balance Sheet:** NSE had cash and cash

equivalents as well as bank balances other than cash and cash equivalents (including other non-current bank balances, earmarked deposits and balance in escrow account) aggregating Rs. 74,383.6 million, Rs. 50,287.5 million and Rs. 112,311.8 million as of March 31, 2012 and 2016 and 2017 respectively. NSE's large and diversified long-term investment portfolio totalled Rs. 37,165.1 million as of March 31, 2017.

**De-risked:** NSE's diversified business model reduced its dependence on trading

business. In fiscal 2017, 36.5% of revenues derived from operations, were generated from sources other than trading services in addition to income from investments of deposits received from trading members (including annual listing fees), revenues from data feed and index businesses, rack space rental and connectivity charges related to co-location services.

## Innovative initiatives to strengthen securities market

Criteria	Stakeholder Expectation	Innovations by NSE
Products	New products	Mini Nifty, Long Dated Options Mutual Fund Service System, Futures on Volatility, NSE Bond Futures
Services	Innovative services	DMA, FIX capabilities, CoLo facility and mobile trading in line with evolving needs in market place
Global footprint	Access to global indices for Indian investors and vice versa	Cross-listing arrangements, license agreements with CME Group, (MOU) with SGX and OSE for India-linked products and services to be listed on SGX & OSE, LOI with LSE, licensing FTSE 100 Index to India and Nifty 50 to LSE, Surveillance System for Colombo Stock Exchange, Index creation for Chittagong Stock Exchange

# Board of Directors

as on May 5, 2017



**Ashok Chawla** is the Chairman and Public Interest Director of our Company. He holds a master's degree in economics from Delhi School of Economics. He has 43 years of experience in public service. He was an Indian Administrative Service Officer and has held various posts in Gol, including as the secretary, Ministry of Civil Aviation, finance secretary, Ministry of Finance and chairman of the FIPB. He served as the economic counsellor in the Indian Embassy in Washington. He was also an alternate Governor for India at the World Bank and International Monetary Fund. Mr. Chawla has served as a member on the Board of the RBI, State Bank of India, Life Insurance Corporation of India and India Infrastructure Finance Company Limited. In January 2011, he was appointed by the Gol as the chairman of a committee to examine the allocation and pricing issues relating to scarce natural resources. Subsequently, he was appointed as chairman of the CCI and retired in January 2016. He has been associated with our Company since March 28, 2016.

**Ravi Narain** the Vice-Chairman and Shareholder Director of our Company since April 2013 till May 31, 2017, was the deputy managing director since April, 1994 until November, 2000. Thereafter, from November, 2000 until March, 2013, he was the managing director and chief executive officer of our Company. He has resigned from the Board with effect from June 1, 2017. Mr. Narain has experience in stock exchange operations.



**Abhay Havaladar** is a Shareholder Director of our Company. He holds a Bachelor's degree in Electrical Engineering from the Mumbai University and a Master's degree in management from the London Business School. Previously, he was associated with General Atlantic, a global growth equity firm as an Advisory Director. He was instrumental in establishing General Atlantic's India Office. He has experience of investing in the Indian markets as a venture capitalist and growth investor. He is also a Board member of the Society for Innovation and Entrepreneurship ("SINE"). He has been associated with our Company since June 13, 2012.

**Dinesh Kanabar** is a Public Interest Director of our Company. He is a qualified Chartered Accountant and a member of the Institute of Chartered Accountants of India. Mr. Kanabar is the Chief Executive Officer of Dhruva Advisors LLP. He has experience in taxation matters. Previously, he was the Deputy Chief Executive Officer of KPMG in India. He has been associated with our Company since July 13, 2016.



**Anshula Kant** is a Shareholder Director of our Company. She holds a Master's degree in economics from the University of Delhi. She has been working with the State Bank of India for 33 years. Currently, she is holding the position of Deputy Managing Director & Chief Financial Officer of State Bank of India. She has experience in retail banking, corporate credit, cross-border trade and banking in developed markets. She also headed the Bombay circle of SBI as the Chief General Manager covering the states of Maharashtra and Goa. At SBI, she has served as the General Manager, performance planning and review, corporate centre, Mumbai; Chief Executive Officer, Singapore. She was also responsible for launching retail operations for SBI in Singapore. She has been associated with our Company since October 19, 2016.



**Naved Masood** is a Public Interest Director of our Company. He holds an Honours degree in law from Aligarh Muslim University. He has 38 years of experience in public service and diverse fields, including Company Law, Finance and Disaster Management. He was an Indian Administrative Service Officer and held various posts in the Gol, including, Special Secretary and Financial Advisor in the Ministry of Health and Family Welfare, the Secretary in the Ministry of Corporate Affairs and member on the Board of SEBI. He has been associated with our Company since July 13, 2016.

**T.V. Mohandas Pai** is a Public Interest Director of our Company. He is a qualified Chartered Accountant and a fellow member of the Institute of Chartered Accountants of India. Mr. Pai is the chairman of Manipal Global Education Services Private Limited. He co-founded AARIN Capital, a venture capital fund. He has served on the Board of SEBI and is currently the Chairman of SEBI Primary Markets Advisory Committee. Previously, he worked at Infosys Limited from 1994 to 2011, and was its Chief Financial Officer and later a member of its Board of Directors. He co-founded the Akshaya Patra Foundation, Bangalore in 2001 which runs the world's largest mid-day meal program. He was awarded the Padma Shri in 2015. He has been associated with our Company since July 13, 2016.



**Prakash Parthasarathy** is a Shareholder Director of our Company. He holds a Post Graduate degree in Management from Indian Institute of Management, Bangalore and a B. Tech. degree in Computer Science from BITS, Pilani. He has been associated with our Company since May 30, 2012. Prakash Parthasarathy is the outgoing Managing Partner & Chief Investment Officer of PremjiInvest, an investment office serving Azim Premji (Chairman, Wipro) and his Foundations. Prakash joined as the founding CIO of PremjiInvest in 2006 and is responsible for the firm's strategy and operations across all asset classes in India, China and the US. The firm manages assets over USD 4 billion.

**Dharmishta Raval** is a Public Interest Director of our Company. She holds a degree in law and is enrolled as an Advocate of the Gujarat Bar Association since 1980. Previously, Ms. Raval was a director of Ace Derivates and Commodity Exchange Limited and is presently a member of the Advisory Committee of SEBI-Mutual Funds. Previously, she has also served on the Board of SEBI as an Executive Director. She is a practicing advocate at the Gujarat High Court. She has been involved in matters relating to service law, banking laws, financial institutions, company law, labour laws and income tax. She has been associated with our Company since February 5, 2016.



**Sunita Sharma** is a Shareholder Director of our Company. She holds a Master's degree in science from Delhi University. She is the Managing Director of Life Insurance Corporation of India. She has also served as the Managing Director, Chief Executive Officer and Executive Director of LIC Housing Finance Limited and LIC HFL Care Homes Limited. The Institute of Economic Studies conferred her with the Udyog Rattan Award. In February 2015, ABP Real Estate Awards presented her with Women Super Achiever in the real estate sector. She received a certificate of achievement in the Outstanding Category of the Asia Pacific Entrepreneurship Awards, 2016. She has been associated with our Company since October 19, 2016.



# Management Discussion & Analysis

## **Economic & business environment**

During FY2016-17, the global economy gained momentum on a long-awaited cyclical recovery in investment, manufacturing and trade, especially in advanced economies. Growth in the US picked up, as firms were more confident of demand prospects and inventory drag declined considerably (after five quarters). The UK witnessed solid growth, led by a revival in spending despite the impact of the June 2016 referendum in favour of leaving the European Union (Brexit). Activity picked up in Japan on strong net exports, while growth in Germany and Spain was also supported by strong domestic demand.

Emerging market and developing economies saw a mixed performance over the same period. While growth in China was better than expected on continued policy reform stimulus, activity weakened in some Latin American economies that have been

mired in recession, such as Argentina and Brazil. In addition, geopolitical tension in the Middle East and Turkey threatened growth outlook, while firmer oil prices supported development in Russia.

India had been in a 'sweet spot' for the last two years. This year (FY2016-17) has been marked by several historic economic policy developments like implementation of the Goods and Services tax (GST), demonetisation of large currency notes and Brexit and the US elections which could have possible implications on the Indian economy. As per the latest advanced estimates of GDP released by the Central Statistics Office, India's GDP is expected to grow at a rate of 7.1% in FY2016-17, as against 7.9% in FY2015-16. Supported by improved external trade balance, positive agricultural crop outlook and revision in civil servant wages, private consumption is the likely driving factor for the economy.

While agricultural growth improved to 4.4% in FY2016-17 from 0.8% in FY2015-16, industry and services sector posted a weak performance with growth at 5.8% and 7.9% in FY16-17, respectively (compared to 8.2% and 9.8% in FY2015-16, respectively).

Monthly inflation, as measured by the Consumer Price Index (CPI), has averaged slightly higher than RBI's medium-term target (4%) at 4.5% in FY2016-17. Inflation has moderated in FY2016-17 (as compared to 4.9% last year) mainly due to higher kharif/rabi crop production at 9.9%/6.3% (vs. -2.3%/-2.0% last year) and decline in pulses price. The Central Bank has raised its FY2017-18 inflation target (4.5% in H1 and 5% in H2),

The fiscal consolidation path remains on track, as the Government achieved its fiscal deficit target of 3.9% of GDP in FY2015-16 and is well on its way to meet the lower fiscal deficit target of 3.5% of GDP in FY2016-17. Further reduction in subsidies and tax reforms, including the implementation of the recently approved GST, would be needed to meet fiscal consolidation over the medium-term.

India's external account balance appears to be in a better position after the successful redemption of Foreign Currency Non-Resident (FCNR) deposits in late 2016. The current account deficit (CAD) to GDP ratio has declined to approximately 1.1% in FY2016-17 from 1.3% in FY2015-16. India's trade deficit also declined by 10.5% in FY2016-17 to USD 105 billion, compared to USD 118 billion in the previous fiscal. This was primarily on account of a rise in exports to USD 274 billion from USD 262 billion during the same period. Meanwhile, imports remained largely unchanged at USD 380 billion for the year. Lower trade deficit coupled with modest growth in invisibles resulted in CAD remaining at comfortable levels.

India's foreign exchange reserves were at an all-time high of USD 370 billion at end-March 2017 (compared to USD 356 billion at end-March 2016). As a result, the import cover ratio - an important indicator of a

country's external sector vulnerability - has risen to 12 months.

### Outlook

The outlook for the Indian economy remains robust. Over the medium-term, the economy is expected to pick up pace on implementation of key reforms, loosening of supply-side bottlenecks and appropriate fiscal and monetary policies. In the recent World Economic Outlook (April 2017), the IMF projected that India could grow at 7.2% and 7.7% in FY2017-18 and FY2018-19, respectively, primarily supported by implementation of key structural reforms and the successful adoption of the long-awaited Goods and Services Tax (GST).

### Risks and concerns

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

### Internal control systems and their adequacy

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

### Financials

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, including revised Schedule VI, Generally Accepted Accounting Principles (GAAP) in

India and as per the applicable Accounting Standards laid down by the Institute of Chartered Accountants of India. A well known and reputed firm of Chartered Accountants performs the audit and they have confirmed that our practices are as stringent and complete as internationally. Consolidated Financial statements have also been presented in this Annual Report.

### Financial performance (2016-17)

During FY2016-17, total revenue increased by around 14% from Rs. 2,030.34 crore for FY2015-16 to Rs. 2,318.41 crore for the FY 2016-17.

The total expenditure for the FY 2016-17 was Rs. 895.49 crore as compared to Rs. 1,442.64 crore for FY2015-16, a decline of around 38% over the previous year.

The total profit before tax for FY2016-17 was Rs. 1,422.92 crore as against Rs. 587.70 crore for FY2015-16, representing an increase of around 142% over the previous year. The increase in profit before tax was mainly due to an easing in core SGF contribution norms by SEBI, effective August 29, 2016.

The total provision for tax (including deferred tax) for FY2016-17 was Rs. 389.99 crore as against Rs. 152.03 crore for FY2015-16.

The total profit after tax for FY2016-17 was Rs. 1,032.93 crore as against Rs. 435.67 crore for FY2015-16, an increase of around 137% over the previous year.





In the recent World Economic Outlook (April 2017), the IMF projected that India could grow at 7.2% and 7.7% in FY2017-18 and FY2018-19, respectively, primarily supported by implementation of key structural reforms and the successful adoption of the long-awaited Goods and Services Tax (GST).

## Operating revenues

### Transaction charges

During the year, an upward trend continued with around 14% in income from transaction charges from Rs. 1,167.56 crore for FY2015-16 to Rs. 1,335.30 crore for FY2016-17. The average daily turnover on the exchange during FY2016-17 was Rs. 20,417 crore in the cash market (CM segment) as against Rs. 17,214 crore for FY2015-16, indicating an increase of 18.60%. In the F&O segment, the average daily turnover (billable) for FY2016-17 was Rs. 64,158 crore as against Rs. 51,823 crore for FY2015-16, indicating an increase of around 24%. In the currency derivatives segment, the average daily turnover (billable) for FY2016-17 was Rs. 10,276 crore as against Rs. 11,386 crore for FY2015-16, indicating a decline of around 10%.

### Listing fees

During the year, there was an increase of around 26% in the income from listing fees – from Rs. 50.36 crore for FY2015-16 to Rs. 63.43 crore for FY2016-17. The exchange, as of March 31, 2017, had 1,817 listed companies. The total market capitalisation of these companies, as of March 31, 2017, stood at around Rs. 120 lakh crore.

### Book building fees

During the year, there was a healthy increase in the total book building fees of around 63% from Rs. 8.50 crore for FY2015-16 to Rs. 13.83 crore for FY2016-17.

### Interest and other investment income

During FY2016-17, the total investment income increased by around 17% from Rs. 618.88 crore for FY2015-16 to Rs. 722.75 crore for FY2016-17. The increase was mainly on account of a gain on sale of investments and fair value gain on investments.

### Other operating revenues

During FY2016-17, other operating revenue increased by around 10% from Rs. 152.04 crore for FY2015-16 to Rs. 167.11 crore for FY2016-17.

### Other income

During FY2016-17, other income declined by around 52% from Rs. 33 crore in FY2015-16 to Rs. 15.99 crore for FY2016-17. The decline

was mainly due to a moderation in rental income – from Rs. 20.64 crore for FY2015-16 to Rs. 14.04 crore for FY2016-17.

## Expenditure

### IT and telecom expenses

Technology is the backbone of our business and also a key differentiator. The exchange continued to invest in state-of-the-art technology in different areas of its business, keeping a clear focus on cost efficiencies. Accordingly, during the year, the total IT and telecom expenses for the year 2016-17 increased by around 16% from Rs. 195.87 crore for FY2015-16 to Rs. 227.29 crore for FY2016-17.

### Other expenses

During FY2016-17, other expenses increased by around 21% from Rs. 177.33 crore for FY2015-16 to Rs. 214.92 crore for FY2016-17.

## Clearing and settlement charges

National Securities and Clearing Corporation Limited (NSCCL), a wholly-owned subsidiary of the Exchange, carries out the clearing and settlement of the trades executed in the CM, F&O and CD segments. Consequent to the increase in income from transaction charges, the clearing and settlement charges for the year FY 2016-17 paid to NSCCL increased by around 2% i.e. from Rs. 98.54 crore in FY2015-16 to Rs. 100.05 crore in FY2016-17.

## Employee cost

The exchange recognises the value of its human capital deployed at all levels. To continue to provide best-in-class services to its members and other market participants, it is essential for the Company to attract and retain the best talent available. In this direction, the Company continues to take various initiatives to follow best practices in HR and also keeps benchmarking it with other forward-looking organisations. During FY 2016-17, the Company has taken a number of HR initiatives in the areas of employee development and training, harnessing knowledge and skill levels as well as various staff welfare measures, etc. During FY 2016-17, the employee-related expenses stood at Rs. 107.47 crore, which was Rs.

106.29 crore for FY2015-16.

### Depreciation

Depreciation increased by around 8% from Rs. 103.09 crore for FY2015-16 to Rs. 111.70 crore for FY2016-17.

### Financial statement as on March 31, 2017

#### Share capital

The total paid-up capital of the Company, as on March 31, 2017, is Rs. 49.50 crore divided in to 49,50,00,000 equity shares of Rs. 1 each.

#### Reserves and surplus

The total reserves and surplus, as on March 31, 2017, stood at Rs. 5,890.14 crore comprising share premium of Rs. 35.50 crore, investor compensation reserve of Rs. 10 crore, staff welfare reserve of Rs. 1.50 crore, other reserves of Rs. 57.22 crore, CSR reserve of Rs. 53.13 crore, general reserve of Rs. 3,690 crore and balance in P&L account of Rs. 2,042.79 crore.

The total net worth of the Company, as on March 31, 2017, was Rs. 5,939.64 crore and book value was Rs. 120 per share.

#### Deposits from members (Unsecured)

The total deposits from members, as on March 31, 2017, stood at Rs. 1,059.58 crore as against Rs. 1,051.96 crore as on March 31, 2016.

#### Fixed assets

The total gross block, as on March 31, 2017, was Rs. 1,469.83 crore. Total accumulated depreciation up to March 31, 2017 was Rs. 858.35 crore. Net fixed assets (including capital WIP) were was Rs. 611.48 crore. As part of the total investments in technology,

during the year FY 2016-17, the total additions to fixed assets were was Rs. 80.81 crore, mainly pertaining to the trading systems, computer systems, telecom equipment and computer software. Total deletions at cost were Rs. 1.96 crore.

#### Investments

The prudential policy of the Company permits it to invest long-term and short-term surplus funds into deposits of highly-rated banks, bonds issued by the Central / State governments, institutions and various corporates and into debt-oriented schemes of high-performing mutual funds. As on March 31, 2017, the total non-current investments were Rs. 3,567.56 crore as against Rs. 3,723.38 crore as on March 31, 2016, a decline of Rs. 155.82 crore. Current investments were Rs. 2,349.84 crore as on March 31, 2017, as against Rs. 1,598.01 crore as on March 31, 2016, an increase of Rs. 751.83 crore.

#### Other non-current and current assets

Total other assets (non-current and current) as on March 31, 2017 stood at Rs. 1,554.46 crore, comprising interest accrued on investments and fixed deposits amounting to Rs. 82.20 crore, trade receivables amounting to Rs. 266.52 crore and cash and bank balances in current and fixed deposits and certificates of deposits amounting to Rs. 788.50 crore. Other current assets of Rs. 107.66 crore and non-current assets of Rs. 309.58 crores.

#### Other non-current and current liabilities

Total other liabilities (non-current and current), as on March 31, 2017, stood at Rs. 1,084.12 crore mainly comprising

security deposits as per listing agreement amounting to Rs. 56.10 crore, securities transaction tax of Rs. 267.68 crore, provision for leave encashment of Rs. 12.90 crore, contribution payable to NSCCL core SGF of Rs. 284.39 crore and other current liabilities amounting to Rs. 394.25 crore and other non-current liabilities amounting to Rs. 68.80 crore.

#### Taxation

The total provision for tax (including deferred tax) for the year FY 2016-17 was Rs. 389.99 crore, as against Rs. 152.03 crore for the year FY 2015-16. Though the present Indian corporate tax rate is 34.608% comprising base rate and surcharge and cess, due to investments into various debt schemes of mutual funds, the effective tax rate worked out to 27.41%.

### Event occurring after the Balance Sheet date

(i) The Directors recommended the payment of a final dividend of Rs. 12.25 per fully paid equity share (March 31, 2016: Rs. 72 per equity share). This proposed dividend is subject to approval of shareholders in the ensuing annual general meeting and, if approved, would result in cash outflow of approximately Rs. 729.82 crore including corporate dividend tax of Rs. 123.44 crores.

(ii) The Board of Directors, in its meeting held on April 06, 2017, considered and approved the proposal of making further investments in 'NSE IFSC Limited' by subscribing to its equity shares up to a nominal amount not exceeding Rs. 25 crore.



# CSR

## Activities 2016-17

NSE is a responsible corporate citizen. NSE has identified three CSR core focus verticals – primary education, elder care and sanitation & safe drinking water. Besides, NSE strives to provide speedy relief and assistance to affected geographies and communities during natural disasters. NSE has developed a unique model -FINITE (Focused, Innovative, Niche, Impactful, Tracked and Engaging) for selection of CSR projects.

### Primary education

The NSE CSR initiatives in Primary Education attempt to bridge the literacy gaps of children aged between 5 -12 years from disadvantaged communities. NSE, also undertakes interventions through capacity building, training of teachers, strengthening School Management Committees (SMCs), training of volunteers (Shikshan Mitras) and mobilizing community support to ensure delivery of quality education. The NSE FINITE model assists in initiating programmes that are intensive, customized and focused on extremely backward districts. Many of these programmes are model path breaking projects recognized as social and educational change agents. The TISS field action project Chunauti has been considered by Hon. High Court of Bombay to be a model project with a directive to implement it across 19 MDC (Mentally Deficient Children) Homes in Maharashtra with a future scale up envisaged pan India.

### Sanitation and Safe Drinking Water

NSE's initiatives in WASH (Water, Sanitation and



Hygiene) programmes are aligned to the goals of the Swacch Bharat Mission and Swacch Bharat Swacch Vidyalaya. NSE supports retrofitting of existing sanitation infrastructure in schools (WiNS – Wash in Schools), implementing operations and maintenance protocols and extensive behaviour change communication (BCC) to build awareness on sanitation, safe drinking water, solid waste management and hygiene practices.

### Elder care

NSE funded projects under the elder care segment concentrate on enhancing the holistic well-being of the underprivileged ageing population. The programmes focus on creating an enabling environment for senior citizens to access existing government welfare schemes such as pensions, awareness and access to health care as well as social and emotional well-being.

### Response to Disasters

In times of natural disasters and calamities, NSE provides support to relief efforts through emergency disbursements to NGOs and the Prime Minister's National Relief Fund. During the Chennai and Bihar floods, NSE has taken immediate action to assist affected communities through implementing agencies.

### Implementation Partners

Across all the focus areas, NSE works with credible implementation partners such as Magic Bus Foundation (education), The Society for Door Step Schools (Rural), Door Step Schools (Urban), Vikas Sahyog Pratishthan, All India Institute of Local Self Government – AILSG (Urban and rural Project), Tata Institute of Social Sciences, (TISS) Teach For India, Aid India, Mukhtangan, Pratham Education Foundation, IIMPACT, Foundation to Educate Girls Globally, DEHAT (Development Association for

Human Advancement), Dignity Foundation, Family Welfare Agency (FWA), Charities Aid Foundation, HelpAge India, YUVA (Youth for Unity and Voluntary Action), Financial Inclusion Improves Sanitation and Health (FINISH) Society, AmeriCares India Foundation and Jal Seva Charitable Foundation, among others.

### CSR Society Focus Group

To strengthen CSR initiatives and encourage employee volunteering activities, NSE formed a CSR Society Focus Group (SFG) in 2012. The members of the group were employees volunteering to contribute part of their time to undertake community related activities with the help of NGO partners.

# Corporate information

## Key management persons\*

Mr. J. Ravichandran	:	CEO In-Charge
Mr. Yatrik Vin	:	Chief Financial Officer - Group Accounts & Finance
Mr. Ravi Varanasi	:	Chief - Business Development
Dr. V. R. Narasimhan	:	Chief Regulatory Officer
Mr. G.M. Shenoy	:	Chief Technology Officer - Operations
Mr. Sankarson Banerjee	:	Chief Technology Officer - Projects
Mr. M. Vasudev Rao	:	General Counsel
Mr. Mayur Sindhwad	:	Chief Operating Officer - Trading
Mr. Tarun Aiyar	:	Chief Financial Officer - Group Investment & Shareholder Relations
Mr. S. Madhavan	:	Company Secretary

## Significant employees of our subsidiaries

Mr. T. Venkata Rao	:	Managing Director - NSCCL
Mr. Mukesh Agarwal	:	Managing Director - IISL and DotEx
Mr. Muralidaran N.	:	Managing Director & Chief Executive Officer - NSEIT
Auditors	:	M/s Khandelwal Jain & Co. Chartered Accountants 12-B, Baldota Bhavan, 5th Floor, Maharishi Karve Road, Churchgate Mumbai – 400 020
	:	Price Waterhouse & Co Chartered Accountants LLP Veer Savarkar Marg, Shivaji Park, Dadar (West) Mumbai 400 028
Registered Office	:	“Exchange Plaza” Plot No. C-1, Block ‘G’, BandraKurla Complex Bandra (East), Mumbai-4000 51
Registrar & Transfer Agents	:	Link Intime India Private Limited C-1O1 ,247 Park, LBS Marg, Vikhroli (West) - 400083

\*as on July 1, 2017



Statutory  
section



To

The Members,

Your Directors have pleasure in presenting the Twenty-fifth Annual Report and Audited Financial Statements of the National Stock Exchange of India Limited (referred herein as 'NSE' or 'the Company' or 'the Exchange') for the year ended March 31, 2017.

## 1. OPERATIONS AND MAJOR DEVELOPMENTS DURING THE YEAR

### 1.1 Global rankings - Derivatives Market

#### 1.1.1 All products

NSE was ranked 2<sup>nd</sup> across all the Derivatives exchanges in the world based on the volume of contracts traded during the calendar year 2016. The details of top Exchanges are given in Table below:

Table 1

Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2016
1	CME Group	USA	3942
2	<b>National Stock Exchange of India</b>	<b>INDIA</b>	<b>2119</b>
3	Intercontinental Exchange	USA	2037
4	Moscow Exchange	Russia	1950
5	Eurex	EU	1727
6	Shanghai Futures Exchange	China	1680

Source: FIA rankings based on number of contracts traded or cleared between Jan 16 -Dec 16

[http://marketvoicemag.org/sites/default/files/MARCH\\_2017\\_VOLUME\\_SURVEY.pdf](http://marketvoicemag.org/sites/default/files/MARCH_2017_VOLUME_SURVEY.pdf)

#### 1.1.2 Single Stock Futures

During the calendar year 2016, NSE was ranked as the 2<sup>nd</sup> largest exchange in respect of contracts traded in single stock futures.

The details of top 5 exchanges trading single stock futures are given in Table below:

Table 2

Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2016
1	Moscow Exchange	Russia	254.7
2	<b>National Stock Exchange of India</b>	<b>India</b>	<b>172.7</b>
3	Korea Exchange	Korea	172.1
4	EUREX	EU	101.0
5	ICE Futures Europe	EU	41.5

Source: WFE <https://www.world-exchanges.org/home/index.php/statistics/annual-statistics>

### 1.1.3 Index Options

During the calendar year 2016, NSE was ranked 1<sup>st</sup> in the world in respect of contracts traded in index options, amounting to a notional value of USD 9.711 trillion. The details of top 5 exchanges in index options are given in Table below:

Table 3 Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2016
1	<b>National Stock Exchange of India</b>	<b>India</b>	<b>1034.9</b>
2	Chicago Board Options Exchange	USA	433.3
3	EUREX	EU	388.8
4	Korea Exchange	Korea	337.7
5	TAIFEX	Taiwan	167.7

Source: WFE <https://www.world-exchanges.org/home/index.php/statistics/annual-statistics>

### 1.1.4 Currency Options

During the calendar year 2016, NSE was ranked 1<sup>st</sup> in the world in terms of contracts traded in currency options. The details of top 5 exchanges in currency options are given in Table as under:

Table 4 Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2016
1	<b>National Stock Exchange of India</b>	<b>India</b>	<b>351.6</b>
2	BSE Limited	India	207.3
3	Moscow Exchange	Russia	30.9
4	CME Group	USA	18.1
5	Johannesburg Stock Exchange	S. Africa	14.0

Source: WFE <https://www.world-exchanges.org/home/index.php/statistics/annual-statistics>

### 1.1.5 Currency Futures

During the calendar year 2016, NSE was ranked as the 2<sup>nd</sup> largest exchange in the world in terms of contracts traded in currency futures. The details of top 5 exchanges in currency futures are given in Table as under:

Table 5 Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2016
1	Moscow Exchange	Russia	930.7
2	<b>National Stock Exchange of India</b>	<b>India</b>	<b>396.4</b>
3	BSE Limited	India	322.7
4	CME Group	USA	196.9
5	BM&FBOVESPA S.A	Brazil	163.8

Source: WFE <https://www.world-exchanges.org/home/index.php/statistics/annual-statistics>



## 1.1.6 Long Term Interest Rate Futures

During the calendar year 2016, NSE was ranked as the 6<sup>th</sup> largest exchange in the world in contracts traded in Long Term Interest Rate Futures. The details of top exchanges in Long Term Interest Rate Futures are given in Table as under:

Table 6

Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2016
1	CME Group	USA	751.6
2	Eurex	EU	467.1
3	Australian Securities Exchange	Australia	92.5
4	ICE Futures Europe	EU	53.7
5	Korea Exchange	Korea	38.8
6	<b>National Stock Exchange of India</b>	<b>India</b>	<b>15.2</b>
7	Johannesburg Stock Exchange	S. Africa	9.1
8	China Financial Futures Exchange	China	8.9
9	Japan Exchange Group	Japan	7.3

Source: WFE <https://www.world-exchanges.org/home/index.php/statistics/annual-statistics>

## 1.1.7 Index Futures

During the calendar year 2016, NSE was ranked as the 8<sup>th</sup> largest exchange in the world in contracts traded in index futures, having total notional value of USD 668 billions. The details of top 10 exchanges in index futures are given in Table as under:

Table 7

Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2016
1	CME Group	USA	609.6
2	EUREX	EU	498.1
3	Japan Exchange Group	Japan	294.1
4	Moscow Exchange	Russia	236.1
5	BM&FBOVESPA S.A	Brazil	170.1
6	Singapore Exchange	Singapore	142.1
7	Hong Kong Exchanges and Clearing	China	82.6
8	<b>National Stock Exchange of India</b>	<b>India</b>	<b>74.8</b>
9	TAIFEX	Taiwan	60.5
10	CBOE Futures Exchange	USA	60.1

Source: WFE <https://www.world-exchanges.org/home/index.php/statistics/annual-statistics>

### 1.1.8 Single Stock Options

During the calendar year 2016, NSE was ranked as the 9<sup>th</sup> largest exchange in respect of contracts traded in stock options.

The details of top 10 exchanges trading stock options are given in Table below:

Table 8 Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2016
1	BM&FBOVESPA S.A.	Brazil	692.0
2	Nasdaq - US	USA	512.2
3	NYSE Derivatives	USA	368.8
4	Chicago Board Options Exchange	USA	364.3
5	International Securities Exchange	USA	268.8
6	BATS Global Markets	USA	261.5
7	Eurex	EU	186.4
8	Miami International Securities Exchange	USA	131.8
9	<b>National Stock Exchange of India</b>	<b>India</b>	<b>88.8</b>
10	Australian Securities Exchange	Australia	85.1

Source: IOMA 2016 Derivatives Report

### 1.2 Global Rankings-Capital Market

In the Capital Market segment, NSE was ranked 4<sup>th</sup> in the world based on the number of trades during the calendar year 2016. The details of top 10 Exchanges are given in the table below.

Table 9

Sr no	Exchange	Country	No. of Trades (in Thousands)
1	Shenzhen Stock Exchange	China	36,23,904.94
2	BATS Global Markets	USA	26,07,670.22
3	Shanghai Stock Exchange	China	23,96,148.00
4	<b>National Stock Exchange of India</b>	<b>India</b>	<b>19,25,194.77</b>
5	NYSE	USA	18,51,847.04
6	Korea Exchange	Korea	18,46,442.43
7	Nasdaq - US	USA	17,70,724.63
8	Japan Exchange Group Inc.	Japan	8,73,202.42
9	BATS Chi-x Europe	USA	5,58,611.05

Source: WFE <https://www.world-exchanges.org/home/index.php/statistics/annual-statistics>



### 1.3 Global Rankings- Debt Market

During the calendar year 2016, NSE was ranked as the 4<sup>th</sup> largest exchange in the world in number of listed bonds. The details of top exchanges in number of listed bond are given in Table as under

Table 10

Sr no	Exchange	Country	No. of listed bonds
1	Luxembourg Stock Exchange	Luxembourg	30,550
2	Irish Stock Exchange	Ireland	29,039
3	Korea Exchange	Korea	12,685
4	<b>National Stock Exchange of India</b>	<b>India</b>	<b>7,989</b>

Source WFE <https://www.world-exchanges.org/home/index.php/statistics/annual-statistics>

### 1.4 Alternative & SME Market

During the calendar year 2016, NSE SME Emerge (platform) ranked the 2<sup>nd</sup> fastest growing market in the world. The details of top 10 exchanges showing highest YoY change are given in Table as under:

Table 10 (a)

Sr no	Exchange	Name of Market	% change (2016-15)
1	NZX Limited	NXT	225.8
2	<b>National Stock Exchange of India Limited</b>	<b>SME Emerge</b>	<b>172.6</b>
3	BSE Limited	Small & Medium Enterprises	110.4
4	Bolsa de Comercio de Buenos Aires	Pyme Board	91.2
5	Moscow Exchange	Innovations & Investments Market	85.5
6	Luxembourg Stock Exchange	Euro MTF	62.5
7	The Egyptian Exchange	NILEX	38.8
8	Malta Stock Exchange	Alternative Companies List	37.3
9	The Stock Exchange of Thailand	Market for Alternative Investments (mai)	34.5
10	Cyprus Stock Exchange	Emerging Companies Market	34.5

Source: WFE <https://www.world-exchanges.org/home/index.php/statistics/annual-statistics>

## 1.5 Membership at NSE

26 new members (14 in CM, F&O, CD and Debt segments; 6 in CM and F&O segments; 3 in CM segment; 1 in F&O segment and 2 in CD segment) were registered during the Financial Year 2016-17.

The Exchange also granted additional segment membership to 14 members during the Financial Year 2016-17.

Table shows membership details for the Financial Year 2016-17:

Table 11

Category	CM Segment	F&O Segment	CD Segment	Debt Segment	Composite membership (CM, F&O, CD and Debt)*	Total Members*
Trading members registering with SEBI for the first time	23	21	16	1	1303	1468
Existing Members registering in additional segments	2	1	6	5		
Registered Sub-brokers*	18783	Nil	Nil	Nil		
Authorised persons*	67161	76898	19651	Nil		
Surrender of membership	24	23	19	3		

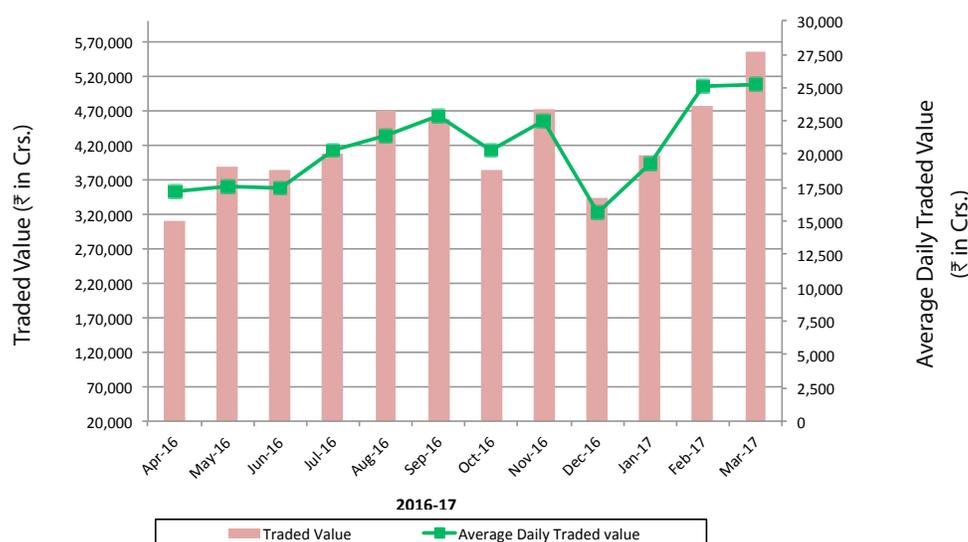
\* Data as on March 31, 2017

## 1.6 Capital Market (CM segment)

The total turnover of CM segment in the year 2016-17 is ₹50,55,913 crores as compared to ₹42,36,983 crores in the year 2015-16, showing an increase of 19.33%. The average daily traded value in 2016-17 is 20,387 crores as compared to 17,154 crores in 2015-16.

As on March 31, 2017, the number of listed companies available for trading was 1696 compared to 1580 at the end of March 31, 2016.

Figure 1: Month-wise Turnover and Average Daily Turnover in CM segment





The changes in turnover statistics over the preceding year are presented in Table below

Table 12

### Turnover Statistics on CM segment

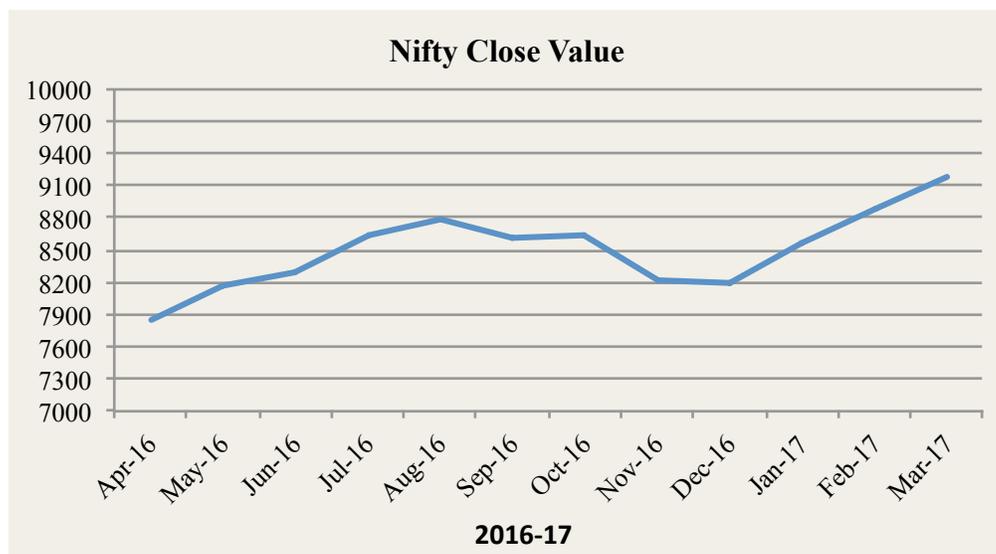
Sr no	Details	2016-17	2015-16	% Rise/ (Fall) in 2016-17
1	Total Number of trades (In lakhs)	19760	18518	6.71%
2	Total number of shares traded (in lakhs)	2624534	2201771	19.20%
3	Total Turnover (Cr.)	5055913	4236983	19.33%
4	Market Capitalization at the end of year (Cr.)	11978421	9310471	28.66%
5	Turnover of Nifty 50 Securities (Cr.)	2208210	1963224	12.48%
6	Total number of listed companies for trading.	1696	1580	7.34%

#### 1.6.1 Index movement

Nifty 50 saw upward movement of 18.54% moving from 7738.40 to 9,173.75 over the financial year 2016-17. During the year 2016-17, the Nifty 50 touched a high of ₹9,218.40 on March 17, 2017 and low of ₹7,516.85 on April 11, 2016. Movement of Nifty 50 is shown in Figure 2.

The turnover of Nifty 50 securities was ₹22,08,210 crores in the year 2016-17 as compared to ₹19,63,224 crores in the previous year. The contribution of Nifty 50 securities turnover to total turnover during the year 2016-17 was 43.68% compared to 46.34% in the year 2015-16.

Figure 2 : Nifty movement



#### 1.6.2 Market Capitalisation

The market capitalisation of securities available for trading on CM segment has increased by 28.66% during 2016-17 from ₹93,10,471.47 crores as on March 31, 2016 to ₹1,19,78,421 crores as on March 31, 2017. Out of total market capitalisation of ₹1,19,78,421 crores as on March 31, 2017, ₹2,40,684.31 crores was contributed by newly listed securities. The market capitalisation growth is shown in Figure 3.

Figure 3: Market Capitalisation during year 2016-17

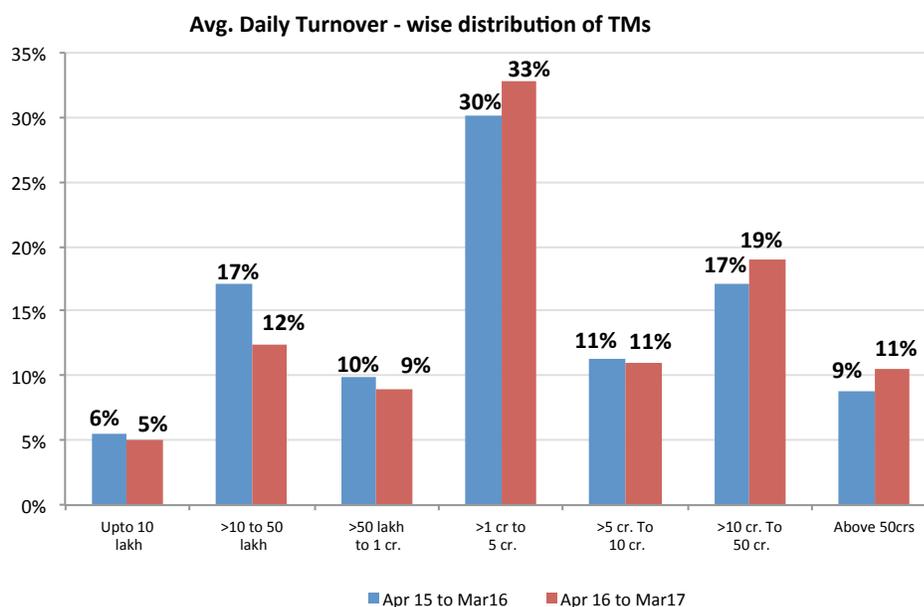


### 1.6.3 Distribution of Turnover

#### Turnover-wise distribution of trading members

About 74% of the trading members had an average daily turnover of ₹1 crore or more in 2016-17. In 2016-17, around 30% of the trading members had daily turnover of more than ₹10 crores.

Figure 4 : Average Daily Turnover-wise distribution of TMs





## 1.6.4 New Developments during the year

In year 2016-17, various new developments have been initiated by the Exchange. The relevant details are given below:-

### April 2016- Live Trading sessions from Disaster Recovery (DR) site

The Exchange conducted successful Live trading sessions from its Disaster Recovery (DR) site on April 11, 2016 and April 12, 2016.

### June 2016- Two Factor Authentication - Dissemination Board

In order to enhance security measures, the Exchange has implemented Two Factor Authentication (2FA) for user log in on Dissemination Board for Capital Market.

### June 2016- Trading in Sovereign Gold Bonds

Exchange has introduced trading of Sovereign Gold Bonds. The first tranche of such Bonds (issued on November 30, 2015) was made available for trading since June 13, 2016.

### June 2016- Trading in the security of listed stock exchange by trading members or their associates and agents

Exchange issued a circular notifying the introduction of a new market type as defined under Regulation 1.3.9 of Part A of Regulations for the Capital Market, on the trading system of the Exchange under the series type 'LS'.

'LS' series is made eligible for executing trades under the criteria laid down by SEBI in its circular CIR/MRD/DSA/01/2016 dated January 01, 2016, titled, "Procedures for ensuring compliance with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ('SECC Regulations') by Listed Stock Exchanges".

### June 2016- Prevention of Self-Trade

Exchange had introduced prevention of Self trade facility in October 2015, cancelling the incoming active order so as to avoid matching between a buy and a sell order entered in the same order book by a member for the same client code either originating from same or different trading terminals of the member.

Pursuant to NSE circular dated June 24, 2016 and based on members' feedback and to strengthen the Self-Trade Prevention Mechanism, NSE had implemented an enhanced mechanism where the member was given an option to stipulate at the time of order entry whether to cancel passive order or active order that were resulting in a self-trade.

### September 2016- Introduction of Trade Drop Copy Facility

In an endeavor to improve operational convenience, Exchange introduced "Trade Drop Copy" facility. Drop Copy provides members/users their trade details/feed on a real time basis.

### October 2016- NEAT Corporate Manager Password Reset through ENIT

As part of our continuous effort to facilitate Trading Members, the

Exchange has provided a facility to members to submit request for password reset of NEAT Corporate Manager Id for Capital Market Segment through ENIT for faster processing and online tracking.

### October 2016- Events / incidents impacting markets

- a. Extended live trading session was conducted on October 28, 2016 on the occasion of Dhanteras.
- b. Muhurat Trading session was held on October 28, 2016 on account of Diwali.

### December 2016- Consolidated circular on Market Data

Exchange issued a consolidated circular incorporating previous circulars issued on Market Data Broadcast.

### New developments in Listing, Surveillance and Inspection

- a. **Board Evaluation in India** - The Companies Act, 2013 now mandates formal annual evaluation of the Board and its Directors. The process of Board evaluation is relatively new to India. To help corporate India learn it faster and spread the knowledge on Board evaluation it was necessary to create awareness on evaluation practices by leading companies. The Exchange along with Institutional Investor Advisory Services (IIAS) has compiled a compendium of results of a study on Board Evaluation in India - Disclosure and practices based on disclosures made in the annual report and corporate governance reports of listed companies. The aim was to document the practices being followed by prominent companies to enable professionals to understand the prevailing industry best practices in this behalf through a study of the compendium. It is believed that this initiative will help standardise the Board evaluation methodologies across the companies. NSE also conducted several seminars in association with National Institute of Securities Markets (NISM) in Mumbai, Chennai, Kolkata and Bangalore during the year to spread awareness on Board Evaluation practices. Senior officials from SEBI and Eminent speakers from the Industries have addressed the gathering on the Board Evaluation disclosures and practices in India.
- b. **Seminar on Secretarial Audit** - Secretarial Audit report is an important source of information about regulatory and other compliances status of the companies. It is an effective tool to monitor the quality of corporate governance, particularly through Board level processes. On verification of Secretarial Audit report, we observed several lacunas with respect to the quality of reporting and accuracy of such audit reports. Accordingly, the Exchange under the guidance of SEBI conducted seminars on secretarial audit for practicing Company Secretaries to bring home the deficiencies noticed and to acquaint the professionals with standard techniques of secretarial audit. Seminars were conducted in Mumbai, Delhi, Chennai, Bangalore, Kolkata. Senior

officials of SEBI and leading Company Secretaries in practice acted as resource persons.

- c. **Seamless Dissemination of the Information to the Market** – Listed entities file various price sensitive announcements and disclosures on the electronic platform viz., “NEAPS Platform” provided by the Exchange. In order to expedite information flow to the investors without loss of time, NSE has introduced seamless dissemination of information filed by the companies with inbuilt system checks and balances so that this information is disseminated to the market without any manual intervention. Exchange has introduced this facility for periodical filing made by the companies such as Corporate Governance report / Shareholding pattern / Financial results / Annual Report and additional certain types of announcement like Investor Presentation, Press Release, Shareholder Meeting, etc are disseminated to the investors seamlessly without any intervention by the Exchange official.

- d. **Process improvement and automation:** In the continuous endeavour to carry out process improvements ‘New Age Currency Surveillance System’ was released with real time monitoring and alert generation capabilities. Surveillance actions such as identifying securities for periodic call auction, price band review etc were completely automated.

A state of the art Web crawler tool was launched to assist the surveillance team in scanning relevant news, access data and track social media in a methodical manner.

Front running identification model was revamped to make it more actionable in speedy identification of cross segment front running.

Surveillance team has also started generating alerts purely focused on algorithmic trades. These alerts identify an abnormal trading behavior and alerts the analyst.

- e. **Enhanced Supervision of Stock Brokers** - With an objective of enhancing compliances among the Stock Brokers and ensuring protection of client assets, SEBI formulated the framework of “Enhanced Supervision of Stock Broker” in consultation with NSE and other market participants. The basic objective of Enhanced Supervision framework is to protect client interests, promote & ensure efficient performance and compliances by Stock Brokers.

With a view to implement SEBI’s directions about Enhanced Supervision framework, necessary infrastructure and systems have been put in place by the Exchange. Though SEBI has postponed the implementation of the relevant provisions till July 2017, we are encouraging members to avail of the platforms and

systems created by us to ensure their readiness for compliance from the effective date.

During the Financial year 2016-17, the Exchange also conducted several workshops across India to bring awareness among the brokers of the new requirements and to provide clarifications.

- f. **Alerts to investors** - As part of NSE’s proactive investor protection measure, the inspection department of the Exchange has undertaken an initiative to educate investors by sending alerts through SMSs and emails based on client records registered with us. Through the e mail/SMS campaign, investors are also being made aware of the requirements and importance of periodic settlement, the need to review their trading activities to prevent the investors from falling prey to assured return schemes. Around 2 million email alerts and 1.8 million alerts were issued till the end of March, 2017.

- g. **Launch of NSE – Electronic Bidding Platform (NSE-EBP)** - Given the lacunae in the traditional OTC method of private placement of debt securities, SEBI introduced the guidelines for the use of Exchange based platforms for private placement of debt in April 2016. The guidelines introduce a mechanism for Electronic Bidding for issue of debt securities on private placement basis. Electronic bidding is a solution for improving efficiency and transparency of price discovery and reducing the cost and time taken for issue of debt securities on a private placement basis. Subsequent to these guidelines, and based on the feedback received from the market, NSE launched its Electronic Bidding Platform (NSE-EBP) after extensive consultations with the issuers, intermediaries and investor communities. The NSE-EBP builds on the erstwhile OTC market process and brings efficiency and transparency to it.

The platform was launched on 1 July 2016 with maiden issuance from LIC Housing Finance and has led the market with over 70 per cent issuer participation during the first quarter of its launch. At present there are over 45 arrangers and sub- arrangers and over 200 investors registered on the platform making NSE-EBP amongst the deepest platform in the market. Till FY17, around INR 1,02,489 crores were mobilized on the NSE-EBP across 278 issues covering over 54 issuers.

- h. **Issuance of Units of Investment Trusts including REITs and InvITs** - Real estate and infrastructure sectors in India have faced adversities in the recent past fuelled by increasing debt finance costs and lack of equity through private investors. To meet these challenges, need was felt for a separate structure of investment vehicles to boost the financing and refinancing of the projects in these sectors. Accordingly, SEBI in consultation with NSE and



other Market participants came up with regulations to introduce Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) that can be used to attract private investment in the infrastructure and real estate sectors, and to also relieve the formal banking institutions of the burden to finance such projects. REITs and InvITs are required by the Regulations to set up as trusts to be registered with SEBI. REITs can raise funds through an initial offer and post listing can raise through follow-on offer, rights issue, qualified institutional placements; InvITs can raise funds through an initial public offer or through private placement. Both REITs and InvITs are required to be mandatorily listed on recognized stock exchanges.

During the FY 17, NSE has received filings from IRB Infrastructure, Reliance Infrastructure and India Grid Trust in the InvITs category for raising funds to the tune of ₹10,000 crores; In-principle approval has been granted to them. Further, NSE has also been designated as the preferred exchange for the country's first Infrastructure Investment trust (InvIT) by IRB Infrastructure Developers which is scheduled to be listed in early FY18.

- i. **Issuance of Green Bonds** - NSE has been always in the forefront to create a market for the welfare of the society both economically and socially. Capital markets and bond issues play a central role in raising capital, globally, crowding-in investors from all over the world, be it public or private. The green bond market is one avenue of opportunities for investment in clean growth and resilient development that are necessary to mitigate climate change. To help companies raise funds through green bonds for investment in renewable energy space, SEBI approved new norms for issuance and listing of such securities in the stock market. Green bonds helps in enhancing an issuer's reputation

and such issuance can attract wider investor base and this may in turn benefit the issuers in terms of better pricing of their bonds compared to a regular bond issuances.

During FY 17, NSE listed the maiden green bond issuance of Indian Renewable Energy Development Agency Limited (IREDA) that mobilized funds to the tune of ₹2340 crores through issuance of Green Bonds on NSE.

## Equity IPOs

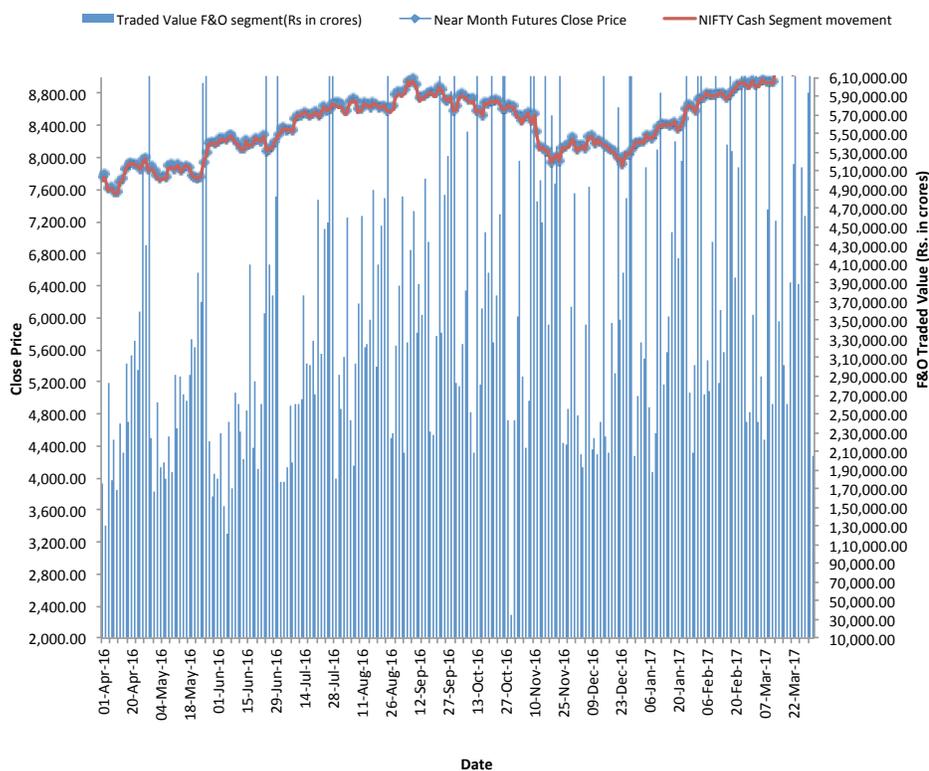
FY 2016-17 has been a promising year for Indian Primary market with funds mobilization to the tune of INR 284.6 billion across twenty five initial public offerings in equity. NSE has been the preferred designated exchange for majority of the large cap marquee issuance such as ICICI Prudential, RBL Ltd, PNB Housing Finance Ltd, L&T InfoTech Limited, Ujjivan Financial Services, L&T Technology Services Limited among others.

## 1.7 Futures and Options Segment

The financial year 2016-17 witnessed an increase of 45.58% in volumes and with a decrease in number of contracts traded by 33.30% vis-à-vis 2015-16. In daily average open interest, it increased by 21.92% over previous year in the F&O segment. The average contribution of proprietary category decreased to 41.15% in 2016-17 from 49.32% in 2015-16.

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

Figure 5



Note: Special trading sessions on October 30, 2016 (Muhurat Trading) and January 09, 2017 and January 10, 2017 (Live trading sessions from Disaster recovery site.)

### 1.7.2 Records achieved in the F&O segment during 2016-17:

Table 13

Category	Total	Date of Record
Index Futures Traded Value (₹ Crs.)	58,105.67	29-Sep-2016
Stock Futures Traded Value (₹ Crs.)	1,38,017.77	29-Sep-2016
Index Options Traded Value (₹ Crs.)	8,56,797.02	29-Sep-2016
Total F&O Traded Value (₹ Crs.)	11,01,765.21	29-Sep-2016
Stock Options Traded Value (₹ Crs.)	50,951.58	22-Feb-2017

It may be observed that during 2016-17, new records were set in Index futures, Stock futures, Index options, Total F&O traded value and Stock options traded value.



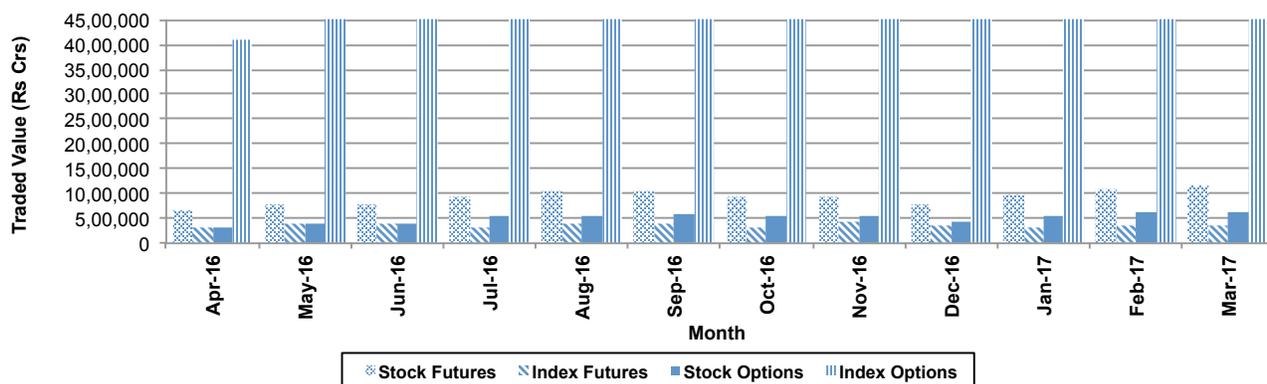
## 1.7.3 (a) Basic Statistics of the F&O segment:

Table 14

Particulars	Apr 16 to Jun 16	Jul 16 to Sep 16	Oct 16 to Dec 16	Jan 17 to Mar 17	2016-17	2015-16	% Change
Daily Average Traded Value (₹ in crores)	2,98,197.40	3,75,682.10	4,02,671.92	4,45,550.18	3,80,525.41	2,62,452.77	44.99
Daily Average Number of Contracts	52,60,812	53,69,980	58,68,159	60,77,600	56,44,138	84,96,398	-33.57
Open Interest (₹ in crores) End of day averages	2,27,960.4	2,81,293.3	2,64,408.8	3,02,453.3	2,69,028.91	2,21,554.47	21.43
% of Open Interest to Daily Average Traded value	76.45%	74.88%	65.66%	67.88%	70.70%	84.42%	

## 1.7.3 (b) A graphical presentation of monthly product-wise contribution is given below:

Figure 6



Among all products, Index Options continued to dominate the Total Turnover with their contribution observed at 78.18% in 2016-17

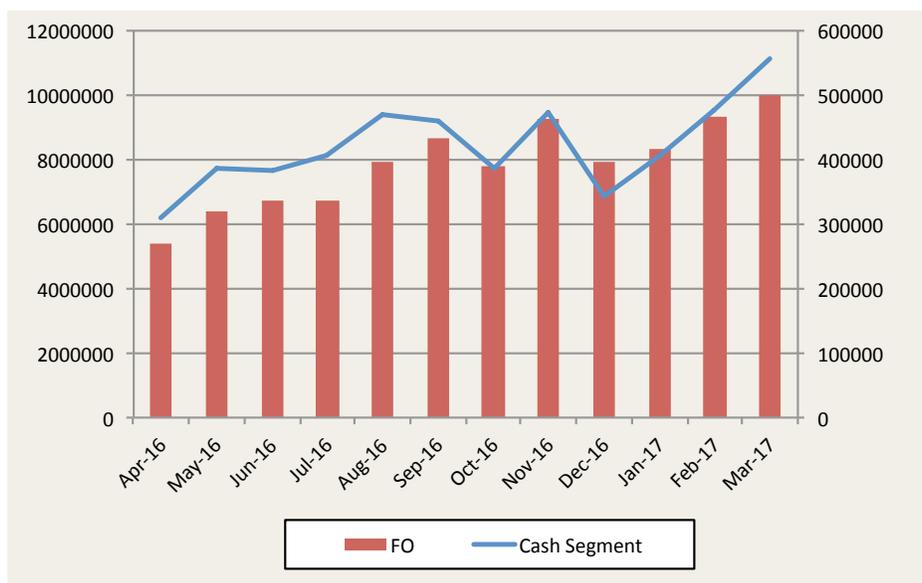
## 1.7.4 Institutional Retail & Proprietary Investors – Turnover Analysis:

Table 15

Sr no	Year	Institutional		Retail		Proprietary	
		Average Gross Traded Value (₹CrS)	Percentage Contribution	Average Gross Traded Value (₹CrS)	Percentage Contribution	Average Gross Traded Value (₹CrS)	Percentage Contribution
1	2015-16	1,38,30,974	10.67%	5,18,76,427	40.01%	6,39,44,268	49.32%
2	2016-17	2,67,08,140	14.15%	8,26,35,016	43.78%	7,93,97,477	42.07%

### 1.7.5 Comparative analysis of the Traded Value in the F&O segment with the Cash segment:

Figure 7



The ratio of F&O segment turnover to cash segment turnover was 19 for the year 2016-17 as compared to 31 for 2015-16.

### 1.7.6 Product-wise Basic Statistics:

Table 16

Category	Product	Apr 16 to Jun 16	Jul 16 to Sep 16	Oct 16 to Dec 16	Jan 17 to Mar 17	2016-17	2015-16	% Change
Daily Average Traded Value (₹ in Crs.)	Stock Futures	35554	49166	43174	51616	44877	31695	41.59
	Index Futures	18326	17481	17607	16520	17484	18450	-5.24
	Stock Options	18076	27140	24442	28850	24627	14122	74.39
	Index Options	226241	281894	317450	348565	293537	198186	48.11
Daily Average No. of Contracts	Stock Futures	705096	716393	644316	738390	718430	948356	-24.24
	Index Futures	323510	253656	263365	232614	268287	568983	-52.85
	Stock Options	353196	386464	346583	399338	371395	406070	-8.54
	Index Options	3879009	4013466	4613894	4707258	4303407	6572990	-34.53
Average OI Value (₹ in crores)	Stock Futures	69822	88319	81313	106266	86430	68961	25.33
	Index Futures	26184	36341	26590	36932	31512	26913	17.09
	Stock Options	25471	34133	32085	38459	32537	21053	54.55
	Index Options	164870	179951	179582	191831	179059	153285	16.81
Average Number of OI	Stock Futures	1340939	1354739	1311407	1568615	1393925	2049839	-32
	Index Futures	438036	547711	414964	527372	482021	849152	-43.24
	Stock Options	505852	509890	500381	551009	516783	644853	-19.86
	Index Options	2759799	2716144	2819915	2750265	2761531	4726476	-41.57
Number of trading days		62	62	62	62	248	247	

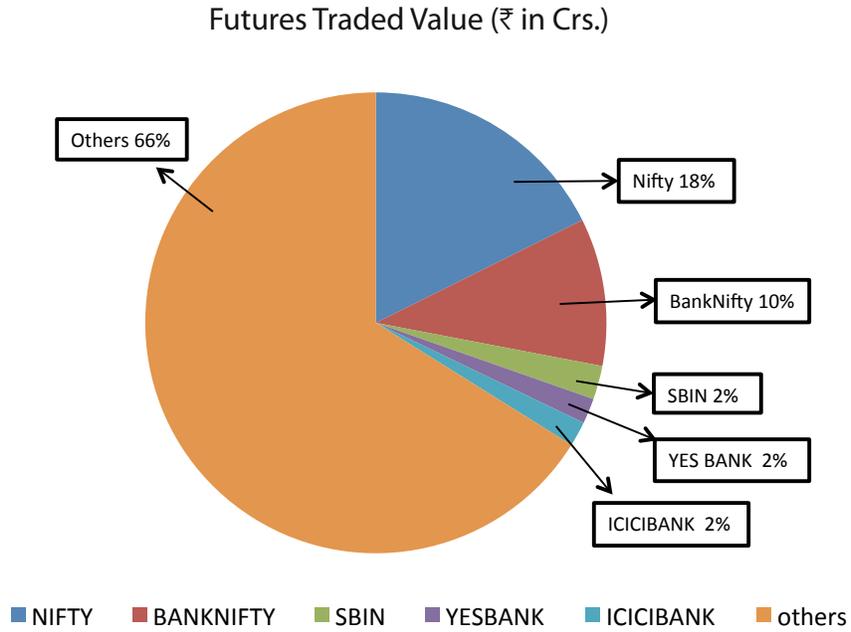
Note: Daily average traded values for options are computed based on options notional turnover.



## 1.7.7 TOP 5 TRADED SYMBOLS

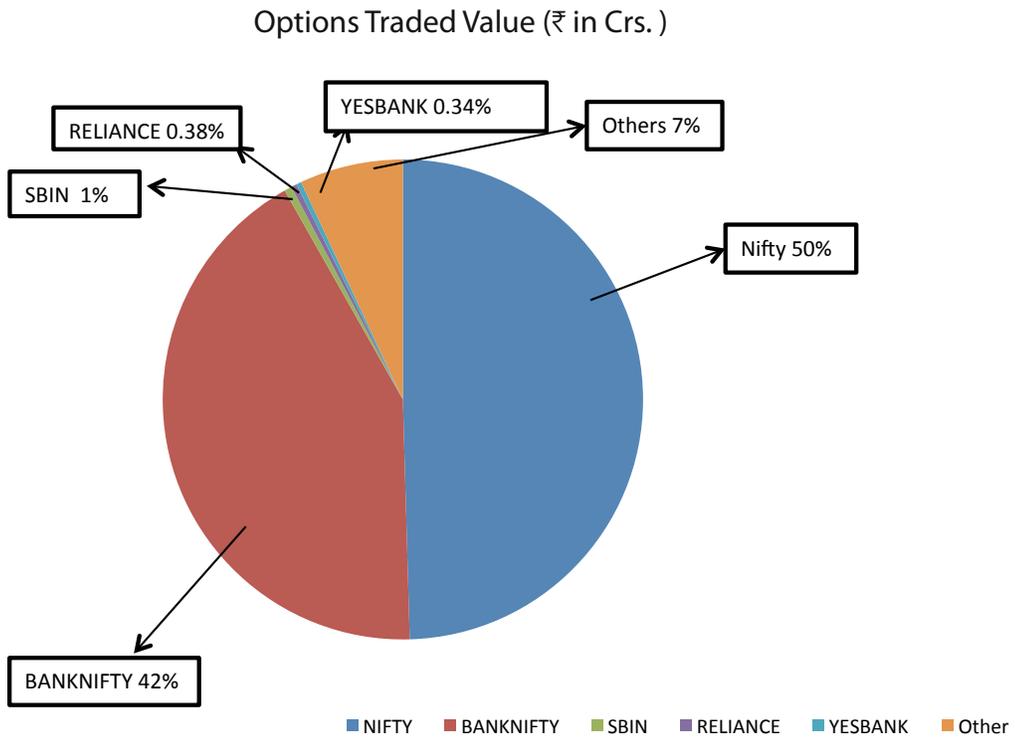
Futures:

Figure 8



Options:

Figure 9



Note: Index Futures includes India VIX\* data.

### 1.7.8 New Developments during the year 2016-17

In year 2016-17, a number of initiatives were launched by the Exchange as described below.

#### May 2016- Introduction of Weekly Options contracts on BANKNIFTY Index

In pursuance of the approval received from SEBI, Exchange introduced Weekly Options contracts on BANKNIFTY Index for trading in Future & Options segment w.e.f. May 27, 2016.

#### June 2016- Levy of fair usage charges for multi-leg orders in derivatives segments

In order to facilitate and encourage fair usage of multi-leg order entry, trading members are levied charges for 2 Leg and 3 Leg orders in Equity Derivatives.

The charges are based on order execution efficiency i.e. the ratio of number of trades resulting from 2L/3L orders and total number of 2L/3L orders.

#### October 2016- NEAT Corporate Manager Password Reset through ENIT

In our continuous effort to facilitate Trading Members, the Exchange has provided a facility to members to submit request for password reset of NEAT Corporate Manager Id for Futures & Options Segment through ENIT for faster processing and online tracking.

#### December 2016- Introduction of Futures and Options Contracts on Nifty CPSE Index

Exchange has introduced weekly/monthly F&O contracts on Nifty CPSE Index with effect from December 30, 2016.

### 1.8 Currency Derivatives Segment

The financial year 2016-17 witnessed an increase in currency

derivatives (Currency Futures and Options) volumes.

The average daily turnover in currency derivatives increased by 7.88% and stood at ₹20070.56 crores in 2016-17 compared to ₹18602.83 crores in 2015-16.

The daily average number of contracts increased by 5.77% in 2016-17 and stood at 2944014 contracts as compared to 2783402 contracts traded in 2015-16.

The daily average open interest increased by 21.88% in 2016-17 as compared to what was observed last year during the same period.

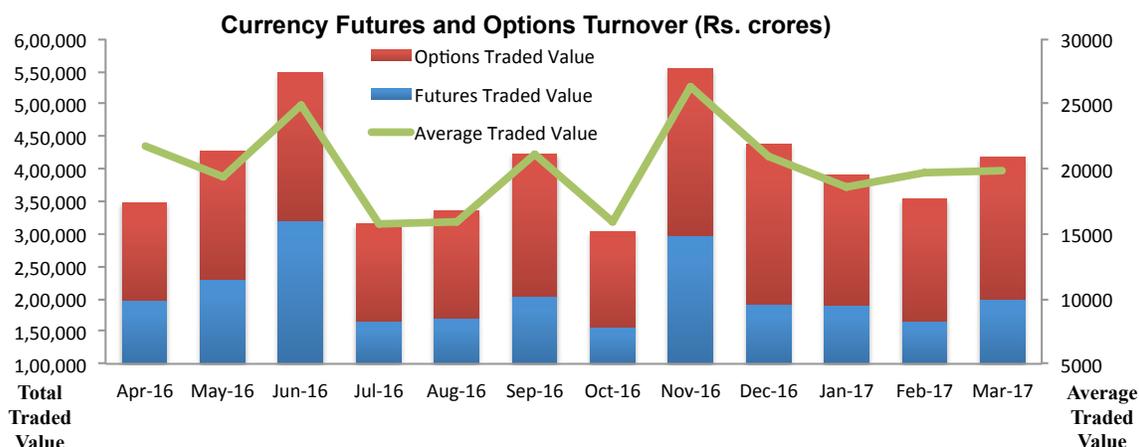
The total number of members registered in currency derivative segment has risen to 1022 for the year 2016-17 as compared to 900 for the year 2015-16.

**Currency Futures:** Average daily turnover in Currency futures for the financial year 2016-17 decreased by 9.44% and stood at ₹10,288.34 crores as compared to ₹11,360.88 crores seen in 2015-16. Futures trading constituted 51.26% of the total turnover in the segment. USD-INR currency pair was the most traded futures contracts. The average market share of NSE in currency futures stood at 54.33% in 2016-17.

**Currency Options:** Average daily turnover in currency options increased by 35.08% in 2016-17 at ₹9,782.22 crores compared to ₹7,241.95 crores observed during 2015-16. The average market share of NSE in currency options stood at 63.24% in 2016-17.

**Interest Rate Futures:** Average daily turnover in Interest Rate Futures for the financial year 2016-17 decreased by 41.53% and stood at ₹1,271.94 crores as compared to ₹2,175.31 crores in 2015-16. The daily average open interest decreased by 29.17% and stood at 1,69,313 contracts as compared to 2,39,044 contracts in the previous year.

Figure 10





## New Developments during the year

In year 2016-17, new developments have been initiated by the Exchange. The details of the same are given below:-

### June 2016- Levy of fair usage charges for multi-leg orders in derivatives segments

In order to facilitate and encourage fair usage of multi-leg order entry, trading members are levied charges for 2 Leg and 3 Leg orders in Currency Derivatives.

The charges are based on order execution efficiency i.e. the ratio of number of trades resulting from 2L/3L orders and total number of 2L/3L orders.

### 1.9 Debt segment

NSE launched first dedicated Debt Platform on May 13, 2013. The Debt segment provided an opportunity to retail investors to invest in corporate bonds on a liquid and transparent exchange platform. The segment has helped Institutions who are holders of corporate bonds an ideal platform to buy and sell at optimum prices and help Corporates to get adequate demand, when they are issuing the bonds.

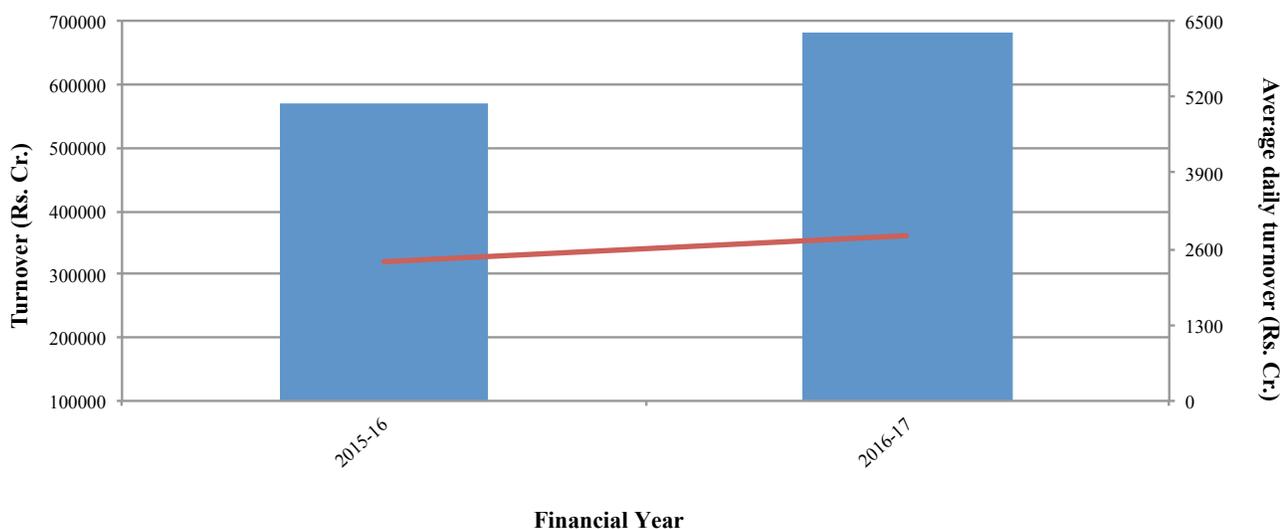
In its endeavour to centralize trading in all debt instruments into a single platform, the Exchange introduced a new web based negotiated reporting platform for reporting of all the deals in debt instruments by trading members with effect from July 01, 2015 in Debt segment. The Exchange has closed WDM from July 03, 2015 and merged with New Debt Segment. In 2016, NEATPLUS Debt had been discontinued w.e.f. November 28, 2016 and same was migrated Web Based New Debt Market (NDM) platform.

Debt segment consists of negotiated trade reporting platform and order matching platform

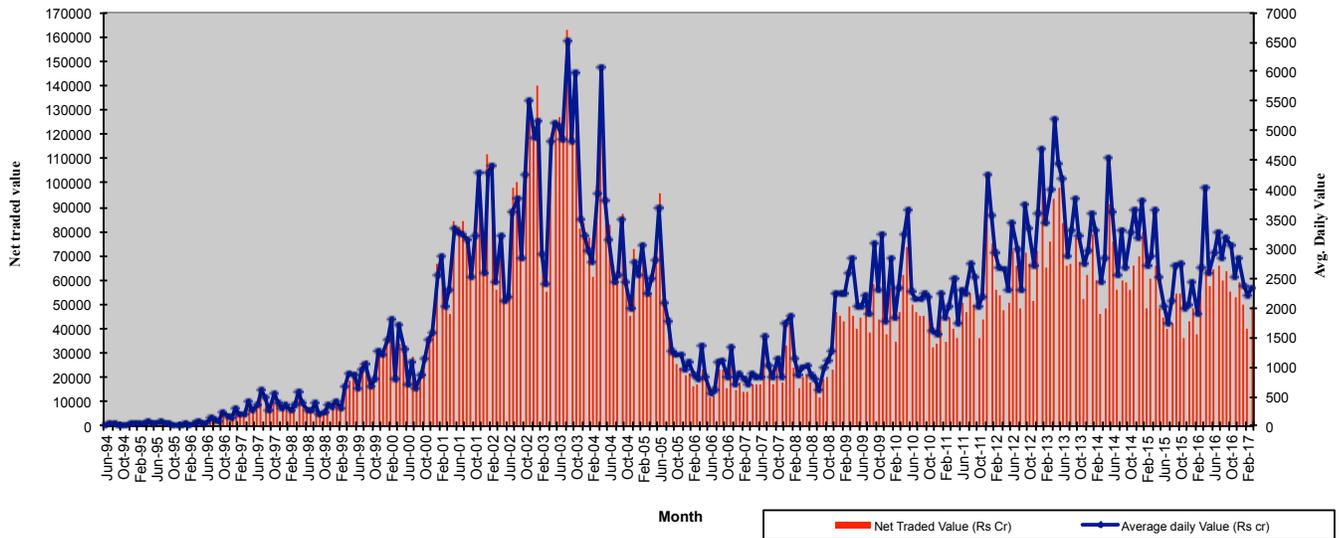
The turnover on Debt segment increased in the financial year 2016-2017. The turnover increased to ₹6,82,426.20 crores in 2016-17 from ₹5,69,494.67 crores in 2015-16 registering an increase of 19.83%. The average daily turnover increased to ₹2,831.64 crores in 2016-17 from ₹2,363.05 crores in 2015-16.

Figure 11

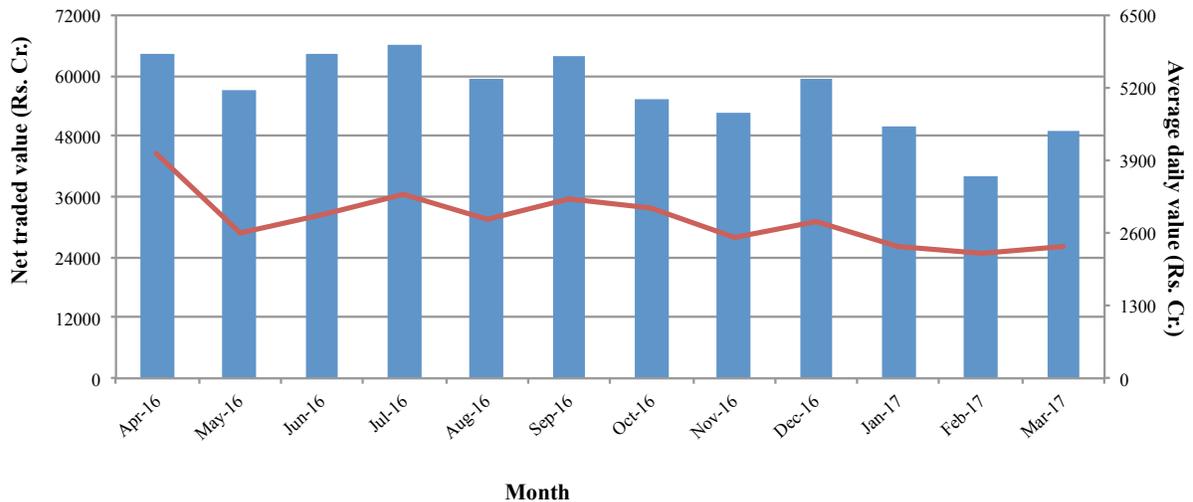
**Financial Year wise Turnover in Debt segment**



The business growth on the Debt segment of the Exchange is presented in Figure 12.



### Turnover in Debt segment for FY 2016-2017



Transactions in dated government securities account for a substantial share in the Debt segment with 70.04% in 2016-2017. Market capitalisation of the Debt segment has witnessed a constant increase in the number of securities available for trading on this segment. Total market capitalisation of the securities available for trading on Debt segment stood at ₹66,11,683.72 crores as on March 31,2017



**Table 17: Trades in Debt segment**

Particulars	2016-2017	2015-2016
Number of Trades	16875	14676
Average monthly number of trades	1406	1223
Average daily number of trades	70	61
Average Trade Value (₹ in crores)	40.44	38.80
Average Daily Turnover (₹ in crores)	2831.64	2363.05
Turnover (₹ in crores)	6,82,426.18	5,69,494.67
Number of Active Scrip's	1938	1739
Number of Active members	29	28

### 1.9.1 Securities Profile

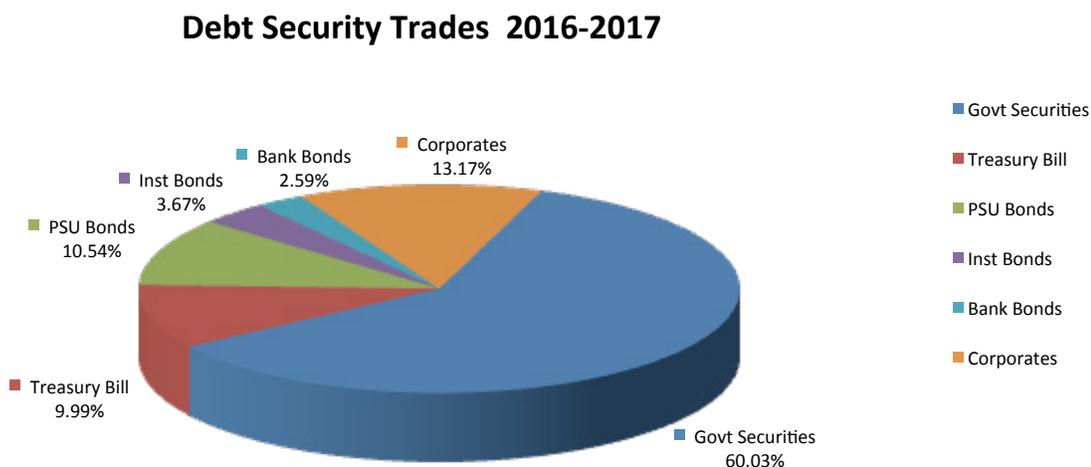
The turnover of Government securities in the Debt segment decreased by 4.05% during 2016-17. Its share in total turnover increased from 56.22% in 2015-16 to 60.04% in 2016-17. The share of Treasury Bills decreased from 17.86% in 2015-16 to 9.99% in 2016-17. The turnover of Non-Government securities in Debt segment increased by 38.50% during 2016-17. During 2016-2017 the share of Non Government Securities in total turnover increased to 29.97% as compared to 25.92% in 2015-2016.

Table 18 and Figure 13 represent security-wise distribution of turnover.

**Table 18: Security-wise Distribution of Turnover**

Securities	2016-17		2015-16	
	Turnover (₹ in crores)	% of Turnover	Turnover (₹ in crores)	% of Turnover
Government Securities	409752.46	60.04	320144.91	56.22
T-Bills	68207.95	9.99	101726.20	17.86
PSU Bonds	71955.35	10.54	71330.06	12.53
Institutional Bonds	25059.03	3.67	23018.85	4.03
Bank Bonds	17672.20	2.59	3569.40	0.63
Corporate Bonds	89779.19	13.17	49705.26	8.73
<b>Total</b>	<b>682426.18</b>	<b>100.00</b>	<b>569494.68</b>	<b>100.00</b>

**Figure 13: Security wise Distribution of Turnover**



### 1.9.2 Issuances in Debt Segment

A total of 1815 securities were listed during the financial year 2016-17. As at end of March 2017, 8083 securities were available for trading on the Debt segment. Details of Issuance in Debt are provided in Table 19.

Table 19: Issuance in Debt Segment

Financial Year	No of New Securities Listed	Total No. of Securities (at year end)	Market Capitalisation (at year end ₹ in Crs)
2004-05	1299	3097	14,61,734.37
2005-06	564	3177	15,67,573.81
2006-07	661	3252	17,84,800.57
2007-08	856	3566	21,23,346.28
2008-09	1026	3954	28,48,315.50
2009-10	959	4140	31,65,929.48
2010-11	1080	4479	35,94,877.15
2011-12	1508	5148	42,72,736.48
2012-13	1707	5782	49,28,331.79
2013-14	1304	5952	51,28,733.33
2014-15	1694	6546	57,39,272.61
2015-16	1905	7089	59,65,056.31
2016-17	1815	8083	66,11,683.72

### 1.9.3 Market Capitalisation

Total Market capitalization of the securities available for trading in Debt segment increased to ₹66,11,683.72 crores in 2016-17 from ₹59,65,056.31 crores in the previous year registering a growth of 10.84%. The Central Government securities accounted for the largest share of the market capitalization with 40.52% while Non Government Securities accounted for 25.56%. The composition of market capitalization of various securities on Debt is presented in Table 20.

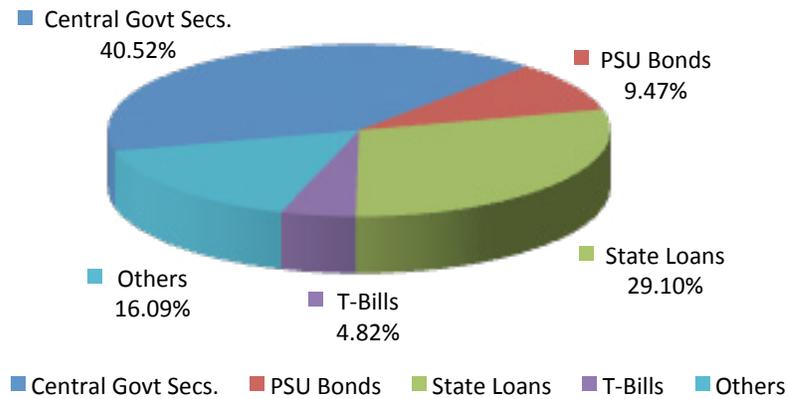
Table 20: Market Capitalisation of Debt segment

Securities	As on March 2017		As on March 2016	
	Market Cap. (₹ in crores)	% of total	Market Cap. (₹ in crores)	% of total
Central Government Secs.	26,78,967.30	40.52	27,45,713.28	46.03
PSU Bonds	6,26,174.28	9.47	4,94,760.44	8.29
State Loans	1,92,3957.93	29.10	15,40,492.18	25.83
T-Bills	3,18,871.85	4.82	3,40,958.32	5.72
Others	10,63,712.36	16.09	8,43,132.09	14.13
<b>Total</b>	<b>66,11,683.72</b>	<b>100.00</b>	<b>59,65,056.31</b>	<b>100.00</b>



Figure 14: Market Capitalisation of Debt segment

### Market Capitalisation (As on March 31, 2017)



#### 1.9.4 Corporate Bond Market

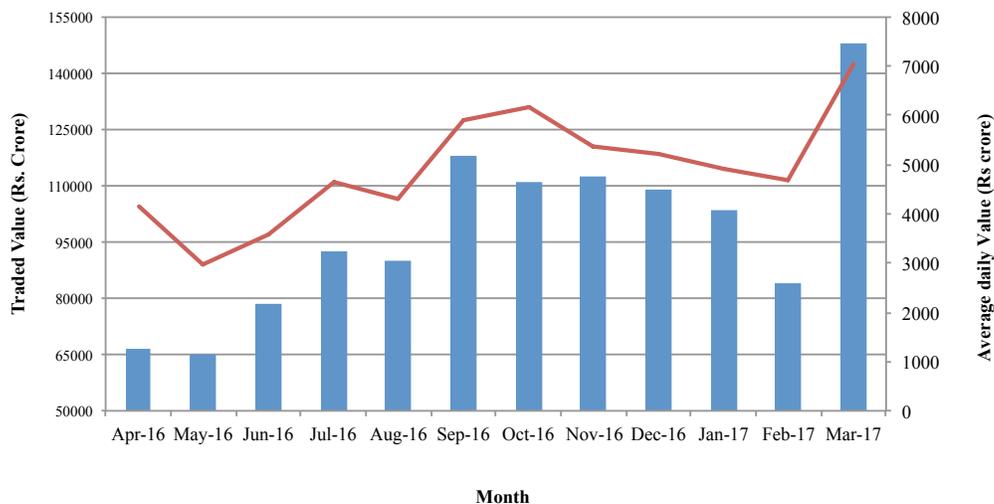
Currently for reporting trades in corporate bonds, Exchanges provide two platforms namely Debt Segment and CBRICS. The average daily traded value reported through corporate bond for 2016-2017 was ₹4890.02 crores (Debt Segment & CBRICS) as compared to ₹3374.50 crores for 2015-16 with an average of around 266 trades being reported on a daily basis as compared to 221 trades for 2015-16.

Turnover of Corporate Bond is presented in Table 21 and Figure 15.

Table 21: Corporate Bond Turnover

Corporate Bond Turnover	2016-2017	2015-2016	%Change
Total Turnover (₹Cr.)	1178493	813255.47	44.91
Average Daily Turnover (₹ Cr.)	4890.02	3374.50	44.91
Total Number of Trades	64123	53181	20.58
Average Daily Trades	266	221	20.36

Figure 15: Corporate Bond Turnover for Financial year 2016-2017



### New Developments during the year 2016-17 for Debt Market

In year 2016-17, new developments have been initiated by the Exchange. The details of the same are given below:-

#### Launch of Indian Trade Repository for Corporate Debt

On July 01, 2016, the Exchange launched "Indian Trade Repository for Indian corporate debt". The Trade Repository provides consolidated information on Over the Counter (OTC) deals in corporate bonds across the Exchanges. From November 01, 2016, Indian Trade Repository for the corporate debt market has started dissemination of data on Primary Issuance of corporate bonds in addition to secondary market data. The availability of primary and secondary market information at one place provides greater transparency to market participants and further the development of the corporate bond markets.

## 2. SERVICES TO INVESTORS

During the year 2016-17, the Exchange dealt with 7,791 investor complaints against trading members and companies and facilitated 527 arbitration and appellate arbitration cases.

The Exchange has twenty three Investor Service Centres at Mumbai, Chennai, Kolkata, New Delhi, Ahmedabad, Hyderabad, Indore, Kanpur, Pune, Bangalore, Jaipur, Vadodara, Patna, Lucknow, Chandigarh, Dehradun, Kochi, Guwahati, Bhubaneswar, Ranchi, Panaji, Raipur and Jammu. The Centres are meant to facilitate query resolution, complaint resolution and to provide arbitration facilities. The Exchange has empaneled 146 Arbitrators and 136 IGRP members across 23 centres.

In the last two years, various initiatives have been undertaken to improve the convenience to investors and provide faster resolution of complaints. The Exchange apart from enhancing the e-filing portal for investors, documents required for complaint resolution are specifically informed to investor. Further, through continuous initiatives, the Exchange has managed to decrease the turnaround time to around 10 days.

## 3. RESEARCH INITIATIVES IN 2016-17

### 3.1 NSE-NYU Indian Financial Markets Conference

NSE has set up a joint Initiative with the New York University's Stern School of Business for research in the area of Finance, with a focus on the study of Indian financial markets. The annual conference under this initiative was held in December 2016, which was the fourth in the series.

### 3.2 NSE-IGIDR Conference in Corporate Governance

The third annual international conference in corporate governance was organised in March 2017 under the aegis of the NSE-IGIDR research collaboration on corporate governance.

### 3.3 Quarterly Briefings under the aegis of the NSE – Centre for Excellence in Corporate Governance (NSE CECG)

To project NSE as a 'thought leader' in corporate governance and engage with its listed companies on important governance issues, the NSE Centre for Excellence in Corporate Governance (NSE-CECG) was established in 2012-13. Under its aegis four issues of Quarterly Briefings were released and circulated among directors of listed companies and senior SEBI officials in 2016-17.

### 3.4 Publications of NSE

Indian Securities Market Review (ISMR) and NSE Factbook are two NSE publications which are prepared on annual basis. In addition, edited transcripts of the international conferences organised by NSE were also circulated among various stakeholders in the securities market. Besides, a 'White Paper Series' of the NSE-NYU conference was also widely circulated.

### 3.5 Seminars and Panel Discussions

In 2016-17, the Economic Policy and Research (EPR) Department continued to organise seminars and panel discussions by eminent people on securities market, corporate governance and macroeconomic issues. During the year, the EPR Department also continued with the NSE Lecture Series in Securities Laws and Practices, which was started in 2015-16 and which has seen participation from various securities market professionals including from mutual funds, investment banks, registrar and transfer agents, brokerage houses, law firms, etc.

### 3.6 Training Program for Women Directors

Recognizing that directors are among the most critical stakeholders of corporate governance and that gender diversity on boards is a highly desirable public policy goal; the Exchange, in collaboration with Cyril Amarchand Mangaldas, as the knowledge partner, a one-day training program for serving and aspiring women directors was organized in November 2016.



## 4.1 Financial Results

The working of NSE during the year has resulted in a net profit after tax of ₹1032.93 crores as per particulars given below: -

Table 22:

(₹ in crores)

Particulars	NSE (Standalone)		NSE (Consolidated)	
	2016-17	2015-16	2016-17	2015-16
Income	2318.41	2030.34	2680.83	2359.17
Expenditure	761.42	681.12	883.79	720.88
Profit before share of net profits of investments accounted for using equity method and tax	1556.99	1349.22	1797.04	1638.29
Add: Share of net profit of associates and joint ventures accounted by using equity method	-	-	111.67	91.15
Profit before contribution to NSCCL Core SGF & tax	1556.99	1349.22	1908.71	1729.44
Less: Contribution to NSCCL Core SGF	(134.07)	(761.52)	(134.07)	(761.52)
<b>Profit before tax</b>	<b>1422.92</b>	<b>587.70</b>	<b>1774.64</b>	<b>967.92</b>
Tax expenses (including deferred tax)	(389.99)	(152.03)	(555.82)	(337.11)
<b>Profit after tax</b>	<b>1032.93</b>	<b>435.67</b>	<b>1218.82</b>	<b>630.81</b>
Surplus brought forward from previous year	5675.73	5102.83	6822.67	6194.99
Add / Less : Other comprehensive income	(20.14)	10.85	(26.35)	10.17
Less : Dividend Paid (Including Dividend Distribution Tax)	(793.88)	(400.81)	(825.96)	(430.67)
Add : Reversal of provisional transfer to settlement guarantee fund	-	527.19	-	527.19
Less: Appropriation to Core SGF (Net of Tax)	-	-	(24.55)	(109.88)
Add / (Less) : Changes in Foreign Currency Translation Reserve	-	-	-	0.06
Less: Transfer to CSR Reserve	(53.13)	-	(72.06)	-
Add: Transferred from Retained Earnings	53.13	-	72.06	-
Add: Deferred Tax reversal adjustments on account of sale of investments	-	-	0.85	-
Less: Issue of bonus shares	(4.50)	-	(4.50)	-
<b>Balance carried to Balance Sheet</b>	<b>5890.14</b>	<b>5675.73</b>	<b>7160.93</b>	<b>6822.67</b>
<b>Earnings per share (EPS) (Face Value of ₹1 each) before contribution to core SGF</b>				
Basic	22.64	18.86	26.39	22.80
Diluted	22.64	18.86	26.39	22.80
<b>EPS (Face Value of ₹1 each) after contribution to core SGF</b>				
Basic	20.87	8.80	24.62	12.74
Diluted	20.87	8.80	24.62	12.74

## 4.2 Result of Operations and the State of Company's Affairs

On a standalone basis, the total income of the Company during the FY 2016-17 increased to ₹2318.41 crores from ₹2030.34 crores in the previous year and the profit after tax stood at ₹1032.93 crores as against ₹435.67 crores of previous year.

On a consolidated basis, the total income of the Company during the FY 2016-17 increased to ₹2680.83 crores from ₹2359.17 crores in the previous year and the profit after tax stood at ₹1218.82 crores as against ₹630.81 crores of previous year.

### Co-location

SEBI has directed the Company to carry out an investigation including forensic examination by an independent external agency in respect of certain aspects of NSE's Colocation facility. The process is underway in the light of the Regulator's directives and advice received in response to inputs provided by the Exchange. A satisfactory resolution of the issues is being actively pursued under the oversight of the Board.

In this regard, SEBI has directed that, pending completion of investigation to the satisfaction of SEBI, all revenues emanating from colocation facility including the transaction charges on the trades executed through this facility be placed in a separate bank account. Accordingly, such transfers are made from time to time. The amount transferred for the period from September 2016 to March 2017 was ₹375.51 crores.

The state of affairs of the Company is presented as part of Management Discussion and Analysis Report forming part of this report.

## 4.3 Share Capital

### Bonus Issue

During the year under review, the Company made bonus allotment of 45 lakh equity shares of ₹10/- each in the ratio of 1:10 (i.e. 1 equity share for every 10 equity shares held) to the Shareholders whose names appeared in the Register of Members / List of beneficial owners as on November 23, 2016. Consequently, the Issued, Subscribed and Paid-up equity share capital of the Company increased to ₹49.50 crores comprising of 4.95 crore equity shares of face value of ₹10/- each.

### Sub-division of Equity Shares

The Board of Directors of the Company at its meeting held on October 4, 2016 and the Members at the Extra-ordinary General meeting held on November 10, 2016 gave their approval for sub-division of face value of equity shares of the Company from ₹10 to ₹1 per share. Accordingly, December 13, 2016 was fixed as the record date for the purpose of sub-division of equity shares.

Consequent to the sub-division of shares, the Authorised share capital of the Company stood at ₹50 crores divided into 50 crore equity shares

of face value of ₹1/- each and the Issued, Subscribed and Paid-up equity share capital of the Company stood at ₹49.50 crores divided into 49.50 crore equity shares of face value of ₹1/- each.

## 4.4 Dividend

The dividend policy as adopted by the Company inter-alia states that the declaration and payment of dividends will be recommended by the Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, particularly the Companies Act, 2013, the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) and SECC Regulations. The dividend payable depends on a number of internal as well as external factors, including inter-alia capital requirements, earnings, contractual restrictions, applicable legal restrictions, volatility in the capital markets, overall financial position of our Company, uncertainty in the economic conditions and changes in the rate of dividend distribution tax.

Subject to applicable statutory provisions and to retain Shareholders' confidence, the Company intends to have a total dividend payout (including dividend distribution and other taxes, cess, levies, if any relating to the dividend) of around 60% of its consolidated profit, net of tax for the relevant financial year, subject to the aforementioned factors and such other factors as may be decided by the Board from time to time. The dividend policy is available on the website of the Company.

During the year under review, the Board had declared and paid an interim dividend of ₹79.50 (795%) per equity share (on the face value of ₹10 each) for which the record date was fixed as October 17, 2016 and the said amount was paid to the Shareholders of the Company on October 18 and October 19, 2016. The total interim dividend outflow was ₹357.75 crores and dividend distribution tax was ₹72.83 crores.

The Board of Directors at their meeting held on May 5, 2017 recommended payment of final dividend at ₹12.25/- (1225%) per equity share (on the face value of ₹1 each) for the year 2016-2017. The final dividend outflow shall amount to ₹606.38 crores and dividend distribution tax shall be ₹123.44 crores. The payment of the final dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting and shall be paid to those members whose names appear in the Register of Members of the Company as on July 28, 2017, being the record date for the purpose of final dividend.

With the payment of interim dividend and proposed final dividend, the total equity dividend for the year 2016-17 (including dividend tax) shall aggregate to ₹1160.40 crores.



#### 4.5 Transfer to reserves

During the year, the Company has created CSR Reserve to undertake CSR activities and has transferred the unspent amount of ₹53.13 crores from Retained earnings to CSR Reserve. The unspent amount is the shortfall in amount required to be spent by the Company as per the Companies Act, 2013 and amount actually spent.

In accordance with Regulation 33 of the SECC Regulations, every recognized stock exchange was required to transfer twenty five percent (25%) of its annual profits every year to a Settlement Guarantee Fund ("SGF") of the recognized clearing corporation(s) which clears and settles trades executed on that stock exchange to guarantee settlement of trades. Subsequently, SEBI in its press release No.66/2012 dated June 21, 2012 made an announcement about expert committee being formed to inter-alia look into the norms for adequacy of the core corpus of the SGF and its sourcing, including transfer of profits by stock exchanges to SGF in the long run. As a matter of prudence, the Company had recorded the provisional appropriation from reserve at 25% of its annual profit after tax in its financial statements.

Effective August 29, 2016, SEBI has amended Regulation 33 of SECC Regulations and the Company is now required to contribute only towards the Minimum Required Contribution (MRC) of Core SGF. Accordingly, during the year ended March 31, 2017, the Company has recorded an expense of ₹121.07 crores (pro-rata based on profits till the date of amendment of the Regulation) (net of ₹13 crores for contribution to MRC of Core SGF for the year ended March 31, 2017) in its Statement of Profit and Loss and disclosed ₹284.39 crores as the amount payable to Core SGF as other current liability in its Balance Sheet as of March 31, 2017.

#### 4.6 Particulars of Loans, Guarantees or Investments under section 186 of the Companies Act, 2013

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

#### 4.7 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 Regulations. There are no materially significant Related Party Transactions entered into by the Company with the Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee of the Company, for its approval. The Company has adopted a Policy on Related Party transactions as approved by the Board, which is uploaded on the Company's website ([weblink:https://www.nseindia.com/global/content/about\\_us/PolicyonMaterialityandDealingwithRelatedPartyTransactions.pdf](https://www.nseindia.com/global/content/about_us/PolicyonMaterialityandDealingwithRelatedPartyTransactions.pdf)).

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

#### 4.8 Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statements

Currently there is high degree of automation in most of the key areas of operations and processes of the Company. Such processes are well documented with comprehensive and well defined Standard Operating Procedures (SOPs) which inter alia include, financial controls in the form of maker checker, strict adherence to financial delegation made by the Board at various levels, systemic controls, information security controls as well as role based access controls etc. Such controls are periodically reviewed for change management in the eventualities of introduction of new processes / change in processes, change in systems, change in personnel handling the activities etc. Such controls are independently reviewed by the internal auditors / operational reviewers of the Company. Internal Auditors, Operation reviewer and an independent practising Company Secretary also review the compliances by the Company of applicable laws on a quarterly basis.

The observations, if any, of the internal audit, operations review and the compliance report issued by independent practicing company secretary are also presented to the Audit Committee every quarter.

The Statutory Auditors have conducted a review of Internal Financial Controls including Entity Level Controls. IT General Controls, risk control matrix and process walk through on as sample basis as per the guidelines issued by ICAI.

#### 4.9 Subsidiaries, Joint Ventures and Associate Companies

The Company has 10 (direct and indirect) subsidiaries (9 in India and 1 abroad) as on March 31, 2017.

During the year under the review, the following two Companies were incorporated:

- NSE IFSC Limited was incorporated on November 29, 2016
- NSE IFSC Clearing Corporation Limited was incorporated on December 2, 2016

NSE Educational Facilities Limited, subsidiary Company was renamed

as NSE Academy Limited with effect from May 17, 2016.

The Company has adopted a Policy for determining Material Subsidiaries which is available on the Company's website (weblink:[https://www.nseindia.com/global/content/about\\_us/PolicyonDeterminingMaterialsubsidiaries.pdf](https://www.nseindia.com/global/content/about_us/PolicyonDeterminingMaterialsubsidiaries.pdf)).

#### Report on Performance & Financial position of the Subsidiaries

The highlights on performance and financial position of the Company's subsidiaries (included in the consolidated financial statement for FY 2016 -17) are as follows:

##### 4.9.1. National Securities Clearing Corporation Limited (NSCCL)

NSCCL was incorporated as a public company on August 31, 1995 at Mumbai under the Companies Act, 1956. NSCCL carries on the business of, inter alia, clearing and settlement of shares, other securities of all kinds including securities defined under the Securities Contracts (Regulation) Act, 1956 and all other instruments of any kind traded and to regulate and manage dealings in securities and instruments. The paid-up share capital of NSCCL as on March 31, 2017 stood at ₹45 crores comprising of 4.50 crore equity shares of ₹10 each wherein 100% of the Share capital of NSCCL is held by NSE.

During the financial year 2016-17, NSCCL earned net profit after tax of ₹152.84 crores as compared to net profit after tax of ₹173.81 crores for the financial year 2015-16. The Board of NSCCL have recommended dividend of ₹16 per equity share (on the face value of ₹10 each) for the year 2016-17. The payment of dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of NSCCL.

#### Initiatives, Operations and Major Events during the year

**CM Segment:** NSCCL successfully continued its track record of completing all settlements in a timely manner. During the period under review, 248 rolling settlements were handled in de-materialised mode. The average value of securities handled per settlement was ₹5,967.59 crores in 2016-17. The average funds pay-in per settlement was ₹1,650.90 crores in 2016-17. The average number of shares processed per settlement was about 2926.14 lakhs in 2016-17. Short deliveries per settlement averaged around 0.17% in 2016-17. The Core Settlement Guarantee Fund stood at ₹197.17 crores as on 31<sup>st</sup> March 2017

**F&O Segment:** The total value of settlement was ₹96,777.87 crores in 2016-17. The highest monthly settlement was ₹12,806.09 crores in the month of November 2016. March 2017 witnessed the highest monthly trading volume of ₹99,71,152.89 crores. As on March 31, 2017, the Core Settlement Guarantee Fund in F&O segment stood at ₹1051.99 crores.

**Currency Derivatives segment:** The total settlement value was ₹8,044.48 crores in 2016-17. The highest monthly settlement value was ₹1,135.27 crores in the month of November 2016. The highest trading value in Currency Futures on NSE in 2016-17 was ₹38,040.96 crores with total of 0.52 crores contracts being traded and in Currency Options it was ₹25,392.93 crores, with total of 0.37 crores contracts being traded. The highest trading volume in Interest Rate Futures on NSE in 2016-17 was ₹4,358.21 crores with total of 0.02 crores contracts being traded. As on March 31, 2017, the Core Settlement Guarantee Fund in Currency Derivatives segment stood at ₹121.20 crores.

**Securities Lending and Borrowing segment (SLBS):** NSCCL is an approved Intermediary (AI) for SLBS with SEBI. In 2016-17, the volumes in SLBS increased by 24.02% from ₹9,624.88 crores in 2015-16 to ₹11,936.76 crores. As compared to previous year, during 2016-17, securities traded in SLBS increased from 173 to 185. As on March 31, 2017, there are 135 participants, 5 custodian-cum-participants and 5 custodians registered in SLBS.

**Mutual Fund Service System (MFSS):** As on March 31, 2017, 43 mutual fund houses with 8775 schemes were enabled under the revised MFSS scheme. The average daily value of funds settled for subscription of mutual fund units for financial year 2016-17 was ₹18.43 crores. The average daily value of funds settled for redemption of mutual fund units for financial year 2016-17 was ₹10.08 crores.

**Corporate Debt Instruments:** NSCCL provides DVP-1 based settlement for OTC trades in Corporate Bonds, Repo in Corporate Bonds, Commercial Papers (CP) and Certificate of Deposits (CD). The average daily settlement value at NSCCL for OTC trades in Corporate Bonds, Commercial Papers (CP) and Certificate of Deposits (CD) during the financial year 2016-17 stands at ₹4,026.20 crores, ₹3,805.42 crores and ₹3,304.93 crores respectively. The highest settlement value, during this period, of ₹29,511.51 crores (across all corporate debt instruments) were recorded on September 29, 2016. During the financial year 2016-17, NSCCL settled 629 repo trades valuing ₹15,647.40 crores.

##### 4.9.2. NSE Strategic Investment Corporation Limited (NSICL)

NSICL was incorporated as a public company on January 31, 2013 at Mumbai under the Companies Act, 1956. Its main objectives are inter alia, to make or hold all strategic investments in the equity shares and/or other securities of various companies. The paid-up share capital of NSICL as on March 31, 2017 is about ₹825.99 crores comprising of about 41.30 crore equity shares and about 41.30 crores 6% Non-cumulative Compulsorily Convertible Preference Shares (NCCPS) of ₹10 each, respectively, wherein 100% of its Share capital is held by NSE.



During the financial year 2016-17, NSICL earned net profit after tax of ₹20.31 crores as compared to net profit after tax of ₹64.81 crores for the financial year 2015-16. NSICL was formed with an intention to conserve resources for the group to invest in the capital of other companies in the group or outside. Hence, the Board of NSICL did not recommend any dividend to be paid in respect of NCCPS and the equity shares.

#### 4.9.3. India Index Services & Products Limited (IISL)

IISL was incorporated as a public company on May 18, 1998 at Mumbai under Companies Act, 1956. IISL is a step-down Subsidiary of NSE wherein 100% of its share capital is held by NSICL. IISL carries on the business of, inter alia, development, construction, computation and maintenance of indices in relation to the capital markets. The paid-up share capital of IISL as on March 31, 2017 is ₹1.30 crores comprising of 13 lakh equity shares of ₹10 each.

During the financial year 2016-17, IISL earned net profit after tax of ₹57.95 crores as compared to net profit after tax of ₹53.59 crores for the financial year 2015-16. The Board of IISL recommended dividend of ₹220/- per equity share (on the face value of ₹10 each) for the year 2016-17. The payment of dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of IISL.

#### Initiatives, Operations and Major Events during the year

IISL continued to be the primary provider of indices and related products and services to various participants in the Capital Market in India, in its 19<sup>th</sup> year of operation. The NIFTY 50 Futures traded on NSE recorded a turnover of ₹2,725,293 crores in the financial year 2016-17 as compared to a turnover of ₹2,966,314 crores in the financial year 2015-16, decline of 8.1%. Premium turnover of NIFTY 50 Options traded on NSE was ₹257,023 crores in the financial year 2016-17 as compared to ₹306,914 crores in the financial year 2015-16, decline of 16%. The NIFTY 50 Futures traded on Singapore Exchange (SGX) recorded volume of 20.8 million contracts in the financial year 2016-17 as compared to a volume of 21.04 million contracts in the financial year 2015-16, decline of 1.1%.

#### Other key developments:

1. During the year under review, IISL has widened the client base that uses IISL Indices and index data
2. Singapore Exchange (SGX) launched futures linked to NIFTY Bank and NIFTY Midcap 50 index in June 2016
3. Taiwan Futures Exchange (TAIFEX) launched futures linked to NIFTY 50 in November 2016
4. NSE launched Futures linked to NIFTY CPSE in December 2016

5. During financial year, one of the leading Korea based asset management company launched an ETF linked to NIFTY50 2X Leverage index which was listed on Korea Stock Exchange (KRX). Also, one Hong Kong based asset management company launched 2 ETFs on NIFTY50 1X Inverse and NIFTY50 2X Leverage indices which were listed on Hong Kong Stock Exchange.
6. As on March 31, 2017, 16 index funds & 37 ETFs are linked to NIFTY indices in the Indian Capital market. The total AUM of ETF and Index Funds linked to NIFTY indices in India is ₹39,113 crores as on March 31, 2017 as compared to ₹15,027 crores as on March 31, 2016.
7. Total 11 ETFs on NIFTY indices are listed outside India (6 on NIFTY 50, 3 on NIFTY50 2x Leverage and 2 on NIFTY50 1x inverse). The total AUM of international ETFs linked to NIFTY indices is USD 1,159 million as on March 31, 2017 as compared to AUM of USD 1,071 million as on March 31, 2016.
8. In total 48 ETFs (37 ETFs in India and 11 ETFs in international markets) linked to NIFTY indices are traded across 17 stock exchanges (including NSE and BSE) globally.

#### 4.9.4 NSE Infotech Services Limited (NSE Infotech)

NSE Infotech was incorporated as a public company on August 2, 2006 at Mumbai under the Companies Act, 1956. NSE Infotech is a step-down Subsidiary of NSE wherein 100% of its share capital is held by NSICL. NSE Infotech carries on the business of, inter alia, advising, providing services, developing, carrying out research and development, implementing, maintaining products and solutions for the customers on all matters involving computer software and hardware systems and management of data processing and information and data communication systems. The paid-up share capital of NSE Infotech as on March 31, 2017 stood at ₹5 lakhs comprising of 50 thousand equity shares of ₹10 each.

During the financial year 2016-17, NSE Infotech earned net profit after tax of ₹2.46 crores as compared to net profit after tax of ₹1.19 crores for the financial year 2015-16.

#### Transformation through new technology

Technology is key business enabler and a strategic differentiator for NSE. As a Technology partner, NSE Infotech continues to plan, deliver and maintain technology products and services for NSE.

**New Market Data** was started from trading system to improve the bandwidth utilization. The new structure enables more data to be sent thereby giving flexibility to send 1, 10 and 20 depths to market directly from Trading system.

**FO market Expansion** was done to 8 markets on new stratus fault tolerant server FT6800. The 99 percentile latency is reduced by 30 %.

**Drop Copy** feature was deployed as a new Layer to trading system, to facilitate institutional clients to get real time access to their trade information in CM, FO & CD. It enables the mid office and RMS group to interface with exchange instead of relying on trader's data.

**Self-Trade prevention** feature was enhanced to provide ability to trader to select active or passive order for cancellation in the event of self-trade in CM, FO and CD segments.

**MTBT changes** were made for dissemination directly from market to bring the MTBT latency in line with order response latency. It is in parallel live in CM, FO and CD segment.

**Next Generation E- IPO:** New web-based order capture platform was delivered to achieve simplified bidding process resulting in Turnaround Time reduction (post issue closure to 6 working days as against 12 days with earlier version) along with SMS and E-mail alerts facility to the investors.

**New NOW:** In-house version of NOW was proposed for enhanced business features, scalability, resiliency and maintainability. It will help in owning the intellectual property right on source code.

**Disaster Recovery Management using Sanovi:** One of the leading DRM solutions 'Sanovi' was identified for DR switchover process automation and real time monitoring of both Primary and DR sites. Phase 1 Implementation of this tool for Connect2NSE and Risk was completed.

**GIFT City:** Two SEBI Demos have been completed.

**Performance Enhancement of Current Surveillance System:** Current system was enhanced to achieve low database latency, quick UI response, increased throughput, reduced failover time & reduced RPO.

#### Growth through new products and services

**Additional features in Auction** were delivered which allow offline order entry to be placed for sell orders in auction market for CM segment.

**CPSE ETF:** With an objective to facilitate acceptance of subscriptions for Further Fund Offer of Central Public Sector Enterprises (CPSE) through CPSE ETF, NSE introduced an online facility for the investment and subscription of exchange traded fund on its e-IPO platform.

**Strike price changes:** Enhancement delivered for changing the precision from 2 to 4 decimals.

**Sovereign Gold Bond Scheme (SGB):** With an objective to facilitate orderly collection of bids through Stock Exchange mechanism, an

online bid collection facility was made available to trading members on existing web based E-IPO platform.

**Cross currency pairs and Support for Extended Market:** Since cross currency contracts would be traded in extended market hours, flexibility was provided to generate early reports for trading members not trading on cross currency contracts and for those trading on cross currency contracts, report would be generated after end of trading hours.

**New Listing Platform:** Listing platform was re-engineered to improve reporting efficiency, user experience and to meet new corporate facing compliance initiatives such as Prohibition of Insider Trading (PIT), Corporate Announcement standardization & auto dissemination, Adequacy and accuracy checks for Share Holding Pattern disclosures.

#### Operations Strengthening

**BCP Live:** NSE Conducted three BCP live sessions in Financial Year 2016-17. The exchange was also able to demonstrate the intraday switch-over drills within the SEBI stipulated RTO of 4 hours and with Zero RPO.

**Split Operations:** As per SEBI TAC committee recommendation letter dated 09<sup>th</sup> September, 2015 to maintain trained staff at DR site, split operations by BCP Chennai Operation Teams (both Infra and Application) have started. Team is actively involved in day to day daily IT operations.

**SCOUT - Web Crawler:** As a part of SEBI guidelines, NSE needs to track & monitor unstructured information available on the internet. Process was automated for short listing news and recommendation and subsequent alerts generation for rumor verification and media recommendation.

#### Risk, Controls, Compliances & Quality

**GRC (Governance Risk and Compliance):** SEBI Cyber Security & Cyber Resilience Policy - NSE complies with all 54 controls mandated by SEBI

**Cyber Security & Cyber Resilience:** There were no major incidents or breaches reported in year 2016-17. Web Application Firewall protection were enabled for 9 websites of NSE group.

#### 4.9.5 NSEIT Limited (NSEIT)

NSEIT was incorporated as a public company on October 29, 1999 at Mumbai under the Companies Act, 1956 as NSE.IT Limited. Pursuant to a fresh certificate of incorporation dated March 10, 2016, the name was changed from NSE.IT Limited to NSEIT Limited. NSEIT is a step-down Subsidiary of NSE, wherein 100% of its share capital is held by NSICL. NSEIT carries on the business of, inter alia, designing, developing, maintaining, marketing, buying, importing and exporting,



licensing and implementing computer software and hardware in India or elsewhere; carrying on or engaging in the business of Information Technology in the area of digital technology and testing services (TCOE) and information technology enables services (ITeS) in the area of online assessments, infrastructure services, cyber security response centre and analytics services. The paid-up share capital of NSEIT as on March 31, 2017 is about ₹10 crores comprising of about 1 crore equity shares of ₹10 each.

During the financial year 2016-17, NSEIT earned consolidated net profit after tax of ₹19.46 crores as compared to consolidated net profit after tax of ₹21.38 crores for the financial year 2015-16. The Board of NSEIT recommended dividend of ₹1 /- per equity share (on the face value of ₹10 each) for the year 2016-17. The payment of dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of NSEIT.

#### Operations and Major Events

NSEIT continued strategic direction for new business services, FY 2016-17 was used to stabilize the current contributing business lines as well as push the new strategic additions for value added business lines such as ISRC, Analytics and Digital in attempt to move away from traditional delivery model and create a knowledge driven technology organization. The TCoE business that was kick-started in last year saw some good tractions and has grown by 36% YOY. The e-Assessments space has grown by 22% YOY with the addition of some large and strategic accounts. NSEIT has made a significant headway into diverse areas like certifications, recruitments as well as university entrance examinations, thereby repositioning itself in a wider market space. The current financial year also saw several technology innovations in the area of exam security, scalability and efficiency to handle bigger and high-stake exams. NSEIT targets to grow substantially and become a significant player in this space by participating in the larger government recruitments and universities.

During the year in Application software services, the strategic direction was to move up the value chain by offering end-to-end managed services and continue its services in the niche areas, retaining and growing major clients by providing customized solutions in emerging technology areas like MEAN Stack, Block chain, maintaining a significant differentiator using NSEIT's knowledge driven technology innovation capabilities and by inculcating a culture of Excellence through First Time Right and Customer WOW factor.

NSEIT had advanced its plan in the building up of Analytics as a service in the BFSI space in the current financial year. NSEIT has made significant progress in building predictive models in the Banking and Insurance segments. The go-to market strategy and the initial targeted client base has already been identified and active Marketing and Sales

strategy has been put in place. This is expected to give desired results and positioning of NSEIT in this sunrise industry. NSEIT's services around Analytics have been structured as a transaction-based revenue model and this business is expected to give desired stability in revenue for the new age business.

ISRC as a business made a slow start in this space, organizations expect enough customer referrals before they actually start to avail the service. The NSEIT team has managed to add over 10 consulting assignments in this space. As a progression, these assignments will lead to the next level of implementation assignment and progressively move them towards SOC as a service. NSEIT has already put in place the SOC in its initial form and expect to onboard 2-3 customers in the first quarter. This business line is also offered as a service and is expected to generate sustained annuity revenue going forward.

Digital is a growing industry and huge momentum is seen for creating Digital ecosystem for the clients. NSEIT has taken a focused step to offer solutions using Web 2.0 and create enabler for digital transformation.

"Excellence" will continue to be the key growth driver in 2017-18 and NSEIT is committed to work towards becoming a global partner of choice through value propositions and technology innovations in delivering solutions to power business growth for its clients.

While in 2016-17 NSEIT will continue to pursue organic growth in each of the six identified SBUs, a focused and targeted search for inorganic avenues will be undertaken to move faster towards 10x growth mission.

#### 4.9.6 DotEx International Limited (DotEx)

DotEx was incorporated as a public company on June 2, 2000 at Mumbai under the Companies Act, 1956. DotEx is a step-down Subsidiary of NSE, wherein 100% of its share capital is held by NSICL. DotEx carries on the business of, inter alia, owning, operating and maintaining web sites and portals that will enable participants, including stock brokers and all direct and indirect intermediaries of different markets and community at large to have a common virtual place to know, transact and fulfill their transactions in a secured manner. The paid-up share capital of DotEx as on March 31, 2017 stood at ₹9 crores comprising of 90 lakh equity shares of ₹10 each.

During the financial year 2016-17, DotEx earned net profit after tax of ₹36.96 crores as compared to net profit after tax of ₹32.42 crores for the financial year 2015-16. The Board of DotEx recommended dividend of ₹20/- per equity share (on the face value of ₹10 each) for the year 2016-17. The payment of dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of DotEx.

## Initiatives, Operations and Major Events during the year

### A. DotEx Data-feed

During the financial year, DotEx data-feed on-boarded a number of new clients in India as well as international markets. Implementation of non-display policy continued to be a focus area and a number of new clients signed up during the year. To move up the value chain, DotEx data-feed is also working on a couple of analytical products. DotEx data-feed also continued its efforts towards identification of illegal data vendors and converting them to authorized clients.

### B. KYC Registration Agency (KRA) and Central KYC Registry (CKYCR)

DotEx is a SEBI registered KYC registration agency. As on March 31, 2017, 957 SEBI intermediaries are registered with DotEx and there are about 14 lakh KYC records with DotEx KRA.

DotEx KRA was appointed as Managed Service Provider for Central KYC Registry (CKYCR) initiated by Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI). CKYCR is a centralized platform for uniform KYC norms facilitating inter-usability of the KYC records across the entire financial sector. CKYCR Registry has gone live on July 15, 2016. RBI, IRDA, PFRDA and SEBI have issued circulars directing their regulated entities to operationalize CKYCR. As on March 31, 2017 1,344 entities have gone live and have uploaded 13,07,732 KYC records on CKYCR.

### C. NEAT on Web (NOW) Platform

DotEx also provides a shared platform called NEAT on Web (NOW) which is a shared CTCL and risk management tool for the trading members. During the year, DotEx started providing the following additional facilities/features on NOW platform:-

- Metropolitan Stock Exchange of India's (MSEI) CM & EDS Segments
- MSEI's CDS Segment on NOW mobile platform
- Handling of new market data linear structure in NSE, NFO & CDS segments
- Handling of Self Trade Prevention Checks in NSE CDS segment

Additionally, bandwidth was enhanced significantly for smooth trading on internet. The above initiatives have resulted in NOW increasing the user base and trading turnover through NOW platform during the financial year 2016-17. DotEx continues to levy usage charges for NOW terminals for accessing exchanges other than NSE on a monthly basis.

Table 23:

NOW Usage Statistics	Dealers	Investor Clients
Daily average no. of logins	25,744	17,999

Unique locations across India where NOW is used: 1639

NOW's segment-wise average daily trading volumes:

Table 24:

NOW Volume Share:		(₹ in Crores)
Particulars	Mar-17	Mar-16
NOW Cash	1,619	1,305
NOW FO	28,625	20,340
NOW CDE	6,126	6,853

### 4.9.7. NSE Academy Limited (NAL)

NAL was incorporated as a public company on March 12, 2016 as NSE Educational Facilities Limited at Mumbai under the Companies Act, 2013. Pursuant to a fresh certificate of incorporation dated May 17, 2016, the name was changed from NSE Educational Facilities Limited to NSE Academy Limited. NAL is a step-down Subsidiary of NSE, wherein 100% of its share capital is held by NSICL. NAL carries on the business of, inter alia, conducting tests and certification programs in India and abroad in various areas including financial markets, conducting professional education programs and providing professional training to individuals in collaboration with various educational and financial institutions. The paid-up share capital of NAL as on March 31, 2017 stood at ₹25 lakhs comprising of 2.5 lakh equity shares of ₹10 each.

During the first financial year 2016-17, NAL earned net profit after tax of ₹0.57 crores.

#### About NAL

- NAL promotes financial literacy and skill oriented financial markets courses and has also introduced online examinations in financial markets. As an extension of its services/business, NAL has launched various international certificate & PG programs to develop the skill sets that can enhance ability of younger generation further and also empower them to be competitive in the international financial sector.

#### NAL's Education Outreach:

- NAL straddles the entire spectrum of financial courses for students from standard VIII right up to MBA professionals, and has tied up with premium educational institutes.
- NCFM has facilitated more than 17.98 lakh certification examinations for people to be financially savvy since inception (1998).



- NAL's State Financial Literacy programs for standard VIII and IX has empowered more than 32 lakh school students wherein NSE has tied up with the School Education Department like Government of Tamil Nadu, Government of Goa, and Government of Assam
- NAL has tied up with secondary education boards to offer Financial Markets Management (FMM) course for standard XI and XII. NAL has tie ups currently with Central Board of Secondary Education (CBSE) and Nagaland Board of Secondary Education (NBSE).
- NAL's launched PG-GFM highly specialized programme offered for the first time in India with 15 global regulatory certifications in financial markets from USA, Singapore and India.
- NAL jointly offers post-graduate programs in Financial Markets with leading management institutes.
- NAL's Certified Capital Market Professional (NCCMP) is made available by 159 colleges and educational institutions in India.
- NAL is also committed to improve the customer service, in pursuit of the same NAL has revamped its payment gateway page for online payments to enhance payment options for candidates for making NCFM Payments.

#### 4.9.8. NSE IFSC Limited (NSE IFSC)

NSE IFSC was incorporated as a public company on November 29, 2016 at Ahmedabad under the Companies Act, 2013. NSE IFSC is incorporated to carry on the business, inter-alia of setting up and operating an exchange as a unit in an International Financial Service Centre in any SEZ as approved by the Government of India or anywhere globally to provide such services as may be permitted by the regulatory authorities, in order to facilitate, dealings in securities. NSE IFSC is awaiting approval from SEBI for commencing its operations. The paid-up share capital of NSE IFSC as on March 31, 2017 stood at ₹25 crores comprising of 2.5 crore equity shares of ₹10 each, wherein 100% of its share capital is held by NSE. NSE has further infused ₹10 crores in the equity share capital of NSE IFSC on April 27, 2017 by subscribing to 1 crore equity shares of ₹10 each pursuant to rights issue of NSE IFSC.

During the period ended March 31, 2017, NSE IFSC incurred loss of ₹3.02 crores.

NSE IFSC received SEZ approval on December 23, 2016 from Development Commissioner, Kandla SEZ for setting up operations in GIFT IFSC subject to the provisions of the Special Economic Zones Act, 2005. NSE IFSC has procured office Space on lease at Business Centre of GIFT SEZ Limited and signed the lease agreement with GIFT SEZ Limited on January 6, 2017. SEBI has accorded in-principle approval to NSE IFSC for setting up Exchange in GIFT IFSC in terms of

SECC regulations on January 10, 2017. NSE IFSC has applied to SEBI for final recognition as a Stock Exchange in GIFT IFSC. Approval of SEBI is awaited.

#### 4.9.9 NSE IFSC Clearing Corporation Limited (NSE IFSC Clearing Corporation)

NSE IFSC Clearing Corporation was incorporated as a public company on December 2, 2016 at Ahmedabad under the Companies Act, 2013. NSE IFSC Clearing Corporation is the step-down subsidiary of NSE, wherein 100% of its share capital is held by NSCCL. NSE IFSC Clearing Corporation is incorporated to carry on the business inter-alia of setting up and operating a clearing corporation as a unit in an International Financial Service Centre in any SEZ as approved by the Government of India or anywhere globally to provide such services as may be permitted by the regulatory authorities in order to carry on the business of clearing and settlement of any kinds including physical settlement and cash settlement in securities. NSE IFSC Clearing Corporation is awaiting approval from SEBI for commencing its operations. The paid-up share capital of NSE IFSC Clearing Corporation as on March 31, 2017 stood at ₹50 crores comprising of 5 crore Equity shares of ₹10 each. NSCCL has further infused ₹10 crores in the equity share capital of NSE IFSC Clearing Corporation on April 27, 2017 by subscribing to 1 crore equity shares of ₹10 each pursuant to rights issue of NSE IFSC Clearing Corporation.

During the period ended March 31, 2017, NSE IFSC Clearing Corporation incurred loss of ₹0.83 crores.

NSE IFSC Clearing Corporation received SEZ approval on December 23, 2016, from Development Commissioner, Kandla SEZ for setting up operations in GIFT IFSC subject to the provisions of the Special Economic Zones Act, 2005. NSE IFSC Clearing Corporation has procured the office Space on lease at Business Centre of GIFT SEZ Limited and signed the lease agreement with GIFT SEZ Limited on January 6, 2017. SEBI has accorded in-principle approval to NSE IFSC Clearing Corporation for setting up Clearing Corporation in GIFT IFSC in terms of SECC regulations on January 10, 2017. NSE IFSC Clearing Corporation has applied to SEBI for final recognition as a Clearing Corporation in GIFT IFSC. Approval of SEBI is awaited. The Clearing Corporation has the following types of clearing Membership - Trading Cum Self Clearing Member, Trading Cum Clearing Member and Professional Clearing Member.

#### 4.9.10 NSEIT (US) Inc. ("NSEIT US")

NSEIT US was incorporated as a domestic for-profit corporation on December 4, 2006 under the laws of Texas, USA as NSE.IT (US) Inc. Pursuant to the certificate of filing dated April 29, 2016, the name was changed from NSE.IT (US) Inc. to NSEIT (US) Inc. NSEIT US is a step-

down subsidiary of NSE wherein 100% of its share capital is held by NSEIT. NSEIT US is involved in the business of, inter alia, providing information technology and information technology enabled services.

During the financial year 2016-17, NSEIT US incurred loss of ₹0.01 crores as compared to net profit after tax of ₹0.01 crores during the financial year 2015-16.

#### 4.9.11 Associate and Joint Venture Companies

National Securities Depository Limited (NSDL) is an associate of NSE in which NSE presently holds 24% (earlier 25.045%) of the equity share capital. During the year under review, NSE sold the excess stake of 1.045% in NSDL to comply with the (Depositories and Participants) Regulations, 1996. The excess stake of 1.045% was sold to Canara Bank. The holding of NSE in NSDL has been reduced to 24%.

NSE has also made equity investment in BFSI Sector Skill Council of India.

Further, NSDL e-governance Infrastructure Limited, Computer Age Management Services Private Limited, Market Simplified India Limited, Power Exchange India Limited (PXIL) and Receivables Exchange of India Limited are associates of NSICL, a subsidiary of NSE. NSICL also has equity investments in Goods and Services Tax Network.

The members of PXIL at their Extra Ordinary General Meeting held on 25<sup>th</sup> January, 2017 had approved the proposal for voluntary discontinuation and closure of the business operations of PXIL of running the power exchange. Subsequently, some proposals for acquisition of stake in PXIL from few investors were received. Thereafter, the Board of Directors of NSICL had approved the sale of equity shares and Optionally Convertible Redeemable Preference Shares (OCRPS) held in PXIL to the investor consortium led by Manikaran Power Ltd. at a sale price of ₹3 (Rupees three only) per OCRPS and equity share. The same has also been approved by the Board of Directors of NSE and it was also decided by the Board of NSE to keep the closure of the business of PXIL in abeyance till the share transfer does not get completed and if such transfer is completed then the closure decision be rescinded, effective the date of completion. In order to facilitate the process of the sale of shares as stated above, the share Escrow Agreement was executed on April 27, 2017 wherein Axis Trustee Services Limited was appointed to act as an Escrow Agent for the said transaction. The sale transaction is expected to be completed soon on compliance of agreed conditions.

#### 4.10 Deposits

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

covered under Chapter V of the Companies Act, 2013 does not arise.

#### 4.11 Risk Management Policy

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

The Company has a Risk Assessment & Review Committee, a sub-committee of the Board, which meets periodically to review the efficacy and adequacy of the Company's risk management exercise and the controls and mitigation plans put in place to reduce the overall impact of the various inherent risks.

The Company has also appointed a management consultancy firm to assist in identifying, assessing and minimising the risk exposure of the Company. For each of the identified risk areas, the Company maintains detailed Risk Registers mainly containing details such as risk description, risk indicators, categorisation of the risk, current controls and mitigation plans, etc.

#### 4.12 Material changes and commitments, if any, affecting financial position of the Company which have occurred between the end of the financial year of the Company and the date of the Report

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

#### 4.13 Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's Operations in future

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

#### 4.14 Explanations or comments on the qualification, reservation or adverse remark or disclaimer made by the Auditor in his Report

There is no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors appointed under Section 139 of the Companies Act, 2013 in their report. Hence the need for explanations or comments by the Board does not arise. The report of the Statutory Auditors forms part of the financial statements.



#### 4.15 Update on Listing

The Board of Directors of the Company by a resolution passed on October 4, 2016 approved, subject to receipt of necessary approvals, for an initial public offering of the equity shares through an offer for sale by willing Shareholders (the "Selling Shareholders") and consequent listing of such equity shares on the relevant stock exchange of India (the "Offer").

27 Selling Shareholders tendered 11,14,11,970 equity shares of ₹1/- each of constituting 22.51% of the paid-up equity share capital of the Company. Pursuant to the Share Escrow Agreement executed among the Company, the Selling Shareholders and Link Intime India Private Limited ('Share Escrow Agent'), a share escrow account was opened with the Share Escrow Agent and the equity shares proposed to be sold in the Offer were deposited by the Selling Shareholders in to that account.

In terms of the regulations issued under the Foreign Exchange Management Act by the Reserve Bank of India ('RBI'), SEBI authorised depository participants have been permitted to open and maintain escrow accounts for securities, subject to certain terms and conditions, one of the conditions being that the escrow account shall be closed immediately after completion of six months from the date of opening of the account; if such account is required to be maintained beyond six months, specific permission from RBI has to be obtained. The Company has made applications on April 11 and 12, 2017 to RBI for granting extension for operating and maintaining the said share escrow account for a further period of six months from the expiry of the initial six months of the opening of said account. RBI has conveyed its approval for extending the period of said escrow account for further period of six months i.e. from May 4, 2017 to November 3, 2017.

The Draft Red Herring Prospectus (DRHP) in respect of the offer for sale of up to 11,14,11,970 equity shares of ₹1/- each of the Company was filed with SEBI on December 28, 2016. The Company has appointed Citigroup Global Markets India Private Limited, JM Financial Institutional Securities Limited, Kotak Mahindra Capital Company Limited and Morgan Stanley India Company Private Limited as the Joint Global Coordinators and book running lead managers to the offer and ICICI Securities Limited, HDFC Bank Limited, IDFC Bank Limited and IIFL Holdings Limited as the book running lead managers to the offer. Cyril Amarchand Mangaldas and Latham & Watkins LLP were appointed as Indian Legal Counsel and International Legal Counsel to the Company respectively.

The information required by SEBI to process the DRHP has been submitted to SEBI as and when required. The Company is awaiting approval from SEBI on the DRHP.

#### 4.16 Extracts of the Annual Return

The extracts of the annual return as on the financial year ended on March 31, 2017 in Form MGT-9 is attached herewith as Annexure-2 and shall form part of Board's Report.

### 5. CONSOLIDATED FINANCIAL STATEMENTS

The Company announces consolidated financial results on a yearly basis. The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with Indian Accounting Standard 110 issued by the Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the consolidated financial statements of the Company. Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of the subsidiary companies is attached to the financial statements in Form AOC-1. The Company will make available the said financial statements and related detailed information of the subsidiary companies upon the request by any member of the Company or its subsidiary companies. These financial statements will also be kept open for inspection by any member at the Registered Office of the Company and its subsidiary companies.

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

### 6. HUMAN RESOURCES

Following salient developments have taken place in Human Resources / Employee Relations front in the Financial Year 2016-17.

**6.1 Talent Management and Development:** NSE as an organization believes in Training for all and development of High Potentials. During the financial year 2016-17, NSE has focused on the implementation of the Talent Management Study undertaken in the previous financial years. Training needs of each employee is based on the competency framework compatible with the Business Strategy. Company has continued to focus on the functional and behavioral training based on the individual and the organizational needs. Various cross functional learning initiatives such as Up the learning curve were conducted on a regular basis. Development center workshops were conducted to identify High Potential talent. Based on the development center report, Individual development plans (IDP's) are created for the employees. Employee communication was facilitated based on the communication matrix. The emphasis was on the performance management system to derive desired performance and behavior. The Company has also implemented Job rotations as per the career

path framework.

**6.2 Employee Engagement Study / Perception Study:** Based on the previous Employee Engagement study and action plan, the HR team has implemented initiatives to enhance the perception levels of the employees. HR team also conducted various perception studies at regular intervals to gauge employee perception levels and has taken various steps to maintain or improve the perception levels as per the market benchmark. NSE has also conducted an employee engagement study this financial year and the employee satisfaction levels have improved vis-à-vis the previous years. NSE's Trust Index score is at par with India Top 100 2016 companies and way ahead than the score of BFSI as per the Great Place to Work survey report.

**6.3 Peoplesoft:** NSE is focusing on the Peoplesoft – ERP implementation in the entire gamut of Human resources management.

**6.4 Employee Relations:** The employee relations scenario remained harmonious throughout the year.

**6.5 Employee Strength** as on March 31<sup>st</sup> 2017 is 542

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

The disclosures required to be made under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are given in the following table 25:-

**Table 25:**

1	Number of complaints of sexual harassment received in the year	Nil
2	Number of complaints disposed off during the year	Not applicable
3	Number of cases pending for more than 90 days	Not applicable
4	Number of workshops or awareness programs against sexual harassment carried out	Awareness program for all employees was done
5	Nature of action taken by the employer	Not applicable

**7.1 Directors and Key Managerial Personnel**

As per the provisions of SECC Regulations, the governing board of every recognised stock exchange shall include (a) Public Interest Directors (PIDs); (b) Shareholder Directors; and (c) Managing Director. Mr. Ashok Chawla (Chairman of the Board), Ms. Dharmishta Raval, Mr. Dinesh Kanabar, Mr. Naved Masood and Mr. T.V. Mohandas Pai fall under PID category. Mr. Abhay Havaladar, Mr. Prakash Parthasarathy, Mr. Ravi Narain, Ms. Anshula Kant and Ms. Sunita Sharma fall under Shareholder Directors category.

During the year under review, Mr. Dinesh Kanabar, Mr. T.V. Mohandas Pai and Mr. Naved Masood were appointed as Directors on the Board of the Company under PID category with effect from July 13, 2016 for a period of three years.

Ms. Anshula Kant and Ms. Sunita Sharma were appointed as Directors on the Board of the Company under 'Shareholder Director' category with effect from October 19, 2016. SEBI vide letter dated October 19, 2016 had approved re-appointment of Mr. Prakash Parthasarathy as Director under the 'Shareholder Director' category.

During the year under review, Justice B.N. Srikrishna (Retd.) ceased to be a PID of the Company with effect from August 02, 2016 on expiry of his term. The Board placed on record its acknowledgment of the valuable contributions made by Justice B.N. Srikrishna (Retd.) as such Director.

Ms. Chitra Ramkrishna resigned from the post of Managing Director and Chief Executive Officer with effect from December 2, 2016 citing personal reasons. The Board placed on record her sterling contribution to the growth of the Organisation over the long years that she had been associated with it. Mr. J Ravichandran was appointed as the CEO In-charge with effect from December 2, 2016.

Following the resignation of Ms. Chitra Ramkrishna as Managing Director and Chief Executive Officer, the Board had constituted a Selection Committee (SC) to recommend selection and appointment of a new Managing Director and Chief Executive Officer of the Company. The SC recommended the name of Mr. Vikram Limaye for the post of Managing Director & Chief Executive Officer. The Nomination and Remuneration Committee also recommended to the Board the name of Mr. Vikram Limaye for the post of Managing Director & Chief Executive Officer and remuneration payable to him, which was unanimously approved by the Board subject to the approval of members in the general meeting and SEBI. The appointment would be for a term of five years from the date he assumes office as Managing Director & Chief Executive Officer.

The Members at the Extraordinary General Meeting of the Company held on March 07, 2017 approved the appointment of, and remuneration payable to Mr. Vikram Limaye as Managing Director & CEO for a period of five years from the date he assumes office as MD & CEO, subject to the approval from SEBI. The Company has filed an application with SEBI seeking its consent as required under the relevant Regulations. The approval of SEBI is awaited.

In terms of Section 152 of the Companies Act, 2013, Mr. Abhay Havaladar retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment subject to approval of SEBI. The Board recommends the re-appointment of Mr. Abhay Havaladar as



Director of the Company to Shareholders at the said Meeting, subject to approval of SEBI. A brief profile of Mr. Abhay Havaladar who is seeking re-appointment has been provided in the notice of the Annual General Meeting.

Mr. J Ravichandran ceased to be Company Secretary with effect from October 21, 2016 and Mr. S. Madhavan was appointed as the Company Secretary and Compliance Officer with effect from the said date.

## 7.2 Number of Meetings of the Board of Directors

The Board met 16 times during the year as detailed in the following table 26:-

Table 26:

Sr. No.	Date of the Board Meeting
1	April 25, 2016
2	May 12, 2016
3	June 23, 2016
4	August 01, 2016
5	August 22, 2016
6	September 14, 2016
7	September 16, 2016
8	October 04, 2016
9	October 21, 2016
10	November 9, 2016
11	November 10, 2016
12	November 29, 2016
13	December 2, 2016
14	December 14, 2016
15	December 19, 2016
16	February 03, 2017

## 7.3 Declaration by Independent Directors

As per SECC Regulations, SEBI has power to nominate PID on the Board of stock exchange. PIDs are independent director, representing the interests of investors in securities market with no association, directly or indirectly, which is in conflict with his role. PIDs have a fixed tenure and the approval of shareholders for their appointment is not necessary.

In terms of SECC Regulations, SEBI had nominated Mr. Ashok Chawla, Mr. Dinesh Kanabar, Mr. T.V. Mohandas Pai, Ms. Dharmishta Raval and Mr. Naved Masood as PIDs. They have given declaration of independence as required under the applicable laws.

## 7.4 Company's policy on Directors' Appointment and Remuneration including Criteria for determining Qualifications, Positive Attributes, Independence of Directors

Pursuant to requirements of the Companies Act, 2013, the Company has framed a policy on appointment of Directors and Senior Management personnel and a policy on remuneration of Directors and Key Management Persons identified under SECC Regulations and under the Companies Act, 2013 and the same are in force. The relevant extracts from the above policies are annexed as Annexure-3.

## 7.5 Performance Evaluation of the Board, its Committees and Individual Directors

Pursuant to the provisions of the Companies Act, 2013 and SEBI Guidance Note on Board evaluation issued on January 5, 2017, the Board has carried out an annual evaluation of its own performance and that of its Committees and individual Directors.

The performance of the Board and individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members.

A separate meeting of Independent Directors was held to review the performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman of the Company, taking into account the views of Executive Directors and the Non-Executive Directors, the Nomination and Remuneration Committee reviewed the performance of individual Directors. This was followed by a Board Meeting that discussed the performance of the Board, its Committees and individual Directors.

The criteria for performance evaluation of the Board included aspects like Board composition, shared vision and strategy, effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of Committees of the Board include aspects like composition of Committees, effectiveness of Committee meetings etc. The criteria for performance evaluation of the individual Directors include acting independently and in the best interests of the Company, aspects on contribution to the Board and Committee meetings like devoting sufficient time to his/her role and responsibilities at Board meetings and playing an active role in the activities of each committee on which he/she serves, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

## 7.6 Directors' Responsibility Statement

Your Directors confirm that -

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates as were considered reasonable and prudent to give a true and fair view of the state of affairs of NSE at the end of the financial year i.e., 31<sup>st</sup> March, 2017 and of the profits of NSE for that year;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of NSE and for preventing and detecting fraud and other irregularities ;
- (iv) the Directors have prepared the annual accounts on a going concern basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and were operating effectively

## 8. CORPORATE SOCIAL RESPONSIBILITY (CSR)

NSE is covered under the purview of Section 135 of the Companies Act 2013. Similarly many of its subsidiaries are also covered. However, contribution to CSR by some of these Companies as required under the Section 135 would be negligible. Moreover, there could be duplication of efforts if each individual Company undertakes CSR activities on its own and there would be difficulties in scaling up these activities.

It has been decided by the Boards of the subsidiary Companies of NSE that CSR efforts be undertaken commonly and the actual amount spent be allocated to the respective Companies in proportion to their legal obligations. Therefore, a common CSR function for NSE and its subsidiaries has been created under NSE as a group resource and the actual CSR amount spent is proportionately allocated to the respective Companies. However, the CSR Committees for these Companies are separate.

A common CSR policy has been prepared and approved by respective CSR Committees and Boards. The CSR policy of the Company is

available on the website of the Company. The disclosures required to be made in the Board's Report as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached herewith as Annexure-4.

During the financial year 2016-17 an amount of ₹22.08 crores was required to be spent by NSE on implementation of the CSR Policy to the extent laid down in sub-section (5) of section 135 of the Companies Act 2013. As against this, the actual expenditure works out to ₹8.33 crores i.e. the total amount falls short of the said extent by ₹13.75 crores. The main reason for deficit in meeting the extent of CSR expenditure is that the agencies involved in the implementation of CSR policies, being NGOs and similar organizations, are in the process of building up their absorptive capacities consistent with the need to ensure proper implementation of CSR initiatives to draw up optimal benefits. There are reasons to believe that as greater experience is gained in the near future, the level of expenditure will reach the required statutory threshold.

## 9. CORPORATE GOVERNANCE

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

NSE is a public limited company, whose securities are not so far listed on any stock exchange. In terms of Regulation 35 of the SECC Regulations, the disclosure requirements and corporate governance norms as specified for listed companies are mutatis mutandis applicable to a recognised stock exchange. NSE endeavors to continuously improve good governance practices. A report on corporate governance for the financial year 2016-17 is furnished as part of the Annual Report as Annexure-5. The certificate from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations is also attached with the above report. The Company also undergoes secretarial audit annually.

## 10. COMMITTEES OF THE BOARD

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

## 11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report in respect of NSE's financials for the year ended March 31, 2017 is presented in a separate section forming part of the Annual Report.



## 12. VIGIL MECHANISM

NSE has, in continuation of Company's pursuit to establish good corporate governance practices, formulated a 'Whistle Blower Policy' which is in force since December 2010. The Policy, provides a mechanism to the Directors and employees of the Company for reporting instances of unethical conduct, actual or suspected, fraud or violation of the Company's Code of conduct or Ethics policy or law to the Chairman of Audit Committee (for cases of a financial nature) / Ethics Committee (in other cases) or the Ethics Counselor, as the case may be. Protected Disclosures should preferably be reported in writing as soon as possible after the whistle blower becomes aware of the relevant matter.

All Protected Disclosures reported under the Policy are to be thoroughly investigated by the Committee concerned or by a person designated by such committee.

As per the requirement of Listing Regulations, details of Vigil Mechanism is provided on the Website of the Company.

[Weblink:[https://www1.nseindia.com/global/content/about\\_us/NSE\\_dtls\\_VM.pdf](https://www1.nseindia.com/global/content/about_us/NSE_dtls_VM.pdf)]

## 13.1 Statutory Auditors

M/s. Khandelwal Jain & Co., Chartered Accountants (ICAI Registration No.105049W) Statutory Auditors of the Company hold office till the conclusion of 25<sup>th</sup> Annual General Meeting, when they complete their full term.

M/s. Price Waterhouse & Co, Chartered Accountants, LLP, (ICAI Registration No.304026E/ E300009) were appointed as the Statutory Auditors of the Company for a period of 5 (five) years from the conclusion of 24<sup>th</sup> Annual General Meeting, i.e., September 16, 2016 till the conclusion of 29<sup>th</sup> Annual General Meeting, subject to ratification by the Members at every Annual General Meeting to be held during the said period with their first term being held jointly with M/s Khandelwal Jain & Co., Chartered Accountants and being jointly and severally responsible as Statutory Auditors of the Company for the first year.

The Board places on record its appreciation of the services rendered by M/s. Khandelwal Jain & Co., Chartered Accountants as Statutory Auditors of the Company.

The Board recommends ratification of appointment of M/s Price Waterhouse & Co, Chartered Accountants, as the Statutory Auditors of the Company by the Members at the forthcoming Annual General Meeting to hold office from the conclusion of the 25<sup>th</sup> Annual General Meeting till the conclusion of the 26<sup>th</sup> Annual General Meeting.

## 13.2 Secretarial Audit

The Company had engaged the services of M/s. S.N. Ananthasubramanian & Co., Practicing Company Secretaries, to conduct Secretarial Audit for the financial year ended 31<sup>st</sup> March, 2017 pursuant to the requirements of the Companies Act, 2013 and the rules laid down thereunder. The Report of the Secretarial Audit is annexed herewith as Annexure 6. The Report does not contain any qualifications, reservation, adverse remarks or disclaimer.

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

### a. Conservation of Energy and Technology Absorption

NSE has undertaken to use the following major technological initiatives towards "Effective Energy Conservation" as well as "Load Management System" namely:

#### i. Reduction of carbon emission

Carbon footprint refers to a whole set of greenhouse gas emissions on account of an organisation, event, product or individual. It is a measure of impact of our activities on environment, or in particular, climate change. NSE's carbon footprint of Exchange Plaza building was around 21,855 Tonnage of CO<sub>2</sub> (i.e. 0.08 tonnage CO<sub>2</sub>/Sqft/year (including Data Centre). However, with effective energy saving / green power measures, NSE has reduced it to 12,666 tonnes of CO<sub>2</sub> emission.

#### ii. Set-off facility towards its Green Power generation through 6.25 MW of Wind Power Project at Satara in Maharashtra.

NSE had commissioned the 6.25 MW (i.e. 5 nos. of 1.25 MW) Wind Power Project Plant at Satara. As per renewable energy policy of Govt. of Maharashtra, the quantum of electricity generated through the Wind Farm is fed to the grid, which gets set off against the power consumption towards High Tension (HT) installation of the 'Wind farmer' (which in this case is NSE) anywhere in that grid.

NSE's Wind Power Plant has generated around 1.47 crore electricity units in the last year.

#### iii. The 'Thermal Energy Storage' for air-conditioning system during the peak hours to Conserve Energy

Thermal Energy Storage System has been introduced in the HVAC System at Exchange Plaza. It was observed that most of the Services (i.e. HVAC Chillers, AHU's, Lifts, Lighting, PC, Plumbing System etc.) were operated mainly during office / day hours. Amongst them, the Chillers and its associated equipments used

to consume more than 30% of total peak demand load. In view of this, NSE had decided to reduce its demand load during peak hours and to achieve this, NSE installed the 'Thermal Energy Storage System' with the existing HVAC system. In this system, the Chillers are being operated at night hours to form the "Chill" (i.e. Glycol Water at temperature below zero degree centigrade) which gets stored in a Thermal Storage Tank. Following next day the stored Chill is being utilised through Heat Exchangers for air-conditioning the entire Office area. Through such arrangements, NSE has saved around 12676.09 Demand KVA in the last year.

- iv. Revamping the 'Building Management System' for effective and efficient operations of the Services especially the Air Handling Units (AHUs).

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

- v. Motion/Occupancy Sensors in the lighting systems General Staff areas

NSE has installed Motion/Occupancy Sensors at Workstation area as well as in Meeting Rooms. By implementing this, the lights are operated based on the Motion /Occupancy in the area.

- vi. 'Lighting Transformers' for regulated voltage of Lighting System

Lighting Transformers have been installed in the lighting feeders. There are various light fittings installed at Exchange Plaza. It may be noted that luminaries of any light fitting work more effectively and efficiently on receiving the power supply in the range of 210 to 220 Volts. In our Country, the single phase supply voltage is 230 Volts for residential zone and 240 Volts in commercial zone. The light fittings installed at Exchange Plaza are working on single phase power supply and the voltage between phases and neutral is recorded in the range of 236 to 240 Volts. It was observed that due to excess voltage, the luminaries of light fittings are consuming more power than its rating and also excessive voltage is reducing the life of the luminaries. To prevent such excess power consumption and to enhance the life of the luminaries, the Company has introduced aforesaid Lighting Transformers in the Electrical Distribution System to regulate the incoming single

phase supply which restricts the power supply to only 210 to 220 Volts. This way NSE has saved around 41292 units in the last year.

- vii. Use of 'Electronic Ballast and Compact Fluorescent Lamps' in Lighting System.

Most of the Lighting Fixtures have been installed with Electronic Ballast instead of conventional Chokes. This helps the Company to reduce the inductive load of the building resulting in saving of electricity. Additionally, CFLs have been used in passages and lobbies in place of Incandescent Lamps to reduce the power consumption.

- viii. 'Automatic Power Factor Control Units' (APFC) to step up power factor of the building.

The APFC Units are hooked up with Main LT Panel of the building to improve the power factor (i.e. by counter balancing the inductive load of the building with capacitive load) of the entire electrical load of the Building. Power Supplier gives incentives i.e. by passing certain discount in the electricity bill on account of this regularly.

- ix. 'Solar Power Plant' to cater to part of lighting load at Exchange Plaza

A Solar Power Plant of the capacity of 10 KW has been installed in the building which harnesses the Solar Power to cater to part of lighting load at Exchange Plaza. This way NSE has saved around 5468 units in the last year.

- x. 'Rain Water Harvesting System' to harvest the rain water in the periphery of Exchange Plaza

Envisaging water scarcity, a proper Hydro - Geological survey was conducted at Exchange Plaza to explore the possibility of harvesting the rain water in its periphery. Rain Water Harvesting System has been installed thereafter. The system facilitates water percolation into the soil in the Exchange campus.

- xi. 'Vermiculture Plant' for processing of variety of waste to produce Manure.

In this Vermiculture system, the compostable material like food waste collected from Canteen, Garden Organics and Paper & Cardboard gets collected at one place. Post shredding, the organic material gets loaded into Vermiculture Unit for decomposing process. Post 7 days of on-going process, Vermicompost / manure get generated and is used for Gardening purposes. Around 800 Kg of manure was generated last year by recycling in the unit.



xii. 'Sewerage Treatment Plant' to reuse building's domestic and flushing water (i.e. after treatment) for its Cooling Towers associated with HVAC System and for Gardening purposes every day.

This plant has been installed at the inception stage itself to enable the Company to reuse building's domestic and flushing water (i.e. after treatment) for its Cooling Towers associated with HVAC System and for Gardening purposes every day. This way, NSE has saved around 23216 Kltr. of Water in the last year.

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

Foreign exchange earnings during the year amounted to ₹0.49 crores. Foreign exchange outgo during the year was ₹47.16 crores.

#### **15. PARTICULARS OF EMPLOYEES**

A Statement of Particulars of Employees covered under the provisions of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed herewith as Annexure-7.

#### **16. ACKNOWLEDGMENTS**

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

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 5, 2017

**Ashok Chawla**  
Chairman

## ANNEXURE 1 TO BOARD'S REPORT

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

- (a) Name(s) of the related party and nature of relationship: **N.A.**
- (b) Nature of contracts/arrangements/transactions : **N.A.**
- (c) Duration of the contracts / arrangements/transactions: **N.A.**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
- (e) Justification for entering into such contracts or arrangements or transactions: **N.A.**
- (f) Date(s) of approval by the Board: **N.A.**
- (g) Amount paid as advances, if any: **N.A.**
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 of the Companies Act, 2013: **N.A.**

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

In terms of policy on Related Party Transactions of the Company, transactions, whether individually or taken together with previous transactions with a related party during a financial year, where exceeds ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company are considered as material related party transactions. Accordingly, the following information is furnished.

- (a) Name(s) of the related party and nature of relationship

**Please see Annexure to AOC -2**

- (b) Nature of contracts/arrangements/transactions

**Please see Annexure to AOC -2**

- (c) Duration of the contracts / arrangements/transactions

**On-going transaction (Continuous)**

- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

**Please see Annexure to AOC -2**

- (e) Date(s) of approval by the Board, if any:

**The transactions are on arms' length basis and in ordinary course of business and so the approval of the Board for this purpose is not required.**

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

For National Stock Exchange of India Limited

Place: Mumbai  
Date: May 5, 2017

**Ashok Chawla**  
Chairman



## Annexure to AOC-2

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

Sr. No.	Related Party	Nature of Relationship
1	National Securities Clearing Corporation Limited	100% Subsidiary Company

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

Name of the Related Party	Nature of Transactions	(₹ in Crores)
		For the Year Ended 31.03.2017
National Securities Clearing Corporation Ltd.	Usage charges received	17.83
	Space and Infrastructure usage charges received	4.95
	Reimbursement received for expenses on staff on deputation	11.91
	Reimbursement received for other expenses incurred	48.09
	Reimbursement paid for IPO Expenses	0.15
	Dividend received	157.50
	Clearing and Settlement charges paid	114.45
	Contribution to NSCCL Core SGF	134.07
	Contribution to NSCCL Core SGF liability (Closing Balance)	(284.39)
	Closing Balance	31.54
Investment in Equity Share Capital	5.64	

## ANNEXURE 2 TO BOARD'S REPORT

### Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

i	CIN	U67120MH1992PLC069769
ii	Registration Date	27 <sup>th</sup> November, 1992
iii	Name of the Company	National Stock Exchange of India Limited
iv	Category/Sub-category of the Company	Limited by shares/Indian Non-Govt. Co.
v	Address of the Registered office and contact details	Exchange Plaza, Plot C-1, Block 'G' Bandra-Kurla Complex, Bandra (East), Mumbai-400 051 022-2659 8222 (tel.) 022-2659 8198 (Fax)
vi	Whether listed company (Yes/No)	No
vii	Name, Address & Contact details of Registrar & Transfer Agent, if any	Link Intime India Pvt. Ltd. C – 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083 Tel. No. + 91 22 49186000 and Fax No. +91 22 49186060

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business activities contributing 10 % or more of the total turnover of the company are:-

Sr. No.	Name and Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Recognised stock exchange providing financial market operational services	9971	73

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	National Securities Clearing Corporation Limited Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U67120MH1995PLC092283	Subsidiary Company	100%	2(87) (ii)
2	NSE Strategic Investment Corporation Limited Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U65999MH2013PLC240078	Subsidiary Company	100%	2(87) (ii)
3	India Index Services & Products Limited Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U73100MH1998PLC114976	Subsidiary Company	100%	2(87) (ii)
4	NSEIT Limited Ground floor, Trade Globe, Sir MV Road, Andheri Kurla Road , Andheri East Mumbai- 400059	U72200MH1999PLC122456	Subsidiary Company	100%	2(87) (ii)

# Board's Report



Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
5	DotEx International Limited Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U72900MH2000PLC126952	Subsidiary Company	100%	2(87) (ii)
6	NSE Infotech Services Limited Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U72900MH2006PLC163468	Subsidiary Company	100%	2(87) (ii)
7	Computer Age Management Services Pvt. Ltd. New No.10, Old No.178, M.G.R.Salai, Nungambakkam, Chennai - 600034	U65910TN1988PTC015757	Associate	44.99%	2(6)
8	Market Simplified India Ltd. 13 <sup>th</sup> Floor, Zenith Building, ASCENDAS International Tech Park, CSIR Road, Taramani, Chennai-600113	U72900TN2000PLC045869	Associate	30%	2(6)
9	NSDL E-Governance Infrastructure Ltd. 1 <sup>st</sup> Floor, Times Tower, Kamala Mills Compound, Lower Parel, Mumbai-400013	U72900MH1995PLC095642	Associate	25.05%	2(6)
10	Power Exchange India Ltd. 5 <sup>th</sup> Floor, Tower 3, Equinox Business Park, Peninsula Techno Park, Off BKC, LBS Marg, Kurla West, Mumbai-400070	U74900MH2008PLC179152	Associate	30.95%	2(6)
11	National Securities Depository Limited 4 <sup>th</sup> Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai Mumbai-400013	U74120MH2012PLC230380	Associate	24.00%	2(6)
12	Receivables Exchange of India Limited Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U67190MH2016PLC273522	Associate	30.00%	2(6)
13	BFSI Sector Skill Council of India 25 <sup>th</sup> Floor, P.J. Towers Dalal Street, Fort, Mumbai-400001	U80904MH2011NPL222074	Associate	49.00%	2(6)
14	NSE Academy Limited (Formerly known as NSE Educational Facilities Limited) Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U67190MH2016PLC274239	Subsidiary Company	100%	2(87) (ii)
15	NSEIT (US), Inc. 2010 Crow Canyon Place, Suit 107, San Ramon CA 94583	---	Subsidiary Company	100%	2(87) (ii)
16	NSE IFSC Limited Unit no 48 to 53, GIFT Aspire one Business Centre, 1 <sup>st</sup> floor, Block 12, Rd 1-D, Zone-1, GIFT-SEZ Gandhinagar Gujrat-382355	U65100GJ2016PLC094517	Subsidiary Company	100%	2(87) (ii)
17	NSE IFSC Clearing Corporation Limited Unit no 46 & 47, GIFT Aspire one Business Centre, 1 <sup>st</sup> floor, Block 12, Rd 1-D, Zone-1, GIFT-SEZ Gandhinagar, Gujrat-382355	U65990GJ2016PLC094545	Subsidiary Company	100%	2(87) (ii)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

##### i) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	Demat *	Total*	% of Total Shares	Demat **	Total**	% of Total Shares	
<b>A. PUBLIC SHAREHOLDING</b>							
<b>(1) Institutions</b>							
a) Mutual Funds	-	-	-	-	-	-	-
b) Banks/FI	9697429	9697429	21.55	65421719	65421719	13.22	-8.33
c) Central Govt.	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-
e) Venture Capital Funds	1883953	1883953	4.19	20723483	20723483	4.19	0.00
f) Insurance Companies	9153500	9153500	20.34	103438500	103438500	20.90	0.56
g) FIs	6,430,155	6,430,155	14.29	70475669	70475669	14.24	-0.05
h) Foreign Venture Capital Funds							
i) Others (specify) Foreign Direct Investments	11700000	11700000	26.00	170206036	170206036	34.39	8.39
<b>Sub-total(A)(1):</b>	<b>38865037</b>	<b>38865037</b>	<b>86.37</b>	<b>430265407</b>	<b>430265407</b>	<b>86.92</b>	<b>0.55</b>
<b>(2) Non - Institutions</b>							
a) Bodies Corp.	5613834	5613834	12.48	59002174	59002174	11.92	-0.56
b) Individuals							
i) Individual shareholders holding nominal share capital upto ₹1 lakh	-	-	-	330000	330000	0.06	0.06
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	521129	521129	1.16	5402419	5402419	1.10	-0.06
c) Others (specify)	-	-	-	-	-	-	-
<b>Sub-total(A)(2):</b>	<b>6134963</b>	<b>6134963</b>	<b>13.63</b>	<b>64734593</b>	<b>64734593</b>	<b>13.08</b>	<b>-0.55</b>
<b>Total Public Shareholding (A)= (A)(1)+(A)(2)</b>	<b>45000000</b>	<b>45000000</b>	<b>100</b>	<b>495000000</b>	<b>495000000</b>	<b>100</b>	<b>-</b>
<b>B. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B)</b>	<b>45000000</b>	<b>45000000</b>	<b>100</b>	<b>495000000</b>	<b>495000000</b>	<b>100</b>	<b>-</b>

##### Notes:

Number of shares available in the non-public category is 6,20,85,254 equity shares of ₹1/- each (12.5424%). Number of shares available for acquisition by persons resident outside India is 18,68,295 (0.37%). However the above is subject to FDI policy, RBI and SEBI Regulations currently in force

\* Equity Shares of ₹10/- each

\*\* Equity shares of ₹1/- each following sub-division of shares of face value of ₹10 each to ₹1 each on December 14, 2016

# Board's Report



## ii) SHAREHOLDING OF PROMOTERS

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
-	-	-	-	-	-	-	-	-

## iii) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	N.A.	N.A.	N.A.	N.A.
	At the end of the year	N.A.	N.A.	N.A.	N.A.

## IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

SN	Name	Shareholding at the beginning of the year		Date-wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg. Allotment/transfer/ bonus/sweat equity)			Cumulative shareholding during the year (01-04-16 to 31-03-2017)		Shareholding at the end of year (31-03-2017)	
		No. of shares at the beginning (01-04-16)*	% of total shares of the company	Date	Increase (I)/ Decrease (D) in shareholding*	Reason	No. of shares*	% of total shares of the company	No. of shares**	% of total shares of the Company
1	Life Insurance Corporation of India	5628500	12.51	25 Nov 2016	562850 (I)	Bonus Allotment	6191350	12.51	61913500	12.51
2	State Bank of India (Equity)	4587500	10.19	1 Jul 2016	2250000 (D)	Transfer	2337500	5.19	25712500	5.19
				25 Nov 2016	233750 (I)	Bonus Allotment	2571250	5.19		
3	GAGIL FDI Limited, Cyprus	2250000	5.00	25 Nov 2016	225000 (I)	Bonus Allotment	2475000	5.00	24750000	5.00
4	SAIF II SE Investments Mauritius Limited, Mauritius	2250000	5.00	25 Nov 2016	225000 (I)	Bonus Allotment	2475000	5.00	24750000	5.00
5	Aranda Investments (Mauritius) PTE. Ltd.	2250000	5.00	25 Nov 2016	225000 (I)	Bonus Allotment	2475000	5.00	24750000	5.00
6	Veracity Investments Limited, Mauritius	0	0.00	1 Jul 2016	2250000 (I)	Transfer	2250000	5.00	24750000	5.00
				25 Nov 2016	225000 (I)	Bonus Allotment	2475000	5.00		

SN	Name	Shareholding at the beginning of the year		Date-wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg. Allotment/transfer/bonus/sweat equity)			Cumulative shareholding during the year (01-04-16 to 31-03-2017)		Shareholding at the end of year (31-03-2017)	
		No. of shares at the beginning (01-04-16)*	% of total shares of the company	Date	Increase (I)/ Decrease(D) in shareholding*	Reason	No. of shares*	% of total shares of the company	No. of shares**	% of total shares of the Company
7	Stock Holding Corporation of India Limited	2250000	5.00	1 Jul 2016	250000 (D)	Transfer	2000000	4.44	22000000	4.44
				25 Nov 2016	200000 (I)	Bonus Allotment	2200000	4.44		
8	SBI Capital Markets Ltd.	1950000	4.33	25 Nov 2016	195000 (I)	Bonus Allotment	2145000	4.33	21450000	4.33
9	IFCI Limited	1747750	3.88	5 Apr 2016	150000 (D)	Transfer	1597750	3.55	15100250	3.05
				1 Jul 2016	225000 (D)	Transfer	1372750	3.05		
				25 Nov 2016	137275 (I)	Bonus Allotment	1510025	3.05		
10 (i)	PI Opportunity Fund	1350000	3.00	25 Nov 2016	135000 (I)	Bonus Allotment	1485000	3.00	14850000	3.00
10 (ii)	MS Strategic (Mauritius) Limited	1350000	3.00	25 Nov 2016	135000 (I)	Bonus Allotment	1485000	3.00	14850000	3.00
10 (iii)	Tiger Global Five Holdings	1350000	3.00	25 Nov 2016	135000 (I)	Bonus Allotment	1485000	3.00	14850000	3.00
10 (iv)	GS Strategic Investments Limited, Mauritius	2250000	5.00	13 Aug 2016	450000 (D)	Transfer	1800000	4.00	14850000	3.00
				22 Nov 2016	450000 (D)	Transfer	1350000	3.00		
				25 Nov 2016	135000 (I)	Bonus Allotment	1485000	3.00		

**Note:**

\* Equity Shares of ₹10/- each

\*\* Equity shares of ₹1/- each following sub-division of shares of face value of ₹10 each to ₹1 each on December 14, 2016

**v) Shareholding of the Directors and Key Managerial Personnel:**

SN	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	N.A.	N.A.	N.A.	N.A.
	At the end of the year	N.A.	N.A.	N.A.	N.A.



## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payments- Nil

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (₹ in Crores)
Indebtedness at the beginning of the financial year	N.A	N.A	N.A	N.A
i) Principal Amount	N.A	N.A	N.A	N.A
ii) Interest due but not paid	N.A	N.A	N.A	N.A
iii) Interest accrued but not due	N.A	N.A	N.A	N.A
Total (i+ii+iii)	N.A	N.A	N.A	N.A
Change in Indebtedness during the financial year	N.A	N.A	N.A	N.A
* Addition	N.A	N.A	N.A	N.A
* Reduction	N.A	N.A	N.A	N.A
Net Change	N.A	N.A	N.A	N.A
Indebtedness at the end of the financial year	N.A	N.A	N.A	N.A
i) Principal Amount	N.A	N.A	N.A	N.A
ii) Interest due but not paid	N.A	N.A	N.A	N.A
iii) Interest accrued but not due	N.A	N.A	N.A	N.A
Total (i+ii+iii)	N.A	N.A	N.A	N.A

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Managing Director & CEO Ms. Chitra Ramkrishna (upto 02.12.2016) (₹ in Crores)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.37
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.07
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	
	- others, specify...	
5	Others, please specify (contribution to PF and other fund. Exempted allowances, tax paid by employer, withheld variable pay)	2.54
	<b>Total (A)</b>	<b>22.98*</b>
	Ceiling as per the Act-5%	62.27
	Ceiling as per the Act-11%	137.00

\* Includes amount paid towards Leave encashment, Leave Travel allowance, Medical allowance and Gratuity

## B. Remuneration to other directors:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Ashok Chawla	Mr. Dinesh Kanabar	Ms. Naved Masood	Mr. T.V. Mohandas Pai	Ms. Dharmishta Raval	Justice B.N. Srikrishna	
1	Independent Directors							
	Fee for attending board, committee meetings	70.00	43.00	47.00	32.00	75.00	7.00	274.00
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>70.00</b>	<b>43.00</b>	<b>47.00</b>	<b>32.00</b>	<b>75.00</b>	<b>7.00</b>	<b>274.00</b>
2	Other Non-Executive Directors							
	Fee for attending board, committee meetings	81.00	-	5.00	27.00	45.00		158.00
	Commission	-	-	-	-	-		
	Others, please specify	-	-	-	-	-		
	<b>Total (2)</b>	<b>81.00</b>	<b>-</b>	<b>5.00</b>	<b>27.00</b>	<b>45.00</b>		<b>158.00</b>
	<b>Total (B)=(1+2)</b>							<b>432.00</b>
	Total Managerial Remuneration							
	Overall Ceiling as per the Companies Act, 2013: Siting Fees							₹1 lakh per Director per meeting

\*Sitting fees was paid to State Bank of India

## C. Remuneration to Key Managerial Personnel (Other Than MD/Manager/WTD) :

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		Mr. J Ravichandran (CEO w.e.f. 02.12.2016)	Mr. J Ravichandran (CS upto 20.10.2016)	Mr. Yatrik Vin (CFO)	Mr. S Madhavan (CS w.e.f. 21.10.2016)	
	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.40	2.36	1.65	0.28	5.69
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.27	0.46	0.31	-	1.04
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	-as % of profit	-	-	-	-	-
	-others, specify...	-	-	-	-	-
5	Others, please specify (contribution to Provident Fund and other Fund, exempted allowances, Tax paid by employer, withheld variable pay)	0.30	0.51	0.10	0.01	0.92
	<b>Total</b>	<b>1.97</b>	<b>3.33</b>	<b>2.06</b>	<b>0.29</b>	<b>7.65</b>



## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			--NIL--		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			--NIL--		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			--NIL--		
Compounding					

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 5, 2017

**Ashok Chawla**  
Chairman

## ANNEXURE 3 TO BOARD'S REPORT

### RELEVANT EXTRACTS FROM NOMINATION AND APPOINTMENT POLICY OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL AND REMUNERATION POLICY

**(a) Criteria for determining qualifications, positive attributes and independence of a director:**

- Satisfaction of the 'fit & proper criteria' stipulated under SCR (SECC) Regulations 2012 and other requirements as prescribed by SEBI from time to time.
- Assessment of the appointee against a range of criteria which includes, but not be limited to, qualifications, skills, diverse industry experience, background and other qualities relevant to the business of the Company and required to operate successfully in the position.
- The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company.
- The nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment.
- Ability of the appointee to represent the company.
- Ability to work individually as well as a member of the Board and with the senior management.
- Influential communicator with power to convince other in a positive way.
- Ability to participate actively in deliberation and group processes.
- Strategic thinking and facilitation skills.
- Act impartially keeping in mind the interest of the company on priority basis.

**(b) Policy on directors' remuneration:**

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



## ANNEXURE 4 TO BOARD'S REPORT

### ANNUAL REPORT OF CSR ACTIVITIES 2016-17

NSE is covered under the purview of Section 135 of the Companies Act 2013. Similarly many of its subsidiaries are also covered within the same. However, contribution to CSR by some of these Companies as required under Section 135 will be negligible. Moreover, there could be efforts at duplication if each individual Company undertakes CSR activities on its own and there would be difficulties in scaling up these activities. Hence, it has been decided by the Boards of the respective Companies in NSE that CSR efforts for the Group be undertaken commonly and the actual spent be allocated to the respective Companies in proportion to their legal obligations.

Therefore, a common CSR function for NSE and its subsidiaries has been created under NSE as a group resource and the actual CSR spend is proportionately allocated to the respective Companies. However, the CSR Committees for these Companies are separate. A common CSR policy has been prepared and approved by respective CSR Committees and Boards.

**(1) A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken is given below.**

#### **NSE CSR Vision**

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

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

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

The key focus sectors identified by NSE for social intervention and impact, target the economically, socially and educationally disadvantaged and underprivileged sections of our population. The key change and impact indicators in every programme strive to align with the nation's social development goals and the larger global sustainable development goals.

#### **CSR Focus Areas Objectives and Goals**

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

NSE has currently identified three CSR core focus areas as issues of concern to be addressed in the developmental landscape in India. They are i) Primary Education, ii) Elder Care and iii) Sanitation & Safe Drinking Water. In addition, during times of natural calamities and disasters, NSE strives to provide speedy relief and assistance to affected geographies and communities through contributions to the Prime Minister's relief fund and emergency disbursements to NGOs.

The NSE CSR programmes seek to impact the most disadvantaged sections of the community by undertaking long term impactful programmes in education and elder care. Projects undertaken under these verticals will not be one-time activities but will be on a programme mode with a long term timeline to achieve pre-determined goals and impact.

In addition to the focal areas of social intervention, a number of internal CSR activities to engage and motivate employees to be socially responsible have been undertaken by the CSR Focus Group of NSE.

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

#### **Primary Education**

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

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

The Primary Education programme modules are intensive, customized and highly individualistic in nature. Many of these programmes are model path breaking projects which are recognized as social and educational change agents. They are seen to be model prototypical templates that can be implemented in other areas / institutions as well. To cite an example, the TISS field action project Chunauti has been held by the Hon. High Court of Bombay to be a model project and a directive issued to implement it in the 19 Homes across Maharashtra.

### Sanitation and Safe Drinking Water

The initiatives in WASH (Water, Sanitation and Hygiene) programmes are aligned to the goals of the Swachh Bharat Mission and the Swachh Bharat Swachh Vidyalaya. Under this, NSE supports sanitation projects in the schools (WINS – Wash in Schools), communities, and awareness building on sanitation, safe drinking water, solid waste management and WASH.

### Elder Care

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

The area is challenging as this problem has not been taken up as an imminent issue. There are only a few well established NGOs and limited support from Government programmes. Projects considered under the elder care segment concentrate on enhancing the holistic well-being of the underprivileged ageing population by awareness of physical and mental health indicators, addressing elder abuse, loneliness, economic and financial independence and awareness of issues relating to the elderly.

### Prime Minister's National Relief Fund

From time to time various regions in India are affected by natural calamities such as floods, storms, earthquakes, etc. Emergency relief assistance is provided by the State Govt. & Central Govt. agencies, NGOs etc. and also through Prime Minister's National Relief Fund. NSE has taken up contribution to the 'Prime Minister's National Relief Fund' and emergency disbursements to NGOs to provide speedy relief to affected

communities as one of the CSR focus areas in such circumstances if and when the need arises.

### Selection Criteria of Projects

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

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

The programme proposals go through a detailed scrutiny on various parameters such as type of beneficiaries, relevance of scope of work to thematic requirements, focus on the larger community, emphasis on training and capacity building, working with Government schemes, departments, sustainability of the intervention, innovativeness, uniqueness, scalability, replication of programmes, outputs, outcomes, plan for monitoring and evaluation, impact assessment and employee engagement opportunities.

After the first phase of programme implementation, NSE CSR team had developed a reference framework based on the FINITE model to bench mark the projects. F (Focused in location /approach and sector), Innovative (In design, concept and outcomes) Niche (Unique in approach, intervention and programmes) Impactful (in quantitative and qualitative programme outputs and outcomes) Tracked (in programme achievements, programme objectives involving NSE staff, NGOs, community and beneficiaries) Engaging (To all stakeholders community, company and beneficiaries due to uniqueness of methodology, engagements and tools).

The projects are selected on a number of parameters such as alignment to the CSR vision and CSR policy of NSE, focus verticals, geographical area being in backward districts, needs of the community, impact of programme, bottom rung beneficiaries, sustainability of the project after completion.

### NSE CSR Focus Group

In order to strengthen its CSR initiatives, a CSR Focus Group was formed in 2012. The members of the group were employees volunteering to contribute part of their time to undertake CSR activities internally in various activities with the help of NGO partners.



The group conducts/coordinates various social activities internally for employees such as encouraging volunteering for the NSE CSR initiatives and activities such as blood donation camps, organising awareness building programmes on solar power and sustainable lifestyles, recycling of waste paper, screening of documentaries on environmental & social issues, NGO-melas related to social entrepreneurship, education, health & environmental awareness including organising of guest lectures on social issues, nature awareness walks, observing National / International Days such as Children's Day, Women's Day, Water Day support of Earth Hour, etc.

### Monitoring and Evaluation of CSR Initiatives

Rigorous monitoring and evaluation processes ensure the success of the CSR programmes. NSE, through the Project Management and Evaluation agencies (PMEs) such as Tata Institute of Social Sciences (TISS) and Samhita Social Ventures apply stringent criteria while selecting the NGO partner and the programmes. The projects have the key outcomes and other project specific indicators defined and the impact assessed in the projects undertaken.

The key indicators are tracked on a regular basis by frequent desk reviews, site visits, follow-ups, capacity building, quarterly programmatic and financial on site scrutiny and advice on organizational or programmatic corrections to ensure on ground impact and sustainability of the programme.

### Web-link for NSE CSR Policy:

[http://nseindia.com/global/content/about\\_us/NSE\\_CSR\\_Policy.pdf](http://nseindia.com/global/content/about_us/NSE_CSR_Policy.pdf)

## 2. The Composition of the CSR Committee of National Stock Exchange of India Ltd. (NSE):

The current members of the Committee are Mr. Ravi Narain, Mr. Prakash Parthasarathy, and Mr. Mohandas Pai. Mr. Ravi Narain is the Chairman of the NSEIL CSR Committee.

## 3. Average net profit of NSE for last three financial years:

The average net profit of NSEIL calculated pursuant to Section 135 read with Section 198 for last three Financial Years is ₹11,04,00,83,635

## 4. Prescribed CSR expenditure (2% of the amount as in item 3 above):

₹22,08,01,673

## 5. Details of CSR spend during the financial year 2016-17

- (a) Total amount to be spent for the financial year 2016-17:  
₹22,08,01,673
- (b) (i) Total amount already committed (cumulative): ₹37,79,26,154
- (ii) Total amount already disbursed/spent (cumulative): ₹11,04,13,146 (including for ongoing projects) of which ₹8,33,42,527.25/- was disbursed in the current financial year.
- (iii) Amount unspent for the financial year: ₹13,74,59,145
- (iv) ₹28,85,62,247.38 was committed during the year towards CSR projects with varied duration.

(c) Manner in which the amount spent during the financial year is detailed below.

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the state and district where projects or programmes was undertaken	Cumulative Amount outlay (Committed Budget)		Amount spent during FY 16 -17 on projects or programs sub heads (1) Direct expenditure on projects or programs (2) overheads		Cumulative expenditure up to the reporting period		Amount spent Direct or through implementing agency	
				Outlay for the Group	Outlay for the Company	Spent by the Group	Outlay for the Company	Spent by the Group	Spent by the company	Spent by the Group	Spent by the Company
1	Door Step School	Primary Education	Pune City,District- Pune, State- Maharashtra	11,44,100	8,55,574	-	-	10,28,950	7,60,360	10,28,950	7,60,360
2	Door Step School	Primary Education	Haveli- MulashiTehasil, District- PuneState- Maharashtra	42,07,000	31,46,053	42,692	31,009	30,83,952	22,80,401	30,83,952	22,80,401
3	Vikas Sahayog Pratishthan	Primary Education	District- Buldhana State- Maharashtra	36,26,700	27,12,096	1,78,874	1,29,923	36,11,700	26,62,651	36,11,700	26,62,651
4	Magic Bus India Foundation	Primary Education	Ulhasnagar City District- Thane State- Maharashtra	54,82,400	40,99,814	-	-	39,43,024	29,02,378	39,43,024	29,02,378
5	Tata Institute of Social Sciences	Primary Education	Mankhurd, Mumbai State- Maharashtra	37,35,690	27,93,601	-	-	30,67,902	22,63,149	30,67,902	22,63,149
6	All India Inst. Of Local Self Government	Primary Education	Thane and Pune State- Maharashtra	2,10,32,480	1,57,28,379	62,56,681	45,44,473	1,12,37,791	81,93,833	1,12,37,791	81,93,833
7	All India Inst. Of Local Self Government	Primary Education	Medha Dist- Satara State- Maharashtra	2,10,32,480	1,57,28,379	62,16,249	45,15,106	1,11,26,539	81,12,580	1,11,26,539	81,12,580
8	Dignity Foundation	Elder Care	Mumbai and Chennai State- Maharashtra and Tamilnadu	1,65,89,430	1,24,05,805	78,27,698	56,85,564	1,47,16,883	1,07,63,433	1,47,16,883	1,07,63,433
9	Door Step School- Urban	Primary Education	Pune City,District- Pune, State- Maharashtra	25,37,207	18,58,859	15,45,272	11,22,392	15,45,272	11,22,392	15,45,272	11,22,392
10	Door Step School- Rural	Primary Education	Haveli- MulashiTehasil, District- PuneState- Maharashtra	44,21,076	32,39,057	28,04,683	20,37,151	28,04,683	20,37,151	28,04,683	20,37,151
11	Vikas Sahayog Pratishthan - Saksham	Primary Education	District- Buldhana State- Maharashtra	59,26,950	43,42,320	56,52,532	41,05,656	56,52,532	41,05,656	56,52,532	41,05,656
12	Tata Institute of Social Sciences (Chunauti)	Primary Education	Mankhurd, Mumbai State- Maharashtra	47,35,248	34,69,231	37,00,703	26,87,966	37,00,703	26,87,966	37,00,703	26,87,966
13	Teach For India	Primary Education	Mumbai and Chennai	1,76,71,602	1,29,46,920	80,46,449	58,44,452	80,46,449	58,44,452	80,46,449	58,44,452
14	Family Welfare Agency	Elder Care	Lower Parel, Mumbai	82,41,200	60,37,832	27,66,921	20,09,723	27,66,921	20,09,723	27,66,921	20,09,723
15	Magic Bus India Foundation	Primary Education	Ulhasnagar, Maharashtra	1,45,56,190	1,05,72,732	56,70,609	41,18,786	56,70,609	41,18,786	56,70,609	41,18,786
16	Paragon Charitable Trust	Primary Education	Mumbai	85,21,500	61,89,500	37,59,717	27,30,830	37,59,717	27,30,830	37,59,717	27,30,830
17	Door Step Schools Mumbai	Primary Education	Mumbai	1,14,00,000	82,80,268	44,44,645	32,28,320	44,44,645	32,28,320	44,44,645	32,28,320
18	Aid India	Primary Education	Tamilnadu	89,38,250	64,92,202	65,00,092	47,21,272	65,00,092	47,21,272	65,00,092	47,21,272
19	Pratham Education Foundation	Primary Education	Maharashtra	1,02,25,365	74,27,084	83,53,489	60,67,467	83,53,489	60,67,467	83,53,489	60,67,467
20	IIMPACT	Primary Education	West Bengal	1,05,00,000	76,26,562	26,04,250	18,91,569	26,04,250	18,91,569	26,04,250	18,91,569

# Board's Report



Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the state and district where projects or programmes was undertaken	Cumulative Amount outlay (Committed Budget)		Amount spent during FY 16 -17 on projects or programs sub heads (1) Direct expenditure on projects or programs (2) overheads		Cumulative expenditure up to the reporting period		Amount spent Direct or through implementing agency	
				Outlay for the Group	Outlay for the Company	Spent by the Group	Outlay for the Company	Spent by the Group	Spent by the company	Spent by the Group	Spent by the Company
21	Pradan	Primary Education	Jhabua, Mandla, Sagar	3,05,00,000	2,21,53,348	-	-	-	-	-	-
22	Foundation To Educate Girls Globally	Primary Education	Ajmer, Rajasthan	1,15,00,000	83,52,902	46,01,027	33,41,907	46,01,027	33,41,907	46,01,027	33,41,907
23	QUEST	Primary Education	Kalvan and Nashik	5,07,00,000	3,68,25,401	-	-	-	-	-	-
24	Developmental Association For Human Advancement (DEHAT)	Primary Education	Mihinpurwa block of Bahraich district	23,23,000	16,87,286	12,59,500	9,14,824	12,59,500	9,14,824	12,59,500	9,14,824
25	Helpage India	Elder Care	Ghatanji, Choutuppal, Kolaghat, Basantpur	5,51,00,000	4,00,21,294	48,82,915	35,46,653	48,82,915	35,46,653	48,82,915	35,46,653
26	Charities Aid Foundation India	Elder Care	Jharkhand	49,96,000	36,28,791	24,98,457	18,14,727	24,98,457	18,14,727	24,98,457	18,14,727
27	FINISH Society	Sanitation	Nashik	59,71,700	43,37,480	28,29,425	20,55,122	28,29,425	20,55,122	28,29,425	20,55,122
28	Americares India Foundation	Sanitation	Mumbai	79,92,916	58,05,569	33,21,167	24,12,294	33,21,167	24,12,294	33,21,167	24,12,294
29	Youth For Unity And Voluntary Action (YUVA)	Sanitation	Nashik and Akola	1,04,63,000	75,99,688	27,38,500	19,89,080	27,38,500	19,89,080	27,38,500	19,89,080
30	Jal Seva Charitable Foundation	Sanitation	Dumka and Pakur Districts of Jharkhand State	2,73,00,000	1,98,29,062	4,01,300	2,91,480	4,01,300	2,91,480	4,01,300	2,91,480
31	WASH in Ashram Schools	Sanitation	Nashik District	9,70,00,000	7,04,54,909	-	-	-	-	-	-
32	Oxfam India	Disaster Relief	Bihar	80,40,000	58,39,768	70,00,000	50,84,375	70,00,000	50,84,375	70,00,000	50,84,375
33	Door Step School- Urban	Primary Education	Pune City, District- Pune, State- Maharashtra	29,00,000	21,06,384	-	-	-	-	-	-
34	Door Step School- Rural	Primary Education	Haveli- Mulashi Tehasil, District- Pune State- Maharashtra	44,19,346	32,09,945	-	-	-	-	-	-
35	Door Step School- Rural (Extension)	Primary Education		9,69,469	7,04,163	-	-	-	-	-	-
36	Vikas Sahayog Pratishthan	Primary Education	District- Buldhana State- Maharashtra	64,55,650	46,88,992	22,34,550	16,23,041	22,34,550	16,23,041	22,34,550	16,23,041
37	Tata Institute of Social Sciences (Chunauti)	Primary Education	Mankhurd, Mumbai State- Maharashtra	65,10,600	47,28,904	-	-	-	-	-	-
38	CSR Focus Group	Various Activities*	Mumbai, Maharashtra	-	-	3,22,917	2,34,547	15,14,532	11,08,490	-	-
39	Capacity Building	Capacity Building	Mumbai, Maharashtra	-	-	41,11,711	29,86,497	83,99,626	61,50,463	-	-
40	PME**	Project Monitoring	NA	-	-	21,70,224	15,76,319	21,70,224	15,76,319	21,70,224	15,76,319
				<b>51,76,66,549</b>	<b>37,79,26,154</b>	<b>11,47,43,248</b>	<b>8,33,42,527</b>	<b>15,15,17,325</b>	<b>11,04,13,146</b>	<b>14,16,03,167</b>	<b>10,31,54,192</b>

\*Activities undertaken by NSE CSR Focus Group covers Blood Donation Camp, NGO Melas for Children's Day, Environment Awareness, Swachha Bharat Drive. \*\*Project Monitoring and Evaluation.

## 6. Details of the Implementing Agencies

### Education

#### Magic Bus Foundation

Magic Bus Foundation has been working in the field of education for the past 17 years and is present across 23 States in India. They follow a sports and activity based learning model at school level for better enrolment and retention. Underprivileged youth from the community are trained as mentors to become role models for the younger children. Magic Bus believes in the concept of 'Childhood to Livelihood'. The programme provides vocational and employment generating skills to the youth to increase their employability and financial opportunity.

The NSE S4 D (Sport for Development) Magic Bus programme which is nearing the second year of completion, trains and guides local community youth called Youth Mentors in Ulhasnagar, to deliver a quality supplementary education programme for 1700 primary school children (grade 3<sup>rd</sup> to 7<sup>th</sup>) in 10 Marathi medium municipal schools that focuses on academic performance, health, gender equality, reading and remedial classes for selected children with learning deficits. The 10 trained youth mentors implement the programme by using a specially created curriculum that uses sports and activities to improve attendance, life skills & values. The academic component of the programme is implemented in collaboration with QUEST (an NGO that has done extensive work in pedagogy and capacity building in education).

This unique NSE programme uses sports and activities to create behavioural changes on issues such as gender equality, importance of education and thereby regular school attendance, leadership, cooperation and team spirit. The library programme encourages reading habits, exposure to visual mediums like books and charts, responsibility and leadership. In addition the objective of the supplementary remedial programme 'Saksham' is to get selected children with learning deficits in grade 5, 6 and 7, in the intervention areas to complete formal school system by giving them access to a quality education platform and a base to continue the secondary education. The majority of the children from the 10 municipal schools hail from the disadvantaged and marginalised communities with most children being first generation learners. Parents of these children are workers from the unorganized sectors such as construction workers, flower sellers, daily wage workers, domestic help, street vendors, etc. Based on the assessment scores, children are grouped according to the learning levels and 22 municipal teachers who have been specially trained in this method conduct a 1 hour remedial session every day. As a result of efforts by the Youth Mentors a total of 67 dropout children have been re-enrolled.

The efforts of NSE- Magic Bus S4D programme has been recognized by the Ulhasnagar Municipal Corporation and the NGO has been invited to be a part of the Ulhasnagar Child Protection Committee panel.

#### The Society for Door Step Schools (Rural)

DSS was established in Mumbai in 1988 and later expanded to Pune in 1993 with the aim of addressing literacy amongst the marginalized sections of society. Door Step Schools (DSS) aims to bridge the divide between children from migrant and nomadic communities who constitute the fringes of urban societies. They are largely ignored by developmental policies and by social benefit schemes due to their migratory patterns. Due to lack of knowledge, documentation and frequent change of locations the children do not have access to the formal school systems. The DSS programme for children of such migrant communities offers facilities from cradle to crèche to class.

#### Door Step Schools (Urban)

The NSE -DSS Urban Project titled Project Foundation is a literacy programme for children aged 6 -14 years of construction, migrant and seasonal labourers. The programme is nearing the second year of implementation. Educational Activity Centers (EAC) were started in 10 construction sites, literally bringing education to the doorstep of these children in Pune city. This is an attempt to include those children who fall through the gaps of formal systems due to frequent migration of their families. The emphasis is on assessing children who can be admitted to formal schools and putting into place a system that includes transportation and supplementary coaching so that attendance and performance improves. This reduces the risk of children being drawn into the child labour force and endeavours to provide basic literacy and life skills. The project also tracks drop out children due to migration of the family to new construction sites and helps them get admitted in schools near the areas they have shifted to.

The project uses unique pedagogic tools to increase and maximize learning. Innovative teaching aids, songs, dance, paintings, drawings, and other activities make learning a fun activity. The project primarily tracks data to monitor the level of reading of the children. The project states that if a child attends the center regularly for 120 days he or she will be able to read the prescribed alphabets, words and small sentences in Marathi. A total cumulative number of 1000 children have benefited by this project.

Parental participation is an essential part of the community engagements. A comprehensive programme is chalked out for educating parents on their child's performance but also about child abuse, cleanliness and food habits. The programme keeps track of



the children whose parents migrate to other places and gathers information about the newly migrated children so as to start the process of involving them into the DSS programme. A total number of 210 children have been tracked and 68 re-enrolled in schools.

### **Door Step Schools (Rural)**

The NSE –DSS Rural Project 'Project Grow with Books' is currently in Mulashi- Malawi taluka near Pune and is in the second year of implementation. The NSE DSS rural project aims to bridge reading skills of 3400 children from 25 rural government zilla parishad schools.

The community in this area comprises of small holding farmers, daily wage labourers and construction workers.

Reading is the fundamental process of education and the first step to literacy. While conducting school based study classes and running mobile libraries in communities, DSS observed the lack of reading skills of children studying in public schools. The NSE project 'Grow with Books' aims to enhance the reading ability of children from grade 1 - 7 enrolled in government schools, using specially selected books. The project is designed to enable 85% children from Grade 1 having an attendance of 80% or more to read their grade appropriate level. Other innovative activities included are colouring, story-telling and reading competitions, comprehension passages and learning activities for improvement in reading the composite letters/ words.

The NSE Programme comprises of 4 distinct modules for children from grade 1 to grade 7. First Steps Forward is a 45 minute reading session conducted for grade 1 every day. Reading Classes for grade 2 -4. Each session of 90 minute every week conducted by book fairies, Home lending library for grade 1 -7– This programme is only done in schools that already have reading classes in the lower grades to help strengthen the foundational reading skills. Bridge Classes for grades 2 - 4, children who are unable to read even grade 1 level text are included in these sessions.

### **Vikas Sahyog Pratishthan (VSP)**

Project SHAKSHM (Quality Education Initiative for Age Appropriate Learning) is a quality education project impacting 1500 children in government schools hailing from nomadic and notified tribes from 25 villages of Mehkar Block of Buldhana District, Maharashtra. The villages selected are especially migration prone and have a high number of VJNT tribes or nomadic tribes.

The project seeks to improve the language and numeracy of these children through use of innovative local pedagogic tools based on the NCERT curriculum and methodologies. It also aims to work with the communities to reduce dropout of children from schools due to

seasonal migration. 25 Children's Learning Centres have been set up in schools or community spaces. Each centre has about 30 students who have been identified and grouped after baseline assessments. Volunteers have been hired from the community and trained to deliver the structured modules. Frequent assessments and testing ensure tracking of the impact.

In the second year a robust programme of engaging School Management Committees (SMC), community youth volunteers and women's groups has been put into place to decrease the dropout rates of children from the area. The project works directly with 80 volunteers, around 91 government teachers, 190 SMC members, 3500 parents and 350 youth group volunteers directly to achieve this. In all 8531 stakeholders are involved and impacted by this project.

Post the first year of implementation, on the request of the Government education department, teaching learning materials (TLM) was distributed to an additional 2000 children and training for around 90 teachers undertaken to supervise the children who had received the TLM.

The local volunteers who were trained under this project as teachers are invited to conduct classes in schools, they are even called as experts in block resource centres. The programme coordinators are being invited by the State Government department to provide inputs in the Pragat Shikshan Dhoran dialogue an initiative of the State Government to improve primary school education. 290 dropout children were tracked and 146 re enrolled in schools under this project.

### **All India Institute of Local Self Government – AILSG (Urban Project)**

Founded in 1926, AILSG is one of the oldest NGOs in India and Asia. Its special focus is to work with the marginalised children from vulnerable communities- urban slums, remote rural and tribal areas, de-notified & nomadic tribes and those belonging to other disadvantaged sections – SC, ST, OBC, minorities etc.

The NSE project 'Serving and Enriching Education for Under-privileged Urban Children' is designed to improve access and quality of primary education to the children from disadvantaged sections, enhance the capacity of stakeholders to deliver better quality of education to the disadvantaged children and to develop a holistic educational model for strengthening and enriching the demand side of Right to Education. The project areas are vulnerable slums in Pune and Thane districts and applies AILSG's globally recognized pioneering model of 'Children's Resource Center' or 'Shikshan Ranjan Kendra'. Currently the project is into the second year, this project has impacted 867 children in Pune and 817 in Thane respectively.

A Children's Resource Center (CRC) has been established at the community level in Thane and Pune with 18 committed and trained Shikshan-Mitras (SM) which has resulted in creating a conducive environment for holistic learning to supplement education, provide minimum age appropriate learning and ensure literacy levels. The sessions of supplementary and complementary learning at the CRC are conducted for 2 hours each in the mornings and evenings. The sessions continue in the afternoon and evening, depending upon the availability of the children. The sessions, which are held in community centres of slums in Pune and Thane, engage the students through dance and drama and include planned academic modules, life skills, health, hygiene and other topics. The programme based in the community thus has a strong connect with the community stakeholders as well as parents. The parents are direct participants in the children's literacy and growth. The Youth Mentors form the unique feature of this project.

#### All India Institute of Local Self Government –AIIISG (Rural Project)

This Quality Education project is being implemented in Medha Tehsil of Satara Block and impacts 803 children and 1608 parents in over 16 villages. This is essentially a replication of the urban programme in the rural areas with the difference that the Children's Resource Centres are spread over 16 villages, eight of them being in tribal pockets with a number of children from khatkare tribal families who are indigenous primitive tribals, and are either landless unskilled farm labour or engaged in fishery and agricultural odd jobs. The financial levels, social and educational background of these groups make them particularly vulnerable. There is an overall poor quality of life and living with low application of health and hygiene practices such as sanitation and nutrition. Seasonal migration is common after Diwali and families move along with children to locations of employment. This adversely affects their learning attainments and continuation of education.

The project is delivered by youth mentors called Shikshan Mitras (SM's) who use activities, games, music and art to reinforce age appropriate learning outcomes and life skills in the children during the sessions at the Children Resource Centres (CRC). The sessions are conducted twice a day for two hours in the morning and evening and conducted in community spaces such as community halls, buildings or centres.

#### Project Chunauti

NSE supports Project Chunauti – is a model project currently implemented by the Tata Institute of Social Sciences (TISS) in the MDC Home, Mankhurd under supervision of the Mumbai High Court. This programme benefits 103 differently abled children.

Project Chunauti was started in response to the abuse and exploitation of mentally challenged orphan children in Mentally Deficient Children's (MDC) Homes in Thane and Panvel. These children are one of the most vulnerable groups, having neither family nor protection and been subject to abuse, trauma, malnutrition and neglect.

The objective of the project is to rehabilitate the mentally challenged children from the ordeal of various forms of abuse that they had undergone through an integrated and intensive counselling, education and basic life skills sessions. The main activities of the project include:

- Special education and vocational training within MDC Home and provide formal education through SSA and NIOS
- Therapeutic inputs such as counselling, life skills training, and occupational therapy
- Linkages to quality medical, counselling, educational and vocational services
- Documentation and knowledge dissemination

In the first year of implementation the focus was on establishing a model of quality care for children placed in MDC homes. In the second year of the project, the activities have continued in the MDC Mankhurd home, also the replication of the model in two more homes in Solapur and Aurangabad district have been undertaken.

The project is working to strengthen the existing government systems, organizational and delivery structures as well as processes and SOPs, to improve the quality of care given to the children placed in the homes. Towards this end, capacity building of the staff of the MDC Homes, officials at departmental levels is undertaken. With a view of ensuring sustainability, the project utilizes resources available through government schemes and is working to set up protocols and processes to ensure availability, implementation, monitoring. It is envisaged that once the model is in place for MDC Homes in Maharashtra the same can be taken to other States in India.

#### Teach For India

The NSE -The Teach for India (TFI) programme is currently in its first year of support. The programme recruits outstanding college graduates and young professionals who commit two-years to teach full-time in under resourced schools and who become lifelong leaders working from within various sectors towards the pursuit of universalization of education. They act as mentors to students and catalysts to revitalize the educational system that lacks skill sets and a modern, professional approach to teaching.

# Board's Report



NSE supports Teach for India 50 fellows in Mumbai and Chennai each who are attached with 8 schools each impacting 1500 students. Through this programme NSE supports Teach for India's vision to provide every child with an excellent education.

The project activities comprise recruitment and training of Fellows before the academic year begins, conferences, workshops, and refresher trainings throughout the year, and also assessments conducted by Teach for India - the beginning of year assessments, middle of the year assessments and end of the year assessments.

## Aid India

Aid India, founded in 1996 by a group of IIT and BITS alumni, has been implementing several education programmes across Tamil Nadu with a mission to ensure quality education for every child. Aid India works with Government schools, NGOs and village centers in over 15 districts of Tamil Nadu. The NSE project a part of the Aid India Eureka SuperKidz programme which aims to ensure quality education for 1500 children in Std. 3- 7 to achieve basic skills in Tamil, Math, English and Science through an after school remedial education programme in groups of 25 to 30 children. The programme is currently run in 50 villages in Trichy, Tiruvallur and Vellore districts of Tamil Nadu.

The rationale behind Eureka Super Kidz Programme is equity in education, which is the basic need for a balanced society and for a secure future. A good quality education can make a difference to the lives of underprivileged children and it can decisively break their cycle of poverty with a good educational foundation. However, several of the villages are way behind the expected levels in education quality. For the NSE centres, special care has been taken to identify communities such as the Adi Draviders etc. which are on the fringes of educational development and initiate the project within these communities. The Iruvar tribes in Tiruvanmalai District have also been specifically identified and the learning centres set up to reach the lowest rung of society.

The objective of the NSE –Aid India programme which is in the first year of intervention, is to create a sustainable model to improve quality of education among rural underprivileged children by providing an enabling learning environment to ensure that for those children lagging in basic skills in grades 3-5 achieve minimum grade appropriate competencies in Tamil, Math and English and children in grades 6-8, achieve basic skills in Tamil, Math, English and Science through after school interventions. The project promotes sustainability by identifying local tutors who are trained to teach children in an effective manner with monetary contribution from the community so that the parents are invested in the progress.

## Muktangan

Muktangan schools have been conceived as an experimental school programme where the challenge is to provide a high standard of 'private' school education in a Government Municipal School. Muktangan works in 7 municipal schools in Lower Parel / Worli areas. Muktangan has to date, through its in-house teacher education centre trained over 600 teachers from the community with 453 currently working in 7 schools receiving professional development.

NSE – Muktangan project which is currently in the first year, supports two primary schools- Global Municipal Public School, Elphinstone and N. M. Joshi School, Lower Parel, which strive to facilitate better education for children from under-resourced communities. The project is embedded in the innovative teaching-learning model of Muktangan which defies the regular education in schools and teacher education colleges, driven by an exam oriented and rote learning cycle. The teachers themselves are from the community where the child resides and therefore stay invested in the educational progress. Further this serves to educate and empower groups of women to access career opportunities that would help them to be confident and independent. The focus is on how best the child can understand concepts through activities and interaction.

The objective is to provide students an inclusive school environment that encourages assimilation of learnings relevant to them and building life skills that will be critical to their future growth. Also, to holistically develop the students into confident, independent, creative and empathetic learners through a child-friendly pedagogy and building skills in the creative and performing arts while in parallel developing and encouraging women from the community to become teachers.

Student learnings are catalogued by class teachers and used as reference material for curriculum design during weekly subject and lesson planning meetings by teachers. Thus, ensuring continued development and innovations in the classroom. The average number of students per one class in government /aided schools is between 40 -60, but a Muktangan teacher caters to a group of not more than 15 students at a time ensuring that each child is given individual attention and support based on the continuous observation of the student's learning needs.

At present, 316 children (including 10 children who are diagnosed with learning difficulties) are enrolled in the Primary Sections of both the Muktangan schools and have equipped 33 teachers with regular subject pedagogy training sessions.

Over time, teachers have developed focus on how to enhance the child's perception and enable them to creatively apply theoretical

knowledge in their daily life. For example if a child has to be taught about what an apple is, the child is asked to talk about what he/she thinks about it, the children will sing songs about it or might write stories about. The project has also been able to engage parent regularly through quarterly meetings. Nutritional requirements are also an important aspect of the project as along with the mid-day meal children are given fruits throughout the week.

### Pratham Education Foundation

Since its year of inception in 1995, Pratham Education Foundation has focused on the educational needs of the marginalized and disadvantaged children. Currently Pratham works in a total of 23 States and union territories across India. The objective of the NSE -Pratham project is to improve learning levels in reading and arithmetic of children enrolled in primary grades especially Std. 3 -5 in a short duration of time. The programme is designed to develop early literacy and numeracy in children in Std. 1&2. Also, the programme aims to provide access to good quality books to all children in the targeted communities through a community library programme. The overall focus is to create a holistic learning environment for children in a community. A unique feature of the programme is that parents, especially mothers are also involved. The NSE project impacts around 14,000 children between 6 – 12 years in 140 communities in 6 cities of Maharashtra viz. Nagpur, Solapur, Nashik, Thane, Pimpri - Chinchwad and Aurangabad through library camps which includes 6460 children benefiting through the Learning camps and the School readiness programme.

There are three main programmes within this project. The 'School Readiness Programme' which is a year-long academic intervention to strengthen the foundation and decrease drop out from schools for children of grade 1 &2, 'Urban Learning Camps' for Grade 3 -7 which are 40 day camps where intensive academic support is given especially in Math and Language through a special technique called Combined Activities for Maximized Learning (CAMaL). The third module is a Library Programme which encourages reading and attention through visual media. The 'School Readiness Programme' is conducted in a continuous Class Mode for 9 months for two hours a day for six days in a week. The 'Urban Learning Camps' programme is run in an intensive camp mode for 30-40 days spread across 3 months approximately for one to two hours a day. CAMaL an intensive activity based approach, used in the readiness programme, focuses on a backward learning approach of simplifying words into letters through phonics. The focus is currently on reading in native language. In arithmetic, topics of number recognition, simple subtraction, addition and division are

covered during the camps. Various activities through flash cards, storytelling, mind maps using materials like straws, currency notes etc. help strengthen basic reading and arithmetic skills in children.

### IIMPACT

IIMPACT Girls Education Project was started by the Alumni of IIM (A) 1978 batch. Under this project, IIMPACT has identified rural out-of-school girls in about 27 different locations of 11 States with low female participation in education. Starting with just 450 girls and 15 learning centers in 2004, today IIMPACT is running this project in over 1550 villages of India, and has covered over 55000 out-of-school girls in the primary education programme.

The NSE –IIMPACT Girl Child Education programme will benefit 3000 girl children in 100 learning centres in the backward districts of Purulia and Bankura districts in West Bengal.

The main objectives of the programme are to increase access and encourage enrolment to basic primary education, through community mobilization, for all girl children not in school and to provide high quality relevant education through the learning centres. The programme encourages and enables each girl to become an independent thinker and self-learner through specially created programmes, activities and songs that make learning joyful and help transform the community especially the attitude towards the girl child thereby encouraging education and decreasing child marriages in villages.

The programme will be run in the community for 5 years till the first batch of children migrate to a formal upper primary school post which it will be handed over to the community after adequate awareness and capacity building programmes. With the support and help of the local community a door to door survey is undertaken to verify the number of out of school girls. Learning centres in the villages are established with a group size of 30 girls and parents are motivated to send girls to the centre so that no girl misses the opportunity to be educated.

The curriculum is enhanced with creative and meaningful Teaching-Learning Materials (TLM). To develop the capacity of the teachers who are from the community, intensive workshops and capacity building sessions including residential programmes are conducted. While setting up the learning centres the community is encouraged to contribute to making it efficient and child friendly. After the completion of the programme the community is encouraged to take up the learning centers and with the help of the trained volunteers administer the day to day activities. IIMPACT believes in developing strong relationship with parents, local leaders, Gram Panchayats

# Board's Report



and local leaders to encourage the community participation and ownership of the programme as well as to inculcate change in behaviour, thinking and attitudes of parents.

## **Foundation to Educate Girls Globally (Educate Girls)**

Founded in December 2007, Educate Girls aims to bridge the literacy gaps at primary education levels through quality education for out-of-school girls of low income families in educationally backward blocks. The organisation has its presence in 12,000+schools in over 8,000 villages across 9 districts of Rajasthan (Ajmer, Bhilwara, Bundi, Jalore, Jhalawar, Pali, Rajsamand, Sirohi, and Udaipur) and in 1 district of Madhya Pradesh (Jhabua). The programme focuses on enrolment, retention and learning outcomes with its innovative 'comprehensive model' that aligns with the principles of India's The Right of Children to Free and Compulsory Education Act [Right to Education Act (RTE)], 2009. Since inception, over 100,000 out of school (OOSG) girls have been enrolled, over 600,000 children have demonstrated improved learning outcomes and over 2.8 million children have cumulatively benefited from the programme model.

The NSE project supports the programme in 468 villages within 3 Blocks (Jawaja, Silora & Bhinai) of Ajmer district in Rajasthan. It aims at enrolment of girls who have dropped out of schools or have never enrolled, retention of girls in schools and ensure reduced drop-outs in grades 3, 4 and 5. The intended impact is to retain at least 85% of enrolled girls in school and improve learning outcomes for 4,950 children child in the educationally backward districts by strengthening the community.

A strong relationship with the government education departments, building youth volunteers from the community (Team Balika) and bringing about change in the mindset of parents and community members ensures the creation of an enabling environment which fosters and improves the girl child education both in the community and school. Thus, an attempt is made to tackle the root causes of the problem. On a wider note, this has far reaching consequences impacting prevalent customs such as child marriage and illiteracy of the girl child. A large team of empowered Team Balikas ensure the penetration and dissemination of progressive ideas which ultimately lead to women empowerment and to community development.

## **DEHAT (Development Association for Human Advancement)**

The NSE –DEHAT project 'Girls Empowerment through Education Training & Action'-GEETA is focused in 9 villages of Mihinpurwa block, Bahraich district in Uttar Pradesh and impacts the literacy deficiency of 800 tribal Tharu girls from 6 schools. In addition 1568 children in the

age group of 6 – 14 years from other socially excluded communities are benefitted by the creative methodologies.

The highlight of the project is the SPICE (School Premises for Innovative and Creative Education) models. It uses the various building components in innovative ways which helps children and teachers in the process of teaching and learning apart from serving their usual function. Thus, in a school which has been conceived like this, a floor may no longer be just a floor, but a way to understand fractions, or window might become more than a usual window and let a child prepare for skills in writing Hindi alphabets, or a creatively designed corridor could help children to correctly estimate distances.

The project builds capacities of teachers and School Management Committees (SMCs) through training and community mobilization and in turn strengthens the demand side of education. When communities and SMCs are strengthened and made aware of their rights, local government and departments are bound to provide infrastructure and quality resources. The programme seeks to improve the level of education with emphasis on improved reading, writing and speaking skills, retention of girls in schools, increasing attendance, and reducing dropout rates. It provides a platform for children to engage with the community through Meena Manchs and other group leadership platforms. The SMC is strengthened to advocate the requirements of the school, especially that of infrastructure and resources by capacity building and handholding through the processes.

## **Elder Care**

### **Dignity Foundation**

Dignity Foundation (DF) was founded in 1995 and began with the launch of a magazine for senior citizens, 'Dignity Dialogue'. The organisation has since launched a number of innovative signature programmes for senior citizens. Some of them are loneliness mitigation centres, helpline for senior citizens, Dignity Second Careers, Dignity Companionship, Dignity Civic Services, Dignity Computer Skills, Security with Dignity, Dance and Movement Therapy for Senior Citizens, Day-Care Centres and Dementia Day Care Centres. Dignity Foundation was instrumental in the launching of the Government of Maharashtra Senior Citizens Identity Card and Institute of Empowered and Productive Ageing at Yashada, Pune - a think- tank for the government to initiate policies for older persons in the state. The organisation is currently present in Ahmedabad, Pune, Kolkata, Bangalore and Chennai.

The NSE – DF project Integrated Social Support and Health Security for the Elderly in Mumbai and Chennai seeks to provide awareness

and empowerment through health camps and programmes for 3685 disadvantaged senior citizens on issues of their health both mental and physical and their legal and social rights. The programme empowers them to take action to overcome their problems and deficiencies. In addition to this, DF Savings Card and Rations to poor senior citizens living alone also form an important part of the programme. The organization seeks to promote awareness through DF interventions such as Helpline for Elderly, Dementia Day Care Centre, rations for the BPL senior citizens who cannot afford even 1 meal a day. All activities were carried out in a focused manner in Worli, Jogeswari and Dharavi in Mumbai; Kannagi Nagar and Foreshore Estate Coastal Area in Chennai as Saidapet had undergone rehabilitation and resettlement after the Chennai floods.

In the second year based on the on-ground experience, the focus has been on holistic health workshops as well as individual and group counselling sessions rather than medical camps. The second year programmes were designed so as to have a more intensive engagement in the community through the 'Training Programme on Successful Ageing'. This allows a deeper understanding on issues faced by senior citizens as well as to engage in counselling and dialogue for change. The project has aimed at knowledge creation and awareness among the elderly regarding their social, psychological and physical well-being and healthy eating through 'Hamara Swasthya Hamare Haath'.

Dignity Foundation tied up with Vision Foundation of India under which, eye check-up camps were organized. Eight senior citizens from the from the NSE projects participated in the Action Summit on Sanitation organized by the UN body- Water Supply and Sanitation Coordination Council. They were the representative urban voices speaking out on the sanitation challenges of older-adults from low-income backgrounds in urban communities. Following the training programme on active ageing, there has been a demand from approximately 25% of the participants for organization of space and opportunities to meet on a regular basis. Dignity is currently in the process of forming them into small groups so that they can meet at least once/twice a week and engage in therapeutic activities. It is envisaged that in the long run that members of these groups will form the Senior Citizens Community Action Group. The programme has reached 3193 senior citizens through awareness camps, 992 through wellbeing enhancement workshops, 492 through rations schemes and 3231 through savings programmes. Total 5068 senior citizens were part of the project in 2016-17.

### Family Welfare Agency (FWA)

FWA has been providing specialized day care services to the elderly since 1979, using a community based approach. The NSE project which is in the first year of intervention, is designed to provide holistic services for underprivileged senior citizens in the select wards of Mumbai in Parel and Worli through establishment of 'Elderly Enrichment Centres' (EEC). Under the project two centres have been created in F-North, and F-South, Sewree where a large number of slum and senior citizen population resides due to closure of the textile mills some decades back. The centres provide for physical and psychological well-being of senior citizens in the community and focuses on building communities which care for their senior citizens. It is also targeted towards those who are on the threshold of ageing related issues in the coming years. The aim of the project is to build an enriching community at the ward level to facilitate care of the elderly by addressing the needs of around 3000 senior citizens and their families directly.

The project engages with senior citizens – who are mobile, 60 years and above through outreach programmes and promotes group participation in activities conducted in the EEC. The elderly persons who are homebound, 55 years and above would be included through the community outreach services. Caregivers of senior citizens, members of the community such as youth, ground level ward officials, will play an important role in the awareness and attitudes to the needs and response of the family and community to the care of the elderly. This will enable a culture of understanding the problems of ageing, issues faced by the elderly, and in the process, prepare for aging themselves. The project incorporates activities and initiatives such as physical and mental health camps, legal guidance, recreational therapy, community support group development and building capacities of care givers of the homebound elderly.

A significant level of involvement has been achieved by forming community support groups and connecting with care givers or families of the senior citizens. The project is currently supported for a year and the centres has been providing in-bound and home-bound services to approximately 30 senior citizens on a daily basis. Moving forward, the activities would be focused to create sustainability in the community and amongst senior citizens by integrating them with various services available at public institutions.

### Charities Aid Foundation

Established in 1998, CAF India is a not-for-profit organisation working to build a society motivated to effective- giving which helps transform lives, and communities.

# Board's Report



The NSE programme, Nation Supports Elderly (NSE) develops an innovative model to facilitate easy access social protection schemes with special focus on pension for Elderly. The inclusive intervention model will cover three core elements– Access, Awareness and Advocacy. It is a pilot intervention in 5 selected villages of Karra block district Khunti, Jharkhand.

The rationale behind the programme was the loss or decrease in income sources and employment opportunities for senior citizens. With the increased relationship of financial status to well-being and the shift from an agrarian to a market economy which is increasingly driven by technology, there is a lack of platforms to channelize skill set of elderly, little awareness about government's social schemes for elderly and the high vulnerability of this section due to deteriorating health and high cost of treatment.

The pilot intervention is designed to reach out to approximately 5000 elderly in 5 selected villages of Karra Block and to provide financial awareness to help assist 1000 elders access government pension and other benefit schemes such as Integrated Programme For Older Persons (IPOP), a central sector scheme to improve the quality of life of the older persons, Indira Gandhi National Old Age Pension Scheme, Rashtriya Swasthya Bima Yojana (RSBY ), by the Ministry of Labour and Employment, National Programme for Health Care of the Elderly (NPHCE), Citizens' Saving Scheme for ages 55-60 etc. The programme which is based on the inclusive intervention model will broadly cover three core components: Social Support, Health and Economic Empowerment. This model starts by identifying specific needs of elderly and facilitates delivery of social protection schemes. In the project, Vridh Sanghas are formed with representatives of elderly. This is meant to be the formal body of elderly to raise their voices, form their SHGs, set up enterprises, initiate income generation/livelihood activities etc. to sustain the efforts in the long term.

Creating awareness and educating elderly and their family members on social protection schemes is one of the most critical pillars of the programme which are facilitated through mid-media activities like nukkad-natak, folk media and public rallies etc. The awareness activities are integrated with the ongoing cultural activities, religious functions/fairs in rural areas to ensure family community and civil society organizations sensitized on ageing issues. The project also looks to publishing handbooks on various social protection schemes with coverage of schemes for aged persons

## HelpAge India

HelpAge has worked in the field of elder care since 1978. The

philosophy of the organisation is that the elderly need to be seen as people who can contribute in an active manner to the economy and society and not as a dependent group.

The NSE -HelpAge Project Shraddha – Towards Active and Healthy Ageing has taken shape from a need for establishing an alternate scale-able model to mainstreaming elderly by restoring a sense of their own value, strength and their inherent capacity to handle life's problems. Project Shraddha aims at promoting Active and Healthy Ageing among elderly through Self Help collectives in four blocks of four states: 1. Ghatanji (Yavatmal, Maharashtra) 2. Choutuppal (Nalgonda (now Pochampalli), Telangana) 3. Kolaghat (Purbi Midnapore, West Bengal) 4. Basantpur (Supaul, Bihar). Each of these areas were selected due to certain debilitating factors that increased the number of senior citizens in these villages.

The project is designed to benefit a cumulative number of around 20,000+ elderly, which includes livelihoods of 5600+ elderly through collectives of elderly and their federation, ensuring awareness and access to rights and entitlements for 8000+ elderly, access to Primary Medical Care and community managed health interventions for 11000+ elderly through health camps, cataract surgeries and assisted mobility with the help of knee braces. The project also seeks to establish an alternate model of working with elderly and build internal capacities within state to replicate/scale-up the project through the state governments and is based on the tested and established HelpAge India model of Social Protection. The model talks about two Key Variables – Vulnerability and Capacity (Empowerment). Hence, the Project would work to alleviate the vulnerability by working on the four manifestations and the cause of these. Enabling conditions in families and communities will be created to facilitate active ageing and for elderly, without becoming a 'burden' to their families and society.

The intended impact of the project is to improve (1) saving and financial decision making, (2) livelihood and self-employment opportunities through their own micro-enterprises and access to schemes and programmes, (3) access to bank credit mobilization –bank-able, (4) increased awareness involvement in decision-making and access to their rights & entitlements (5) change in perceptions, attitude and responses of younger family members & the communities they live in and (6) increased participation in local self-governance and decision making at the family and community levels. The project has awareness and capacity building activities inbuilt through IEC material, refresher trainings, Jan Sunvayi and orientation visits for key beneficiaries to other project locations.

## Sanitation

### YUVA (Youth for Unity and Voluntary Action)

Yuva works by empowering oppressed, marginalized and disadvantaged communities by facilitating their organizations and institutions towards building equal partnerships in the development process and ensuring the fulfilment of the citizen's right to live in security, dignity and peace. YUVA engages in critical partnership with the government at grass root levels to forge alliances with other actors of civil society such as people's movements, trade unions, women's group, academic institutions and the private sector to enable and strengthen the people's empowerment processes.

NSE has undertaken a school-based sanitation project aimed at improving access to sanitation in 30 schools in Akola and Nashik district. The rationale behind the project is that lack of adequate sanitation in schools is a critical barrier to school attendance, particularly for girls. Providing safe, private toilets will help girls stay in school – which can increase their future earnings and help break the cycle of poverty. The objective is to improve sanitation facilities in the selected 15 schools each of rural and peri urban Nashik and Akola. The estimated beneficiaries are 4200 school children.

The project targets improved infrastructure of public school toilets in selected areas, along with safe drinking water, positive behaviour change towards adoption of hygienic sanitation practices and methods, capacitating rural poor families to stake a claim for better sanitation facilities in their neighbourhoods and schools from the government and initiation of community led monitoring and maintenance of toilets.

The project indicators include conducting baseline study, meeting with stakeholders, analysing government schemes and development of IEC materials. Other than soft works, repair and renovation of existing toilets in 30 schools is the major component of this project. It will be handed over to the community for its maintenance by giving proper training and behaviour change communication.

### Financial Inclusion Improves Sanitation and Health (FINISH) Society

FINISH society was born out of FINISH programme initiated in 2009 by an Indian-Dutch consortium comprising financial institutions, insurance companies, NGOs, academic and government institutions from India and the Netherlands.

The project supported by NSE undertakes a holistic school-based sanitation project named Piloting Sustainable WASH and its operation

and maintenance model for 9 diverse set of schools – urban, peri-urban and rural in the district of Nashik.

The rationale of the project is that even though Water, Sanitation and Hygiene for schools has been recognized as priority areas by Government of India, a lacunae in terms of providing infrastructural facilities and hygiene related education exists to ensure access to sustainable WASH practices. The objective is to support and facilitate construction of safe sanitation systems for communities in rural India through mobilizing demand and supply related measures including financial incentives for development.

The estimated beneficiaries are 5000 School Children. The programme focuses on creating awareness amongst children, adolescent girls, teachers and parents through properly designed behavioral change campaigns. Along with knowledge on aspects of safe water, sanitation and hygiene; toilets, hand wash units and incinerators will be augmented for enabling usage. This will also enable and engage local entrepreneurs, stakeholders and the end beneficiaries together in engaging them for providing O&M services. Project activities includes technical feasibility and KAP study, formation and activation of SMC's and Child Cabinets, training the teachers in WASH, repair and renovation of toilets, water stations, incinerators and hand washing stations. It also includes 90-day continuous activity on hand washing with soap. Apart from IEC material distribution, Operation and Maintenance (O&M) support is also an important component of this programme for its sustainability.

### AmeriCares India Foundation

AmeriCares is a public charitable trust registered in 2006 at New Delhi providing medical aid in India and in neighbouring countries, irrespective of race, creed or political persuasion. Operations are spread over twenty one states and two union territories across India.

AmeriCares India Foundation, as an extension to the focus on disaster and health pursues the WASH programme that addresses sanitation needs of urban and rural poor thus improving the health and economic index of the beneficiary population. The NSE- AmeriCares programme impacts 10 schools and around 7000 children from municipal schools in Mumbai over a period of 1 year. The project looks to repair and renovate 100 toilet seats in 10 schools to ensure access to good sanitation facilities for students. To encourage good sanitation practices among the students of standard 1<sup>st</sup> to 8<sup>th</sup> in municipal schools and implement a strong behavioural change communication (BCC) programme using creative material and ensure hygienic best practices such as hand washing to shift ingrained unhealthy patterns.



The BCC topics covered will be personal hygiene, menstrual hygiene, hand wash, clean sanitation practices, diarrhoea and vomiting and other such communicable diseases and Environment cleanliness

### Jal Seva Charitable Foundation

Since 1981 Jal Seva Charitable Foundation is working on the issue of access to safe drinking water and hygiene and sanitation. The programme in partnership with NSE, Swacch Vidyalaya, Swacch Aadat (Clean School, Clean Habits) plans to intervene in 312 rural government schools in Dumka and Pakur Districts of Jharkhand State. The objective is to improve WASH infrastructure in selected schools, raise awareness and ensure good hygiene practices amongst students, strengthen the school SMC's and communities to increase the demand for quality infrastructure from the relevant authorities in the schools and communities.

The programme intends 104 schools each year to ensure that children in these schools have access to basic facilities such as school toilets, safe drinking water, clean surroundings and basic information on hygiene including Menstrual Hygiene Management. Using children as vectors of change – Water Aid India and partners would try to integrate as much as possible Wash in School into community WASH programmes to foster improved hygiene at schools and in communities.

Through this initiative the programme intends to benefit around 27,200 students, 1,900 teaching staff, 5,000 school management committee members and approximately 5,40,000 community members over a three-year period. Around 1,800 toilets would be renovated through the programme or by activating governmental funds for repair post a detailed infrastructural assessment.

Effort would be made to develop a teacher's training manual on hygiene and this module would be developed in consultation with Jharkhand Education Project Council (JEPC) for sensitizing the department on the issue and to develop partnership in rolling out the concept. Institutionalisation of the teacher's training hygiene sessions would be conducted during the mandated allotted schedule in the timetable.

The outcomes of teacher sessions with children in the form of behavioural change and other academic performance outcome would be captured and shared periodically with Sarva Siksha Abhiyan (SSA) and JEPC. Constant advocacy will be undertaken with the department to replicate the module across other schools in the district along with the life skill session being taken up in schools by SSA. Thus, institutionalizing hygiene session in life-skill session of schools.

It is expected towards the end of the project that the hygiene message

will be mainstreamed in school curriculum leading to improved hygiene practices among children and their families. The outcomes of these good hygiene practices will result in less incidence of students falling sick due to hygiene related health issues.

### 7. The Reasons for Shortfall in Disbursal

NSE has shifted the focus of the CSR intervention to the rural underprivileged in backward districts in some of the most neglected areas benefitting some of the most marginalised populations. Therefore identifying new social projects alongside the implementation of selected projects is a comprehensive activity requiring time and coordination with various organizations. Whereas the budget for CSR activities committed by the industry has increased, the number of NGOs with robust system protocols and capacities to implement projects of scale on a pan India basis remain limited.

As most NSE projects involve strengthening of communities and working in government schools at the grass root levels in remote locations, coordinating with several stakeholders, governmental and non- governmental agencies in rural and backward districts is an elaborate time consuming activity. In addition to the above mentioned factors, a high standard of legal, financial and programmatic due diligence of implementation partners, approvals from government authorities and other formalities contribute to extended timelines thereby affecting timely disbursals.

In the first phase of project implementation, NSE has addressed the literacy deficits of more than 6200 extremely marginalized and disadvantaged children who require intensive pedagogic and social interventions and made a positive impact on the lives of more than 3500 underprivileged senior citizens.

In the second phase, there has been a steady increase in the number of the new projects in addition to the renewal of the ongoing projects for a second term. These ongoing Educational and WASH projects of the second phase have impacted nearly 51,000 children in municipal and zilla parishad (ZP) schools. In addition more than 6500 senior citizens have been positively impacted through the elder care programmes.

Moreover, a number of new projects that were recently approved in the second phase have just commenced on ground implementation with the programme staff recruitment and baseline survey. Thus the beneficiary numbers are expected to increase even more. Therefore, it is evident that both the quantum of projects implemented and the number of direct beneficiaries has grown considerably over the past two years.

Year	Total Budgeted Amount (₹ in Cr.)	Cumulative Budgeted Amount (₹ in Cr.)	Committed Amount (₹ in Cr.)	Cumulative Committed Amount (₹ in Cr.)	Cumulative Committed / Cumulative Budget (in %)
2014-15	20.95	20.95	5.75	5.75	27%
2015-16	21.14	42.09	3.19	8.94	21%
2016-17	22.08	64.17	28.86	37.79	59%

The CSR spend is also seen to have progressively increased since the commencement of CSR activities. Further, the cumulative committed amount towards CSR projects has increased from 27% to 59% in the year FY 2016-17. The number is expected to increase substantially in the coming years. The Company remains committed to meet its CSR obligations on an annual basis to the extent feasible.

**8. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**

J. Ravichandran  
CEO - Incharge

Ravi Narain  
Chairman, CSR Committee



## ANNEXURE 5 TO BOARD'S REPORT

### REPORT ON CORPORATE GOVERNANCE

#### I. Brief Statement on Company's Philosophy on Code of Governance

Corporate Governance is the application of best management practices, compliance of law and commitment to values and ethical business conduct to achieve the Company's objective of enhancing shareholder value and effective discharge of its social responsibility. National Stock Exchange of India Limited ('NSE' or 'the Exchange' or 'the Company') is a public limited company, incorporated under the Companies Act, 1956 whose securities are not listed on any of the stock exchanges. NSE is also a recognised stock exchange under Securities Contracts (Regulation) Act, 1956. Therefore, NSE is additionally required to comply with Securities Contracts (Regulation) Act, 1956, the Rules and Regulations laid down thereunder and the directives and circulars issued by Securities and Exchange Board of India (SEBI) from time to time for the purpose of its governance. As per Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ('SECC Regulations'), the disclosure requirements and corporate governance norms, specified for listed companies, is mutatis mutandis applicable to a recognised Stock Exchange. NSE has always been involved in good governance practices and endeavours continuously to improve upon the same. In continuation of its pursuit to establish good corporate governance practice and for the information of its stakeholders, NSE is furnishing this Report for the financial year ended on 31<sup>st</sup> March, 2017.

#### II. Board of Directors

##### A. Composition of the Board and Category of Directors

The Board consists of 10 Directors of which 5 Directors represent Shareholders and 5 are Public Interest Directors ('PIDs'), who are chosen from amongst eminent persons or experts in the field of Law, Finance, Accounting, Taxation, Information Technology, Economics, Commerce, Management, etc. None of the Directors of the Company are inter-related with each other. Mr. Ashok Chawla, a Non-executive Director and Public Interest Director is the Chairman of the Board of Directors.

##### B. Number of Board Meetings

The Board of Directors met 16 times during the year on April 25, 2016, May 12, 2016, June 23, 2016, August 01, 2016, August 22, 2016, September 14, 2016, September 16, 2016, October 04, 2016, October 21, 2016, November 09, 2016, November 10, 2016, November 29, 2016, December 2, 2016, December 14, 2016, December 19, 2016 and February 3, 2017. The maximum gap between any two meetings was less than one hundred and twenty days.

##### C. Directors' Attendance Record and Directorships held

As mandated by SEBI (Listing Obligation & Disclosure Requirements) 2015 ('Listing Regulations'), no director is a member of more than ten Board committees or act as chairperson of more than five such committees across all entities in which he or she is a Director. Table No. 1 gives the details of the composition of the Board, attendance and details of Committee Membership and Committee Chairmanships.

(1) Details of Directors along with the Directorship(s) and Chairmanship(s)/Membership(s) of Committees in other companies for the year 2016-17:

Name of the Director	Category	Attendance Particulars			No. of Directorship / Chairmanship and Committee Chairmanship / Membership		
		Number of Board Meetings		Last AGM	Other Directorship(s)/ Chairmanship(s) @	Other Committee Membership(s) ^	Other Committee Chairmanship(s) ^
		Held	Attended				
Mr. Ashok Chawla, Chairman	Public Interest Director	16	16	Y	2	4	2
Mr. Ravi Narain, Vice Chairman	Shareholder Director	16	16	N	9	8	-
Ms. Chitra Ramkrishna*, Managing Director & CEO	Executive Director	12	12	Y	-	-	-

Name of the Director	Category	Attendance Particulars			No. of Directorship / Chairmanship and Committee Chairmanship / Membership		
		Number of Board Meetings		Last AGM	Other Directorship(s)/ Chairmanship(s) @	Other Committee Membership(s) ^	Other Committee Chairmanship(s) ^
		Held	Attended				
Mr. Abhay Havaladar	Shareholder Director	16	16	N	2	-	-
Mr. Prakash Parthasarathy§	Shareholder Director	14	13	Y	2	-	-
Ms. Dharmishta Raval	Public Interest Director	16	15	Y	5	2	-
Justice B.N. Srikrishna (Retd.) **	Public Interest Director	4	4	--	-	-	-
Ms. Anshula Kant#	Shareholder Director	8	5	-	3	1	-
Mr. Dinesh Kanabar %	Public Interest Director	13	11	Y	3	2	2
Mr. Naved Masood %	Public Interest Director	13	12	N	1	1	-
Mr. T.V. Mohandas Pai %	Public Interest Director	13	9	N	6	1	-
Ms. Sunita Sharma#	Shareholder Director	8	0	-	7	3	2

\* Resigned as Managing Director & CEO w.e.f. December 2, 2016

§ Reappointed as Shareholder Director w.e.f. September 16, 2016

\*\* Ceased to be a Public Interest Director w.e.f. August 02, 2016 on expiry of term as Public Interest Director

# Appointed as Shareholder Director w.e.f. October 19, 2016

% Appointed as Public Interest Director w.e.f. July 13, 2016

Y= Yes; N=No

@ The Directorships/ Committee memberships held by Directors as mentioned above, do not include Directorships/Committee memberships of Section 8 Companies.

^ Memberships/Chairmanships of only the Audit Committee and Stakeholders Relationship Committee of all Public Companies have been considered.

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

Since inception, the Company has been following the principle of separation of the role of Chairman and the Chief Executive Officer. Mr. Ashok Chawla, Public Interest Director, is the Non-executive Chairman of the Board. Ms. Chitra Ramkrishna resigned from the post of Managing Director and Chief Executive Officer w.e.f. December 2, 2016. Mr. J. Ravichandran was appointed as the Chief Executive Officer In-charge of the Company w.e.f. the said date.

## D. Responsibilities of the Board

The responsibilities of the Board include the following:

- (1) Members of Board of Directors and Key Managerial Personnel shall disclose to the Board of Directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company
- (2) The Board of Directors and Senior Management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.
- (3) The Board of Directors shall provide strategic guidance to the Company, ensure effective monitoring of the management and shall be accountable to the Company and the shareholders.
- (4) The Board of Directors shall set a corporate culture and the values by which executives throughout a group shall behave.



- (5) Members of the Board of Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the shareholders.
- (6) The Board of Directors shall encourage continuing directors training to ensure that the members of Board of Directors are kept up to date.
- (7) Where decisions of the Board of Directors may affect different shareholder groups differently, the Board of Directors shall treat all shareholders fairly.
- (8) The Board of Directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
- (9) The Board of Directors shall exercise objective independent judgement on corporate affairs.
- (10) The Board of Directors shall consider assigning a sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- (11) The Board of Directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the listed entity to excessive risk.
- (12) The Board of Directors shall have ability to step back to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the Company's focus.
- (13) When committees of the Board of Directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the board of directors.
- (14) Members of the Board of Directors shall be able to commit themselves effectively to their responsibilities.
- (15) In order to fulfill their responsibilities, members of the Board of Directors shall have access to accurate, relevant and timely information.
- (16) The Board of Directors and senior management shall facilitate the independent directors to perform their role effectively as a member of the Board of Directors and also a member of a committee of Board of Directors.

The Company conducts orientation programme for new Directors covering various operations of the Exchange so as to familiarise them with the various functions being carried out by the Exchange. The details of familiarization programmes imparted to independent

directors are given in the Company's website at the following location: [https://www.nseindia.com/global/content/about\\_us/Familiarisation\\_programme.pdf](https://www.nseindia.com/global/content/about_us/Familiarisation_programme.pdf). The Company also provides training in various fields such as operation, risk management, compliance, etc. to every Public Interest Director each year. Every director inducted on the Board is well known in the financial services industry and has the ability to understand basic financial statements and information and related documents/papers.

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

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

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

#### **E. Code of Conduct**

A code of conduct for Directors and Senior Management Personnel of the Company is framed. They have affirmed compliance with the Code of Conduct. As per the requirement of the Listing Regulations, the code of conduct, has been hosted on the website of the Company at the following location: [https://nseindia.com/global/content/about\\_us/NSE\\_CODE\\_BOARD.pdf](https://nseindia.com/global/content/about_us/NSE_CODE_BOARD.pdf).

The CEO In-charge has affirmed to the Board of Directors that the Code of Conduct has been complied by the Directors and Senior Management Personnel. A Declaration to this effect, duly signed by the CEO In-charge is annexed hereto.

#### F. Independent Directors

- (1) Independent Directors on the Board of NSE are not less than 21 years in age and do not hold any shares in NSE.
- (2) Attributes  
The Company as a policy inducts only those persons as Independent Directors who have integrity, experience and expertise, foresight, managerial qualities and ability to read and understand financial statements.
- (3) Tenure  
The tenure of Independent Directors is in line with the directives issued by SEBI from time to time.
- (4) Freedom to Independent Directors  
The Company takes all possible efforts to enable the Independent Directors to perform their functions effectively.

#### G. Remuneration of Directors

The compensation paid/payable to the Managing Director are periodically reviewed and revised to align compensation levels with market levels and at the same time attract, retain and motivate Directors of the quality required to run the company successfully. The remuneration includes both fixed and variable component. The Company pays only sitting fee to its non-executive Directors. The terms and conditions of appointment of Public Interest Directors and

Shareholder Directors are governed by the provisions of the Companies Act, 2013 & Rules laid down thereunder, SECC Regulations, Listing Regulations and the circulars issued thereunder by SEBI. The terms and conditions of service in respect of the Managing Director of the Company are governed by the resolution passed by the shareholders, provisions of the Companies Act, 2013 & Rules laid down thereunder, SECC Regulations and the circulars issued thereunder by SEBI.

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

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

- A. The variable pay component will not exceed one third of the total pay.
- B. 50 % of the variable pay will be paid on a deferred basis after 3 years.
- C. ESOPs and other equity linked instruments will not form part of the Compensation.

Accordingly, the Company has framed Remuneration policy in conformity with norms specified by SEBI for its Directors, Key Management Personnel and Employees. For details on the Remuneration Policy, please refer to the Annexure-3 to the Directors' Report.

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

The details of remuneration paid to Managing Director & CEO during FY 2016-17 are given in the following table:-

					(₹ in crores)
Name & Designation	Salary & Allowances	Variable Pay	Perquisites in cash or in kind	Contribution to PF and other Funds exempted allowance, tax paid by employer	Total
Ms. Chitra Ramkrishna* Managing Director & CEO	16.04	2.33**	2.07	0.96	21.40

\* Resigned as Managing Director & CEO w.e.f. December 2, 2016

\*\* Excludes 50% of the Variable Pay of ₹1.58 Crores to be paid on deferred basis after 3 years

# Board's Report



The sitting fees paid to the Non-Executives Directors for attending the meetings of the Board and Committees during the year FY 2016-17 is as follows:

Name	Board meetings		Board Committees meetings		Total (₹)
	No. of meetings attended	Amount (₹)	No. of meetings attended	Amount (₹)	
Mr. Ashok Chawla, Chairman	16	16,00,000	54	54,00,000	70,00,000
Mr. Ravi Narain	16	16,00,000	65	65,00,000	81,00,000
Mr. Abhay Havaladar	16	16,00,000	29	29,00,000	45,00,000
Mr. Prakash Parthasarathy (Re-appointed as Shareholder Director w.e.f. September 16, 2016)	13	13,00,000	14	14,00,000	27,00,000
Ms. Dharmishta Raval	15	15,00,000	60	60,00,000	75,00,000
Justice B.N. Srikrishna (Retd.) (Term expired as PID w.e.f. August 2, 2016)	4	4,00,000	3	3,00,000	7,00,000
Mr. Dinesh Kanabar (Appointed as PID w.e.f. July 13, 2016)	11	11,00,000	32	32,00,000	43,00,000
Ms. Anshula Kant* (Appointed as Shareholder Director w.e.f. October 19, 2016)	5	5,00,000	--	--	--
Mr. Naved Masood (Appointed as PID w.e.f. July 13, 2016)	12	12,00,000	35	35,00,000	47,00,000
Mr. T. V. Mohandas Pai (Appointed as PID w.e.f. July 13, 2016)	09	9,00,000	23	23,00,000	32,00,000

\* Sitting fees was paid to State Bank of India

### III. Committees of the Board

#### (A) Audit Committee

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

The Audit Committee reviews the reports of the internal auditors, secretarial auditors, operational auditors and statutory auditors. The terms of reference of Audit Committee are as per the provisions contained in the Companies Act, 2013 and Listing Regulations.

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

The Audit Committee comprises four Directors viz., Mr. Dinesh Kanabar, Mr. Ashok Chawla, Ms. Anshula Kant and Mr. Naved Masood as its Members. Mr. Dinesh Kanabar is the Chairman of the Audit Committee.

The Committee met 12 times during the year i.e., on May 12, 2016, August 1, 2016, August 22, 2016, September 14, 2016, October 4, 2016, October 21, 2016, November 9, 2016, November 29, 2016, December 2, 2016, December 19, 2016, February 3, 2017 and March 7, 2017. The details of the attendance of members of the Audit Committee at their meetings held on the above dates are given hereunder:-

Name	Number of meetings held during the year	Number of meetings attended
Mr. Dinesh Kanabar**	10	10
Mr. Ashok Chawla*	12	12
Ms. Anshula Kant***	1	0
Ms. Dharmishta Raval*	2	1
Mr. Ravi Narain\$	11	10
Mr. Naved Masood@	5	5

\*Inducted as Member of the Committee w.e.f. April 25, 2016 and Ceased to be a Member of the Committee w.e.f. August 1, 2016

\*\* Inducted as Chairman of the Committee w.e.f. August 1, 2016

\*\*\*Inducted as Member of the Committee w.e.f. February 3, 2017

\$ Ceased to be a Member of the Committee w.e.f. February 3, 2017

@ Inducted as Member of the Committee w.e.f. November 9, 2016

The Officer responsible for the finance function, the representative

of the statutory auditors, internal auditors, secretarial auditors and operational auditors are regularly invited to the Audit Committee meetings. The Company Secretary is the Secretary to the Committee.

All members of the Audit Committee have requisite accounting and financial management expertise. Mr. Dinesh Kanabar, Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on September 16, 2016 to answer shareholders queries.

#### (B) Nomination & Remuneration Committee (NRC)

As per SEBI Regulations, the Compensation Committee shall consist of majority of Public Interest Directors and shall be chaired by a Public Interest Director. As per requirements of the Companies Act, 2013, the Company is required to constitute a Nomination and Remuneration Committee (NRC) consisting of three or more non-executive directors out of which not less than one-half shall be independent directors. The Chairman of NRC shall be different from Chairman of the Board. Accordingly, the Board constituted Nomination & Remuneration Committee for the purpose of discharging its functions required under both Companies Act, 2013 and under SEBI requirements.

The NRC currently comprises Mr. Dinesh Kanabar, Mr. Ashok Chawla and Mr. Ravi Narain and Mr. T.V. Mohandas Pai as its members with Mr. Dinesh Kanabar as its Chairman.

The NRC laid down the policy for compensation of employees including key Management Personnel. The NRC also laid down performance evaluation criteria for the Board of Directors, individual directors (including independent directors), Committees of the Board of Directors. The process for Board Evaluation is given in the Directors' Report.

The Committee met eight times during the year, i.e. on June 23, 2016, August 1, 2016, October 04, 2016, October 21, 2016, November 9, 2016, December 02, December 19, 2016 and February 03, 2017. The details of the attendance of members of the NRC at their meetings held on above dates are given hereunder:-

Name	Number of meetings held during the year	Number of meetings attended
Justice B. N. Srikrishna (Retd.)*	2	2
Mr. Ashok Chawla	8	8
Mr. Ravi Narain	8	8
Mr. Dinesh Kanabar#	6	6
Mr. T.V. Mohandas Pai**	3	2

\*Ceased to be a Member of the Committee w.e.f. August 02, 2016

# Inducted as Chairman of the Committee w.e.f. August 01, 2016

\*\* Inducted as Member of the Committee w.e.f. November 9, 2016

#### (C) Stakeholders Relations Committee (SRC)

The Committee besides discharging the function of approving share transfers and deciding on any matter incidental to or connected with the transfer, also discharges the function of redressal of shareholder grievances like transfer of shares, non-receipt of Annual report, non-receipt of declared dividends, etc.

The Committee consists of three Directors viz., Mr. Ashok Chawla, Mr. Ravi Narain and Mr. T.V. Mohandas Pai as its members with Mr. Ashok Chawla as the Chairman of the Stakeholders Relations Committee.

Mr. S Madhavan Company Secretary of the Company is the Compliance Officer, in terms of Regulation 6 of the Listing Regulations.

The Committee met four times during the year, i.e. on June 23, 2016, August 1, 2016, September 14, 2016 and November 10, 2016. The details of the attendance of members of the SRC at their meetings held on above dates are given hereunder:-

Name	Number of meetings held during the year	Number of meetings attended
Mr. Ashok Chawla	4	4
Mr. Ravi Narain	4	4
Ms. Chitra Ramkrishna*	4	4
Mr. T.V. Mohandas Pai**	2	1

\*Ceased as Member of the Committee w.e.f. December 02, 2016

\*\* Inducted as Member of the Committee w.e.f. August 01, 2016

#### (D) Risk Assessment and Review Committee

The Committee carries out the identification and assessment of existing risk and also recommends risk minimisation procedures & reporting system thereof on an ongoing basis. The Committee consists of three Directors viz., Mr. Dinesh Kanabar, Ms. Anshula Kant and Mr. Ravi Narain as its Members with Mr. Dinesh Kanabar as its Chairman. The Committee met twice during the year i.e. on October 21, 2016 and December 19, 2016.

The details of the attendance of members of the Committee at their meetings held on above dates are given hereunder:-

Name	Number of meetings held during the year	Number of meetings attended
Mr. Dinesh Kanabar	2	2
Ms. Anshula Kant*	1	-
Mr. Ravi Narain	2	2
Mr. Ashok Chawla**	1	1

\*Inducted as Member of the Committee w.e.f. November 9, 2016

\*\* Ceased to be a Member of the Committee w.e.f. November 9, 2016



## (E) Corporate Social Responsibility (CSR) Committee

The Committee was constituted, inter alia, to formulate and recommend to the Board a CSR Policy, to recommend the amount of expenditure to be incurred on the activities, and to monitor the CSR Policy of the Company from time to time. The Committee consists of Mr. Ravi Narain, Mr. Prakash Parthasarathy and Mr. T.V Mohandas Pai as its Members with Mr. Ravi Narain as Chairman of the Committee.

The Committee met four times during the year, i.e. on August 1, 2016, September 20, 2016, December 19, 2016 and February 2, 2017. The details of the attendance of members of the CSR Committee at their meetings held on above dates are given hereunder:-

Name	Number of meetings held during the year	Number of meetings attended
Mr. Ravi Narain	4	4
Mr. Prakash Parthasarathy	3	2
Mr. T.V Mohandas Pai	3	3
Ms. Chitra Ramakrishna§	2	2
Ms. Dharmishta Raval*	1	1
Mr. Dinesh Kanabar#	1	1

§ Ceased to be Member of the Committee w.e.f. December 2, 2016

\* Ceased to be a Member of the Committee w.e.f. August 1, 2016.

# Inducted as Member of the Committee w.e.f. August 1, 2016 & ceased as Member w.e.f. November 9, 2016

## (F) In addition to Committees covered specifically in detail above, the other committees include:

- (i) SEBI mandated Committees
  1. Membership Selection Committee
  2. Disciplinary Action Committee
  3. Defaulter's Committee
  4. Standing Committee on Technology
  5. Sub-committee for monitoring compliance of suggestions given in SEBI Inspection Reports
  6. Investor Services Committee
  7. Public Interest Directors Committee
  8. Ethics Committee
  9. Independent Oversight Committees of the Governing Board for Member regulation, Listing Functions, Trading & Surveillance Functions
  10. Advisory Committee
  11. Selection Committee.

(ii) Other Functional Committees include:

1. Technology Budget Committee
2. Committee for Approval of Acquisition of Premises
3. Business Development Committee
4. Pricing Committee
5. Premises Advisory Committee
6. Membership Recommendation Committee
7. Sub-broker Recognition Committee
8. Committee to decide on Compulsory Delisting
9. Listing Committee

## IV. Auditors

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

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

## V. Secretarial Audit

The Company had engaged the services of M/s. S.N. Ananthasubramanian & Co., Practicing Company Secretaries to conduct Secretarial Audit for the financial year ended 31<sup>st</sup> March, 2017. The report of the Secretarial Auditors was also placed before the Audit Committee and the Board.

## VI. CEO/ CFO certification

The CEO and CFO certification of the financial statements for the financial year 2016-17 is enclosed at the end of the report.

## VII. General Shareholder Information

(A) **Annual General Meeting:** The 25<sup>th</sup> Annual General Meeting of the Company will be held on Friday, August 4, 2017 at 3.00 p.m. at Exchange Plaza, Plot C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051

(B) **Financial year:** 2016-17

(C) (i) **Interim Dividend payment date for financial year 2016-17:** October 18 and October 19, 2016

- (ii) **Proposed final dividend payment date for financial year 2016-17:** within 5 days from the approval of the shareholders at the ensuing AGM

**(D) Registrar and Transfer Agent:**

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

M/s. Link Intime India Private Limited

C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083

Tel. No. + 91 22 49186000; Fax No. + 91 22 49186060

e-mail id : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in);

website : [www.linkintime.co.in](http://www.linkintime.co.in)

- (E) **Share Transfer system:** The equity shares of NSE are in dematerialised form. Further, the ISIN of equity shares is suspended by NSE to prevent transfers not approved by NSE pursuant to Article 63 of its Articles of Association and to ensure compliance of the provisions of SECC Regulations. Therefore, if and when application for approval of transfer is received, adherence to compliance of SECC Regulations will be ensured.

**(F) Distribution of shareholding:**

Distribution of Shareholding as on 31<sup>st</sup> March, 2017

Category	No. of shareholders in each category	% of the category	No. of shares held of ₹1 each	% to the total paid up equity capital
Individuals	10	12.66	5732419	1.16
Corporates-Listed	3	3.80	7755000	1.57
Corporates-Unlisted	10	12.66	51247174	10.35
Financial Institutions/Banks	11	13.92	65421719	13.22
Insurance Companies	8	10.13	103438500	20.90
Venture capital fund	4	5.06	20723483	4.18
Foreign holding	33	41.77	240681705	48.62
<b>Total</b>	<b>79</b>	<b>100.00</b>	<b>495000000</b>	<b>100.00</b>

**Top 10 Shareholders as on 31<sup>st</sup> March, 2017**

Sr. No.	Name of the shareholder	No. of shares held of ₹1 each	% of shareholding
1	Life Insurance Corporation of India	61913500	12.51
2	State Bank of India	25712500	5.19
3	GAGIL FDI Limited, Cyprus	24750000	5.00
4	SAIF II SE Investments Mauritius Limited, Mauritius	24750000	5.00
5	Veracity Investments Limited, Mauritius	24750000	5.00
6	Aranda Investments (Mauritius) Pte. Ltd.	24750000	5.00
7	Stock Holding Corporation of India Ltd.	2,20,00,000	4.44
8	SBI Capital Markets Limited	21450000	4.33
9	IFCI Limited	15100250	3.05
10(i)	PI Opportunities Fund I	14850000	3.00
10(ii)	Tiger Global Five Holdings	14850000	3.00
10(iii)	GS Strategic Investments Limited, Mauritius	14850000	3.00
10(iv)	MS Strategic (Mauritius) Limited, Mauritius	14850000	3.00

As per SECC Regulations, the Exchange is required to ensure that at least 51% of the equity share capital is held by public. The Exchange ensures compliance thereof.



(G) **Dematerialisation of shares:** The Company's shares are fully dematerialised.

(H) **Address for correspondence:** The Secretarial Department, National Stock Exchange of India Limited, Exchange Plaza, Plot No. C-1, "G" Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051. Shareholders are requested to intimate all changes pertaining to their Bank details, email addresses, Power of Attorney, change of name, change of address, contact details, etc., to their Depository Participants (DP).

(I) **Other Disclosures**

(1) **Basis of related party transactions**

The transactions with related parties are entered in the ordinary course of business and at arm's length price. The details of the related party transactions are disclosed in the Annual Report. The 'Policy on dealing with related party transactions' of the Company is available on the Website of the Company at the following address: [https://nseindia.com/global/content/about\\_us/PolicyonMaterialityandDealingwithRelatedPartyTransactions.pdf](https://nseindia.com/global/content/about_us/PolicyonMaterialityandDealingwithRelatedPartyTransactions.pdf) During the financial year 2016-17, the Company did not have any material pecuniary relationship or transactions with Non Executive Directors.

(2) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by SEBI or any other statutory authority on any matter related to capital markets**

None

(3) **Vigil mechanism /Whistle Blower Policy**

The Company has established a mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy or law. The Company also provides for adequate safeguards against victimisation of employees who avail of the mechanism and also allows direct access to the Audit Committee (for financial matters) or Chairman of the Ethics committee (for other matters) in exceptional cases. No personnel has been denied access to the audit committee. Details of the Policy have been disclosed on the website of the Exchange at the following address: [https://www1.nseindia.com/global/content/about\\_us/NSE\\_dtls\\_VM.pdf](https://www1.nseindia.com/global/content/about_us/NSE_dtls_VM.pdf)

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

In addition to the above, NSE also complies with many non-mandatory requirements of Part E of Schedule II Regulation 27(1) of the Listing Regulations, 2015 like maintaining a Chairman's office at the company's expense, reimbursement of expenses incurred by Chairman in performance of his duties, dissemination of financial results to the shareholders on a quarterly basis, unqualified financial statements, separate posts of chairperson and chief executive officer, Internal Auditors report to the Audit Committee, etc.

(5) **Subsidiary Companies**

As per Listing Regulations, "material subsidiary" shall mean a subsidiary whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

The said Regulations lay down corporate governance requirements with respect to subsidiary of listed entity. NSE had identified NSCCCL as a 'material unlisted Indian subsidiary' Company. The financial statements, in particular the investments made, by the subsidiary companies are reviewed by the Audit Committee of NSE. A statement of all significant transactions and arrangements entered into by NSCCCL is periodically brought to the attention of the Board of Directors of NSE. The minutes of the meetings of the Board of Directors of all the subsidiary companies of NSE are also periodically brought to the meeting of the Board of Directors of NSE for its noting. The 'Policy for determining material subsidiaries' of the Company is available on the Website of the Company at the following address: [https://www.nseindia.com/global/content/about\\_us/PolicyonDeterminingMaterialsubsidiaries.pdf](https://www.nseindia.com/global/content/about_us/PolicyonDeterminingMaterialsubsidiaries.pdf)

(6) **Disclosure of Accounting Treatment in the preparation of Financial Statements.**

NSE follows the guidelines of Accounting Standards laid down by the Central Government under the provisions of Section 133 of the Companies Act, 2013 in the preparation of its financial statements.

(7) **Communication with Shareholders**

The data related to quarterly and annual financial results, shareholding pattern, Board meetings, general meetings, terms and conditions of appointment of managing director, independent directors, the details of vigil mechanism, etc., are provided on the web-site of NSE for the information of the shareholders at the following location: [https://nseindia.com/global/content/investor\\_rel/nseil\\_disc.htm](https://nseindia.com/global/content/investor_rel/nseil_disc.htm)

The Exchange disseminates all material information to its shareholders through periodical communications. The financial results are published periodically in the newspapers as per the requirements of the Listing Regulations. Any specific presentations made to analysts and others are also posted on the Company's website.

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

#### (8) Redressal of shareholders' complaints

The Company has already constituted a Stakeholders Relations Committee to look into and redress shareholders and investor complaints. During the year, the Company did not receive any grievance from its shareholder(s) in respect of transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, etc.

### VIII. General Body Meetings

Location, date and time of the general meetings held in the last three years till March 31, 2017:-

Type of meeting	Date	Time	Venue	Special Resolution passed
EGM	March 7, 2017	10.00 A.M.	Exchange Plaza, Bandra -Kurla Complex Bandra (East) Mumbai- 400 051	-
EGM	November 10, 2016	10.00 A.M.	Exchange Plaza, Bandra -Kurla Complex Bandra (East) Mumbai- 400 051	Alterations to the Articles of Association of the Company
24 <sup>th</sup> Annual General meeting	September 16, 2016	12:00 Noon.	Exchange Plaza, Bandra -Kurla Complex Bandra (East) Mumbai- 400 051	-
23 <sup>rd</sup> Annual General Meeting	September 18, 2015	11:00 a.m.	Exchange Plaza, Bandra -Kurla Complex Bandra (East) Mumbai- 400 051	-
22 <sup>nd</sup> Annual General Meeting	August 8, 2014	12:30 p.m.	Exchange Plaza, Bandra -Kurla Complex Bandra (East) Mumbai- 400 051	-

The Company did not pass any resolution through postal ballot in the last year. The requirement of passing any resolution by postal ballot is not applicable to NSE as the number of shareholders of NSE is less than 200.

### IX. Major Branch Offices

NSE – Branch Offices	
<b>Ahmedabad Branch</b> Unit no. 304 and 305 at GCP Business Center, Memnagar, Ahmedabad-380009.	<b>Chennai Branch</b> Old Door no 7, New no 2, Nawab Garden, Murgappa Road, Kotturpuram, Chennai- 600085
<b>Delhi Branch</b> 4 <sup>th</sup> Floor, Jeevan Vihar Building Parliament Street, New Delhi-110001.	<b>Chennai Branch</b> 7 <sup>th</sup> & 8 <sup>th</sup> Floor, Arihant Nitco Park, 90, Dr.Radhakrishnan Salai Mylapore, Chennai – 600 004.
<b>Kolkata Branch</b> 1 <sup>st</sup> Floor Park View Apartments 99, Rash Behari Avenue, Kolkata – 700 029.	<b>Hyderabad Branch</b> 3 <sup>rd</sup> Floor, Urmila Heights, Road No. 10, Banjara Hills, Hyderabad – 500 034.
<b>Kanpur –ISC Centre</b> 3 <sup>rd</sup> Floor, Padam Tower, Tower-2, Civil Lines, Kanpur - 208001.	<b>Indore-ISC Centre</b> Office no. 605, 6 <sup>th</sup> Floor, Brilliant Solitaire, Regus Office Centre, Scheme 78, Part II, Vijay Nagar, Indore - 452010.

# Board's Report



## NSE – Branch Offices

<b>Patna –ISC Centre</b> 305, 3 <sup>rd</sup> floor, Vasundhara Metro Mall, Boring Canal Road, Patna-800001.	<b>Cochin Branch</b> 3 <sup>rd</sup> Floor, Grand Bay Building, Opposite DD Trade Tower, Kaloor-Kadvantra Road, Ernakulum, Cochin – 682017.
<b>Vadodara –ISC Centre</b> Atlantis Height, office no.505, 5 <sup>th</sup> floor, Sarabha Main Road,, Alkapuri, Vadodara-390007.	<b>Chennai Training center</b> 1 <sup>st</sup> floor of Urmilla House, No.15, ARK Colony, Eldams Road, Alwarpet, Chennai – 600018
<b>Kohinoor Branch</b> 5 <sup>th</sup> & 6 <sup>th</sup> floor, Tower no. 1 at Kohinoor city near kirol road, off. LBS Marg, Kurla (W), Mumbai - 400070.	<b>Lucknow –ISC Centre</b> 110, 1 <sup>st</sup> floor, Titanium, Shalimar Corporate Park, TC/G-1/1, Vibhuti khand, Gomti Nagar, Lucknow-226010.
<b>Bangalore -ISC Centre</b> 101, DBS house, 26, Cunningham Road, Bangalore – 560052.	<b>Pune –ISC Centre</b> 233, Regus Business Center, Connaught Place, Bund Garden, Pune – 411001.
<b>Dehradun - ISC Centre</b> Doon Express Business Park, 1101 Michigan Ave, Subhash nagar, opposite Transport Nagar, Dehradun, Uttarakand-248001	<b>Jammu - ISC Centre</b> Shop no 52,Ground Floor, A1 - North Block, Bahu Plaza, Jammu.-180004
<b>Bhubaneshwar- ISC Centre</b> TATWA Technologies Ltd., Room no 203, 2 <sup>nd</sup> Floor, P -1, Niladri Vihar, near Kendriya Vidayala, Plot No 321 (P) 6742,Chandrasekharpur, Bhubaneswar, Odisha-751021	<b>Chandigarh ISC Centre</b> Regus Harmony, Level 4, Tower- A, Godrej Eternia, plot no 70, Industrial Area-1, Chandigarh-160002
<b>Ranchi- ISC Centre</b> Hotel Yuvraj, Near Rajendra Chowk, Doranda, Ranchi, Jharkand- 834002	<b>Guwahati –ISC Centre</b> Sanmati Plaza, Cabin no.13, 3 <sup>rd</sup> Floor, G.S.Road, Dispur, Guwahati-781005
<b>Raipur - ISC Centre</b> Lalganga Midas, Room no 316, 3 <sup>rd</sup> floor,Fafadih, Raipur- 492001	<b>Panjim- ISC Centre</b> PATTO Business Center, 9/10/11, 3 <sup>rd</sup> Floor, Patto Centre Building, EDC, Complex, Panjim, Goa 403001
<b>Rajkot Branch</b> C/o M/s. Marvadi Investment Pvt. Limited', 6 <sup>th</sup> floor, 150, Ring Road, Nana Mava Road, Rajkot – 360005.	<b>Jaipur –ISC Centre</b> Unit no. 807, 8 <sup>th</sup> floor, Okay Plus Tower, AjmerRoad,Jaipur–302 001.

### X Certificate on compliance of corporate governance norms

As required in Listing Regulations read with Regulation 35 of SECC Regulations, NSE has, obtained a certificate regarding the compliance of conditions of Corporate Governance therein from a Practicing Company Secretary. The same is given as an Annexure to the Directors' Report.

## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the code of conduct for the Financial Year 2016-17.

For the purpose of this declaration, Senior Management Personnel includes Key Management Persons appointed under SECC Regulations and Key Managerial Personnel appointed under the Companies Act, 2013 as on March 31, 2017.

Mumbai,  
04.05.2017

**J Ravichandran**  
CEO In-charge



## CEO AND CFO CERTIFICATE

To,  
The Directors,  
**National Stock Exchange of India Limited**

We, J Ravichandran, CEO Incharge and Yatrik Vin, Chief Financial Officer of the National Stock Exchange of India Limited hereby certify to the Board that:

- a. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2017 and that to the best of our knowledge and belief :
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
  - i. significant changes, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Mumbai  
May 5, 2017

**J Ravichandran**  
CEO In-charge

**Yatrik Vin**  
Chief Financial Officer

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,  
The Members,  
**National Stock Exchange of India Limited,**  
CIN: U67120MH1992PLC069769  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (East), Mumbai 400051

We have examined all relevant records of National Stock Exchange of India Limited (the Company) for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies for the financial year ended 31<sup>st</sup> March 2017. In terms of Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for listed companies have become mutatis mutandis applicable to a recognised Stock Exchange. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

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

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

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

**S. N. ANANTHASUBRAMANIAN**  
Partner  
COP. No.: 1774

Date: 28<sup>th</sup> April, 2017  
Place: Thane



## ANNEXURE 6 TO BOARD'S REPORT

### Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**National Stock Exchange of India Limited**  
**CIN: U67120MH1992PLC069769**  
Exchange Plaza, C-1, Block G, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051.

We have conducted the Secretarial Audit of the compliance with applicable statutory provisions and the adherence to good corporate practices by **National Stock Exchange of India 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 and 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, we hereby report that in our opinion, the Company has, during audit period covering the financial year ended **31<sup>st</sup> March 2017**, 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 and papers, minute books, forms and returns filed and other records maintained by the Company for the year ended 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder and applicable provisions of the Companies Act, 1956;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (v) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (vi) 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 Overseas Direct Investment and External Commercial Borrowings are not applicable;
- (vii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - to the extent applicable as a Recognised Stock Exchange pursuant to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012;
- (viii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') - are not applicable for the reasons stated below;
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- not applicable as the securities of the Company are not listed with any Stock Exchange;
  - b. Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014- not applicable as the Company has not issued any share based employee benefits during the financial year under review;

- c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- not applicable as the Company has not issued any Debt securities which are listed during the financial year under review;
  - d. 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 to Issue and Share Transfer Agent during the financial year under review;
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the securities of the Company are not listed with any Stock Exchange; and
  - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the Company has not bought back any of its securities during the financial year under review.
- (ix) The Company has identified and confirmed the following laws as being specifically applicable to the Company:
1. The Securities Contracts (Regulation) Act, 1956;
  2. The Securities and Exchange Board of India Act, 1992;
  3. The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012;
  4. Rules, Regulations, Circulars, Orders, Notification and Directives issued under the above statutes to the extent applicable; and
  5. The Prevention of Money Laundering Act, 2002.

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

- i. Secretarial Standards with respect to the Meetings of the Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Company with the Stock Exchange(s), if applicable: Not Applicable as the Company's securities 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, Independent Directors and a 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 Notices were given to all directors to schedule the Board Meetings (including Committees), 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.

At the Board Meeting held on 16<sup>th</sup> September 2016, at which neither Notice nor Agenda was circulated, seven out of eight Directors including four out of five Public Interest Directors were present.

The following Meetings were held at shorter Notice:

- 1) Board Meetings held on 2<sup>nd</sup> December 2016 and 14<sup>th</sup> December 2016.
- 2) Meetings of Audit Committee held on 4<sup>th</sup> October 2016, 21<sup>st</sup> October 2016, 2<sup>nd</sup> December 2016 and 19<sup>th</sup> December 2016.
- 3) Meetings of Nomination and Remuneration Committee held on 2<sup>nd</sup> December 2016 and 19<sup>th</sup> December 2016.
- 4) Meeting of Corporate Social Responsibility Committee held on 19<sup>th</sup> December 2016.

In respect of the following Meetings, agenda was sent at shorter Notice:

- 1) Board Meetings held on 4<sup>th</sup> October 2016, 21<sup>st</sup> October 2016, 9<sup>th</sup> November 2016, 10<sup>th</sup> November 2016, 29<sup>th</sup> November 2016, 2<sup>nd</sup> December 2016, 14<sup>th</sup> December 2016 and 19<sup>th</sup> December 2016.
- 2) Meetings of Audit Committee held on 4<sup>th</sup> October, 2016, 21<sup>st</sup> October, 2016, 9<sup>th</sup> November 2016, 29<sup>th</sup> November 2016, 2<sup>nd</sup> December 2016 and 19<sup>th</sup> December 2016.
- 3) Meetings of Nomination and Remuneration Committee held on 2<sup>nd</sup> December 2016 and 19<sup>th</sup> December 2016.
- 4) Meeting of Corporate Social Responsibility Committee held on 19<sup>th</sup> December 2016.

# Board's Report



No Director has objected to receipt of Notice and Agenda with short notice.

- All decisions of the Board and Committees thereof were carried through 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 Certificates(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the Management has adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, following events/ actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above have taken place:

- 1) Filing of Draft Red Herring Prospectus in respect of Initial Public Offer through Offer for Sale with SEBI on 28<sup>th</sup> December 2016.

- 2) Issue and Allotment of Bonus shares to the existing equity shareholders in proportion of 1 equity share for every 10 equity shares;
- 3) Sub-division of 5,00,00,000 fully paid up equity shares of face value ₹10 each in the share capital of the Company into 50,00,00,000 equity shares of face value of ₹1 each;
- 4) Alteration of Memorandum of Association and Articles of Association of the Company.

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

Company Secretaries

Firm Registration No. P1991MH040400

**S. N. ANANTHASUBRAMANIAN**

Partner

COP No. 1774

Date: 28<sup>th</sup> April, 2017

Place: Thane

## ANNEXURE 7 (i) TO BOARD'S REPORT

### STATEMENT PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (₹)		Experience (No. of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
1	Ms. Chitra Ramkrishna # ~ @ B. Com, FCA	54	Managing Director & CEO	101905951	26023903	32	October 15, 1994	Dy. Manager, Industrial Development Bank of India
2	Mr. J. Ravichandran # ~ B. Com, B.L., FCS	56	CEO In-charge	48177151	20400316	31	August 12, 1994	Dy. Secretary & Manager (Legal), Raymond Synthetics Limited
3	Mr. Ravi Varanasi # B. Sc., CAIIB	54	Chief Business Development Officer	26801701	16166037	30	July 3, 1995	Sr. Dy. Manager, Vysya Bank
4	Mr. Yatrik Vin # M.Com, AICWA	50	CFO - Group Accounts & Finance	20620685	9646959	30	February 21, 2000	Manager (Finance & Accounts), Godrej & Boyce Mfg. Co. Ltd.
5	Mr.V.R. Narasimhan # ~* M. Com., ACS, MBA, Ph.D	60	Chief Regulatory Officer	20253416	12889431	33	May 30, 2013	Sr. Vice President, Kotak Mahindra Bank Ltd.
6	Mr. Hari K. AICWA, ACS	50	Chief Business Officer	20039647	10792524	26	May 29, 1995	Cost Accountant, KCP Ltd.
7	Mr. Chandrashekhar Mukherjee, B. Com., PGPM & IR	53	Chief People Officer	17790253	10883523	24	April 9, 2010	Associate Vice President Bennett Coleman & Company Ltd.
8	Mr. Suprabhat Lala B. Sc.	50	Vice President - Regulatory	15553473	9497329	27	October 1, 2001	Sr. Vice President, Geojit Securities Ltd.
9	Mr. Sankarson Banerjee # B. Tech, MBA	46	Chief Technology Officer - Projects	14034209	9676499	22	April 15, 2015	Managing Director, Accenture Services Pvt. Ltd.
10	Mr. Tarun Aiyar MBA, ACA	48	CFO - Group Investments and SR	13740770	8655407	25	September 15, 2015	Director - Finance, Raymond Ltd.
11	Mr. Kashinath Katakdhond B.E., MBA, GEMBA(US)	48	Vice President - TRENDS	13399835	8738396	22	September 12, 2013	Sr. Vice President, Citigroup
12	Mr. Mahesh Haldipur B.E. (Civil), AMIE	57	Head - Premises and Admin	13398495	6682795	34	April 25, 1995	Project Engineer, Tata Electric Company Limited
13	Mr. Nirmal Mohanty M.A., MBA	58	Chief Economist	12914369	8006485	30	April 1, 2009	Principal /Vice President, Infrastructure Development Finance Company Ltd.
14	Mr.M Vasudev Rao B. Com., LLB, FCS	49	General Counsel	10863217	6936951	21	November 1, 2012	Associate Vice President Bennett Coleman & Company Ltd.
15	Mr. Nagendra Kumar SRVS PGDM	44	Chief Business Officer	10651925	6159369	21	July 16, 2009	Manager, Accenture India Ltd

# Board's Report



Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (₹)		Experience (No. of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
16	Mr. Mayur Sindhvad # ~* ICWA, ACS	42	Chief Operating Officer - Trading	10254630	6833405	20	June 1, 2009	Assistant Vice President, Edelweiss Securities Ltd
17	Ms. Rana Usman @ B.Com, PGDBM	41	Head - Clearing & Settlement	7486090	5037134	22	June 1, 1995	-
18	Ms. Kamala @ B.Com, FCA	51	Vice President - Business Development	6328025	4246742	27	March 16, 2006	Vice President (Risk Mgmt. & Ops.), IL&FS Investsmart Limited
19	Mr. G. M. Shenoy # B.E, M.FM.	56	Chief Technology Officer - Ops, Trading	11668103	5997972	33	October 1, 2006	Sr. Vice President, NSE.IT Ltd.

## Notes :

- Gross Remuneration includes Salary and other benefits, Company's contribution to Provident Fund, Pension, Superannuation Fund, taxable value of perquisites etc. Net remuneration represents gross remuneration less Company's contribution to provident, Pension and superannuation funds, taxable value of perquisites, profession tax and income tax. Where applicable, the amounts also include certain allowances accrued during previous year(s) but claimed in the current year.
- Besides the above, leave encashment amounting to ₹48474740, ₹5074521, ₹538304 and ₹232511 was paid to Ms.Chitra Ramkrishna, Mr. J. Ravichandran, Ms. Kamala and Mr. G. M. Shenoy respectively and interest on withheld variable pay for FY 2012-13 of ₹2196011 and ₹974719 was paid to Ms.Chitra Ramkrishna and Mr.J Ravichandran respectively. Ms.Chitra Ramkrishna was also paid ₹61435000 towards gratuity.
- Ms. Chitra Ramkrishna was the Managing Director & CEO upto December 2, 2016.
- Employees, whose names were marked with # are Key Management Personnel under SCR (SECC) Regulations, 2012 of SEBI. The remuneration of employee marked with ~ excludes 50% of their Variable Pay to be paid on deferred basis after 3 years.
- Other employees are in permanent employment of the company on contractual basis governed by the employment terms & conditions and service rules. Employees whose names have been marked with @ were employed with the company for part of the year. Mr. G. M. Shenoy is in permanent employment of the subsidiary's subsidiary company, M/s. NSE Infotech Services Limited.
- None of the employees mentioned above is a relative of any Director.
- Employees, in respect of whom Rule 5(2) applies but are on deputation to subsidiary company and in respect of whom the remuneration is recovered are shown under statement prepared under Rule 5(2) of that subsidiary company(ies) to avoid duplication. Employees whose names have been marked with \* are also on deputation to subsidiary company(ies) and in respect of whom the proportionate remuneration recovered from the subsidiary company(ies) is shown in the statement prepared under Rule 5(2) of that subsidiary company(ies).
- None of the employees is holding equity share(s) in the company within the meaning of clause (iii) of sub-rule 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- The Company does not have any Employees Stock Option Plan(ESOP) Scheme for its employees.

## ANNEXURE 7 (ii) TO BOARD'S REPORT

### DISCLOSURES PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The disclosures pertaining to remuneration in terms of Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as per the details provided below:-

- (i) Ratio of Remuneration of each director to the median remuneration of the employees of the Company for the Financial Year**  
The ratio of remuneration of the Managing Director & Chief Executive Officer to the median remuneration of the employees of the Company for the financial year is 93.
- (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year**  
The percentage increase in remuneration of Managing Director & Chief Executive Officer, Group President & Company Secretary and Chief Financial Officer (Group Finance & Accounts) in the financial year is around 10.32%, 15% and 8% respectively.
- (iii) The percentage increase in the median remuneration of employees in the financial year**  
The percentage increase in the median remuneration of employees in the financial year is around 3.06%. The remuneration under points (i) and (ii) of these disclosures, excludes 50% of variable pay, payable to Key Managerial Personnel (defined under the SECC Regulations) on a deferred basis as per SEBI norms and accumulated leave encashment, where applicable.
- (iv) The number of permanent employees on the rolls of the Company**  
As on March 31, 2017, there were 542 employees on the rolls of the Company.



## INDEPENDENT AUDITORS' REPORT

To the Members of  
National Stock Exchange of India Limited

### Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of National Stock Exchange of India Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate companies and its joint venture; (refer Note 39 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and changes in equity of the Group including its associate companies and joint venture in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its associate companies and joint venture 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 companies and joint venture respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and

prudent; and the 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 has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. 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 sub-paragraph 10 of the Other Matters paragraph below, other than the unaudited financial statements/ financial information as certified by the management and referred to in sub-paragraph 11 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associate companies and joint venture, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associate companies and joint venture as at March 31, 2017, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

### Emphasis of Matter

8. We draw attention to Note 38 to the consolidated Ind AS financial statements which describes the accounting treatment adopted by the Holding Company in these consolidated financial statements in relation to the recording of expense on account of contributions made to Core Settlement Guarantee Fund maintained by its subsidiary National Securities Clearing Corporation Limited as per SEBI Regulations and for the reasons stated therein.

Our opinion is not modified in respect of this matter.

### Other Matters

9. The Ind AS financial statements of three subsidiaries included in the consolidated Ind AS financial statements, which constitute total assets of ₹1,029.05 crores and net assets of ₹1,006.57 crores as at March 31, 2017, total revenue from operations of ₹60.37 crores, net profit of ₹17.87 crores and net cash inflows amounting to ₹15.24 crores for the year then ended have been audited solely by Khandelwal Jain & Co., Chartered Accountants.
10. We did not audit the financial statements of seven subsidiaries,

whose financial statements reflect total assets of ₹11,347.59 crores and net assets of ₹1,220.92 crores as at March 31, 2017, total revenue from operations of ₹642.36 crores, net profit of ₹268.84 crores and net cash inflows amounting to ₹4,980.47 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹55.46 crores for the year ended March 31, 2017 as considered in the consolidated Ind AS financial statements, in respect of two associate companies whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and two associate companies and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

11. The consolidated Ind AS financial information include the Group's share of net profit of ₹56.21 crores for the year ended March 31, 2017 as considered in the consolidated Ind AS financial statements, in respect of three associate companies and a joint venture whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management. Further, with respect to the two associate companies referred to in paragraph 10 above, the auditors' report did not include the reporting under Section 143(3)(g); and with respect to one associate company referred to in paragraph 10 above, the auditors' report did not include the reporting under Rule 11(d) of the Companies (Audit and Auditors) Rules, 2014. Our opinion on the consolidated Ind AS financial information insofar as it relates to the amounts and disclosures included in respect of these associate companies and a joint venture and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid associate companies and joint venture, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.



12. The comparative financial information of the Group as at and for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory consolidated financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by Khandelwal Jain & Co., Chartered Accountants, who expressed an unmodified opinion vide reports dated May 12, 2016 and May 26, 2015 respectively. The adjustments to those consolidated financial statements for the differences in accounting principles adopted by the Group on transition to the Ind AS have been audited by Khandelwal Jain & Co., Chartered Accountants. Price Waterhouse & Co Chartered Accountants LLP do not express any opinion on such comparative financial information;

(i) For the purpose of comparative financial information as at and for the year ended March 31, 2016 and for the transition date opening balance sheet as at April 1, 2015, Khandelwal Jain & Co., Chartered Accountants did not audit six subsidiaries whose financial statements as at March 31, 2017, after adjustment for the differences in the accounting principles adopted by the subsidiaries on transition to the Ind AS reflect total assets of ₹5,566.05 crores and net assets of ₹1,121.71 crores as at March 31, 2016, total revenue from operations of ₹625.38 crores, net profit of ₹282.40 crores and net cash inflows amounting to ₹625.74 crores for the year ended on that date and total assets of ₹4,723.07 crores and net assets of ₹1,200.37 crores as at April 1, 2015, and two associate companies whose financial information as at March 31, 2017 after adjustment for the differences in the accounting principles adopted by the associate companies on transition to the Ind AS reflect Group's share of net assets of ₹210.33 crores as at March 31, 2016, Group's share of net profit of ₹47.01 crores for the year ended on that date and Group's share of net assets of ₹173.95 crores as at April 1, 2015 included in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose unmodified audit reports have been furnished to Khandelwal Jain & Co., Chartered Accountants by the management and the opinion on the comparative financial information insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and associate companies, is based solely on the reports of the other auditors.

(ii) Further, for the purpose of comparative financial information as at and for the year ended March 31, 2016 and for the transition date opening balance sheet as at April 1, 2015, Khandelwal Jain & Co., Chartered Accountants did not audit the financial information of three associate companies and a joint venture whose financial information as at March 31, 2017 after adjustment for the differences in the accounting principles adopted by these associate companies and a joint venture on transition to the Ind AS reflect Group's share of net assets of ₹166.13 crores as at March 31, 2016 and Group's share of net profit of ₹44.14 crores for the year ended on that date and two associate companies and a joint venture whose financial information as at March 31, 2017 after adjustment for the differences in the accounting principles adopted by these associate companies and a joint venture on transition to the Ind AS reflect Group's share of net assets of ₹147.90 crores as at April 1, 2015. These financial information are unaudited and have been furnished to Khandelwal Jain & Co., Chartered Accountants by the Management, and whose opinion on the comparative financial information insofar as it relates to the amounts and disclosures included in respect of these associate companies and joint venture is based solely on such unaudited financial information. According to the information and explanations given by the Management, these unaudited financial information are not material to the Group.

Our opinion is not modified in respect of these matters.

#### Report on Other Legal and Regulatory Requirements

13. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associate companies and joint venture, as noted in the 'other matters' paragraph, 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 Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, its associate companies and its joint venture including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have

been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, its associate companies and its joint venture including relevant records relating to the preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and an associate company incorporated in India, none of the directors of the Holding Company, its subsidiary Companies and an associate company incorporated in India is disqualified as on March 31, 2017 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 Holding Company, its subsidiary companies, associate companies and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditors' 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associate companies and joint venture, as noted in the 'Other matter' paragraph:

- (i) The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group, its associate companies and joint venture – Refer Note 51 to the consolidated Ind AS financial statements.
- (ii) The Group, its associate companies and joint venture have long term contracts for which there were no material foreseeable losses. The Group, its associate and joint venture did not have any derivative contracts as at March 31, 2017 - Refer Note 53 to the consolidated Ind AS financial statements.
- (iii) There were no amounts during the year ended March 31, 2017 which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, its associate companies and joint venture incorporated in India - Refer Note 54 to the consolidated Ind AS financial statements.
- (iv) The Group has provided requisite disclosures in the financial statements as to holdings, as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Group – Refer Note 44 to the consolidated Ind AS financial statements.

**For Khandelwal Jain & Co.**

Chartered Accountants  
Firm Registration Number:105049W

**Narendra Jain**

Partner  
Membership Number 048725

Place: Mumbai  
Date: May 5, 2017

**For Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E / E- 300009

**Sumit Seth**

Partner  
Membership Number 105869

Place: Mumbai  
Date: May 5, 2017



## Annexure A to Independent Auditors' Report

Referred to in paragraph 13 (f) of the Independent Auditors' Report of even date to the members of National Stock Exchange Of India Limited on the consolidated Ind AS financial statements for the year ended March 31, 2017.

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of National Stock Exchange of India Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and joint venture which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

3. 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") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. 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.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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

6. 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

7. 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

8. In our opinion, the Holding Company, its subsidiary companies and an 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance

### For Khandelwal Jain & Co.

Chartered Accountants  
Firm Registration Number:105049W

### Narendra Jain

Partner  
Membership Number 048725

Place: Mumbai  
Date: May 5, 2017

Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

9. 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 six subsidiary companies and an associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.
10. 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 does not include the reporting on four associate companies and a joint venture, which are companies incorporated in India whose audit reports are not available. In our opinion and according to information and explanations given to us by the Management, the financial statements/financial information of these four associate companies and a joint venture are not material to the Group. Our opinion is not modified in respect of this matter.

### For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E / E- 300009

### Sumit Seth

Partner  
Membership Number 105869

Place: Mumbai  
Date: May 5, 2017

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(₹ in Crores)

Particulars	Notes	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	2	484.82	507.18	495.81
Capital work-in-progress	2	78.90	15.06	5.63
Goodwill	3	67.35	67.35	67.35
Other intangible assets	3	45.31	45.88	33.20
Intangible assets under development	3	34.98	23.31	11.39
Investment in associates/ joint venture accounted for using the equity method	39	770.33	708.29	652.98
Financial assets				
- Investments	4	2,946.18	3,209.64	1,531.11
- Other financial assets				
Non-current bank balances	5	1,129.55	521.59	865.88
Others	5	97.94	54.73	34.24
Income tax assets (net)	21	305.69	284.12	98.92
Deferred tax assets (net)	19 (d)	3.73	1.86	1.27
Other non-current assets	7	21.10	14.24	24.08
<b>Total non-current assets</b>		<b>5,985.88</b>	<b>5,453.25</b>	<b>3,821.86</b>
<b>CURRENT ASSETS</b>				
Inventories		0.02	0.03	0.04
Financial assets				
- Investments	9	2,868.14	3,186.19	3,191.78
- Trade receivables	10	314.29	278.51	228.70
- Cash and cash equivalents	11	7,927.75	2,887.75	2,243.36
- Bank balances other than cash and cash equivalents	12	2,173.88	1,619.41	1,995.09
- Other financial assets	6	163.43	165.63	378.13
Other current assets	8	60.92	50.19	36.80
<b>Total current assets</b>		<b>13,508.43</b>	<b>8,187.71</b>	<b>8,073.90</b>
<b>TOTAL ASSETS</b>		<b>19,494.31</b>	<b>13,640.96</b>	<b>11,895.76</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	13 a	49.50	45.00	45.00
Other equity	13 b	7,160.13	6,822.67	6,194.99
<b>TOTAL EQUITY</b>		<b>7,209.63</b>	<b>6,867.67</b>	<b>6,239.99</b>
<b>CORE SETTLEMENT GUARANTEE FUND</b>				
- Core Settlement Guarantee Fund paid	37	1,684.95	997.30	675.47
- Core Settlement Guarantee Fund payable	37	290.58	685.81	19.68
		<b>1,975.53</b>	<b>1,683.11</b>	<b>695.15</b>

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017 (contd.)

(₹ in Crores)

Particulars	Notes	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Other financial liabilities	15	9.19	8.57	8.03
Provisions	17	18.94	11.26	9.87
Deferred tax liabilities (net)	19 (d)	118.97	90.50	60.97
Other non-current liabilities	22	5.39	5.39	5.39
<b>Total non-current liabilities</b>		<b>152.49</b>	<b>115.72</b>	<b>84.26</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
- Deposits	24	1,803.28	1,675.15	1,663.57
- Trade payables	14			
Total Outstanding dues of micro enterprises and small enterprises		0.07	0.11	0.06
Total Outstanding dues of creditors other than micro enterprises and small enterprises		97.40	66.32	56.21
- Other financial liabilities	16	7,667.43	2,865.91	2,302.61
		<b>9,568.18</b>	<b>4,607.49</b>	<b>4,022.45</b>
Provisions	18	56.66	48.60	541.74
Income tax liabilities (net)	20	95.44	18.26	51.73
Other current liabilities	23	436.38	300.11	260.44
<b>Total current liabilities</b>		<b>10,156.66</b>	<b>4,974.46</b>	<b>4,876.36</b>
<b>TOTAL LIABILITIES</b>		<b>10,309.15</b>	<b>5,090.18</b>	<b>4,960.62</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,494.31</b>	<b>13,640.96</b>	<b>11,895.76</b>
Summary of significant accounting policies	1			

Notes refer to above form an integral part of the consolidated balance sheet

This is the Consolidated Balance sheet referred to in our report of even date

**For Khandelwal Jain & Co.**

Chartered Accountants

Firm's Registration no : 105049W

**Narendra Jain**

Partner

Membership No.: 048725

**For and on behalf of the Board of Directors**

**Ashok Chawla**

Chairman

**Ravi Narain**

Vice Chairman

**Dinesh Kanabar**

Director

**For Price Waterhouse & Co Chartered Accountants LLP**

Chartered Accountants

Firm's Registration no : 304026E / E-300009

**Sumit Seth**

Partner

Membership No.: 105869

**J Ravichandran**

CEO Incharge

**Yatrik Vin**

Chief Financial Officer

**S. Madhavan**

Company Secretary

Place : Mumbai

Date : May 5, 2017

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>INCOME</b>			
Revenue from operations	25	2,104.26	1,863.54
Other income	26	576.57	495.63
<b>Total income</b>		<b>2,680.83</b>	<b>2,359.17</b>
<b>EXPENSES</b>			
Employee benefits expense	27	240.18	217.98
Depreciation and amortisation expense	2 & 3	118.14	108.92
Other expenses	28	525.47	393.98
<b>Total expenses (excluding contribution to Core Settlement Guarantee Fund)</b>		<b>883.79</b>	<b>720.88</b>
<b>Profit before, share of net profits of investments accounted for using equity method, contribution to Core Settlement Guarantee Fund and tax</b>		<b>1,797.04</b>	<b>1,638.29</b>
Share of net profit of associates and joint ventures accounted for using equity method	39	111.67	91.15
<b>Profit before contribution to Core Settlement Guarantee Fund and tax</b>		<b>1,908.71</b>	<b>1,729.44</b>
Less : Contribution to Core Settlement guarantee fund (Core SGF)	37 & 38	(134.07)	(761.52)
<b>Profit before tax</b>		<b>1,774.64</b>	<b>967.92</b>
Less : Tax expense			
Current tax expense	19 (a)	516.31	302.03
Deferred tax expense	19 (a)	39.51	35.08
<b>Total tax expenses</b>		<b>555.82</b>	<b>337.11</b>
<b>Net Profit after tax (A)</b>		<b>1,218.82</b>	<b>630.81</b>
<b>Other comprehensive income</b>			
Items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	13 b	12.62	(7.97)
Income tax relating to items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	13 b	(4.37)	2.76
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	13 b	(10.43)	(2.80)
Share of other comprehensive income of associates and Joint Ventures accounted for using the equity method	13 b	(1.75)	(0.18)
Changes in fair value of FVOCI equity instruments	13 b	(31.68)	21.57
Changes in foreign currency translation reserve	13 b	(2.40)	-
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	13 b	3.56	0.92
Changes in fair value of FVOCI equity instruments	13 b	8.10	(4.13)
<b>Total other comprehensive income for the period, net of taxes (B)</b>		<b>(26.35)</b>	<b>10.17</b>
<b>Total comprehensive income for the period / year (A+B)</b>		<b>1,192.47</b>	<b>640.98</b>

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017 (contd.)

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>Profit is attributable to :</b>			
Owners of National Stock Exchange of India Limited		1,218.82	630.81
<b>Other comprehensive income is attributable to :</b>			
Owners of National Stock Exchange of India Limited		(26.35)	10.17
<b>Total comprehensive income is attributable to :</b>			
Owners of National Stock Exchange of India Limited		1,192.47	640.98
<b>Earnings per equity share from profit attributable to owners of the Company (Face value of ₹1 each)</b>	29		
<b>After contribution to Core Settlement Guarantee Fund</b>			
- Basic and Diluted (₹)		24.62	12.74
<b>Before contribution to Core Settlement Guarantee Fund</b>			
- Basic and Diluted (₹)		26.39	22.80
Summary of significant accounting policies	1		

Notes refer to above form an integral part of consolidated statement of profit and loss

This is the Consolidated Statement of Profit & loss referred to in our report of even date

**For Khandelwal Jain & Co.**

Chartered Accountants  
Firm's Registration no : 105049W

**Narendra Jain**  
Partner  
Membership No.: 048725

**For and on behalf of the Board of Directors**

**Ashok Chawla**  
Chairman

**Ravi Narain**  
Vice Chairman

**Dinesh Kanabar**  
Director

**For Price Waterhouse & Co Chartered Accountants LLP**

Chartered Accountants  
Firm's Registration no : 304026E / E-300009

**Sumit Seth**  
Partner  
Membership No.: 105869

**J Ravichandran**  
CEO Incharge

**Yatrik Vin**  
Chief Financial Officer

**S. Madhavan**  
Company Secretary

Place : Mumbai  
Date : May 5, 2017

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

### (A) Equity share capital

(₹ in Crores)

Balance as at 01.04.2015	45.00
Changes in equity share capital during the year	0.00
Balance as at 31.03.2016	45.00
Issue of bonus shares (Refer Note 13b (Note 3) )	4.50
Balance as at 31.03.2017	49.50

### (B) Other Equity

(₹ in Crores)

Particulars	Reserves and Surplus				Other Reserves					Total other Equity
	Securities premium reserve	Retained earnings *	CSR Reserve	Other reserves** (Refer Note 13b)	Total Reserves and Surplus	FVOCI equity instruments	FVOCI debt instruments	Foreign Currency Translation Reserve	Total other reserves	
<b>Balance as at 01.04.2015</b>	40.00	6,005.37	-	60.89	6,106.26	91.65	(2.76)	(0.16)	88.73	6,194.99
Profit for the period	-	630.81	-	-	630.81	-	-	-	-	630.81
Other Comprehensive Income	-	(2.06)	-	-	(2.06)	17.44	(5.21)	-	12.23	10.17
Transferred to other reserves	-	(3.00)	-	3.00	-	-	-	-	-	-
Reversal of Provisional transfer to Settlement Guarantee Fund	-	527.19	-	-	527.19	-	-	-	-	527.19
Appropriation to Core Settlement Guarantee Fund (net of tax) (Refer note 13b (Note 4) )	-	(109.88)	-	-	(109.88)	-	-	-	-	(109.88)
Changes in foreign currency translation reserve	-	-	-	-	-	-	-	0.06	0.06	0.06
<b>Transaction with owners in their capacity as owners</b>										
Dividend paid (including dividend distribution tax)	-	(430.67)	-	-	(430.67)	-	-	-	-	(430.67)
<b>Balance as at 31.03.2016</b>	40.00	6,617.76	-	63.89	6,721.65	109.09	(7.97)	(0.10)	101.02	6,822.67
<b>Balance as at 01.04.2016</b>	40.00	6,617.76	-	63.89	6,721.65	109.09	(7.97)	(0.10)	101.02	6,822.67
Profit for the period	-	1,218.82	-	-	1,218.82	-	-	-	-	1,218.82
Transfer to CSR Reserve [Refer note 43(iii)]	-	(72.06)	72.06	-	-	-	-	-	-	-
Other Comprehensive Income	-	(8.62)	-	-	(8.62)	(23.58)	8.25	(2.40)	(17.73)	(26.35)
Appropriation to Core Settlement Guarantee Fund (net of tax) (Refer note 13b (Note 4) )	-	(24.55)	-	-	(24.55)	-	-	-	-	(24.55)
Issue of Bonus shares (Refer Note 13b (Note 3) )	(4.50)	-	-	-	(4.50)	-	-	-	-	(4.50)
<b>Transaction with owners in their capacity as owners</b>										
Dividend paid (including dividend distribution tax)	-	(825.96)	-	-	(825.96)	-	-	-	-	(825.96)
<b>Balance as at 31.03.2017</b>	35.50	6,905.39	72.06	63.89	7,076.84	85.51	0.28	(2.50)	83.29	7,160.13

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017 (contd.)

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
* Includes General Reserves	4,441.04	4,441.04	4,443.53
** Includes capital reserve on consolidation	39.39	39.39	39.39
** Includes capital redemption reserve	13.00	13.00	10.00
** Includes staff welfare reserve	1.50	1.50	1.50
** Includes investor compensation activities	10.00	10.00	10.00

This is the statement of changes in equity referred to in our report of even date

**For Khandelwal Jain & Co.**

Chartered Accountants

Firm's Registration no : 105049W

**Narendra Jain**

Partner

Membership No: 048725

**For and on behalf of the Board of Directors**

**Ashok Chawla**

Chairman

**Ravi Narain**

Vice Chairman

**Dinesh Kanabar**

Director

**For Price Waterhouse & Co Chartered Accountants LLP**

Chartered Accountants

Firm's Registration no : 304026E / E-300009

**Sumit Seth**

Partner

Membership No: 105869

**J Ravichandran**

CEO Incharge

**Yatrik Vin**

Chief Financial Officer

**S. Madhavan**

Company Secretary

Place : Mumbai

Date : May 5, 2017

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>			
PROFIT BEFORE TAX		1,774.64	967.92
<b>Adjustments for</b>			
Depreciation and amortisation expense	2, 3	118.14	108.92
Interest income from financial assets at amortised cost	26	(135.65)	(244.44)
Interest income from investments designated at fair value through other comprehensive income	26	(42.47)	(81.05)
Dividend income	26	(2.95)	(1.50)
Net fair value (gain) / loss on financial assets mandatorily measured at fair value through profit or loss	26	(122.87)	(3.08)
Net gain on sale of investments	26	(253.03)	(134.32)
Net gain on sale of investments of associate (i.e. National Securities Depository Limited)	26	(2.06)	-
Net (gain) / loss on disposal of property, plant and equipment	26, 28	(0.20)	(6.04)
Doubtful debts written off	28	25.05	0.06
Provision for Doubtful Debts	28	1.41	0.21
Impairment in value of Investments	28	9.29	-
Cost of investment written off	28	0.99	-
Share of net profit of associates and joint ventures accounted by using equity method		(111.67)	(91.15)
<b>Change In operating assets and liabilities</b>			
(Increase)/Decrease in trade receivables	10	(62.24)	(50.08)
(Increase)/Decrease inventories		0.01	0.01
Increase/(Decrease) in trade payables	14	31.04	10.16
(Increase)/Decrease in other financial assets	5, 6	(14.60)	170.61
(Increase)/Decrease in other assets	7, 8	(18.62)	(11.59)
Increase/(Decrease) in other financial liabilities	15, 16	4,777.97	556.88
Increase/(Decrease) in provisions	17, 18	5.31	(494.56)
Increase/(Decrease) in other liabilities	22, 23	136.26	39.19
Refund / proceeds of deposits	24	128.13	11.58
Change in Core Settlement Guarantee Fund balance		255.30	1,372.14
<b>CASH GENERATED / (USED) FROM OPERATIONS</b>		<b>6,497.18</b>	<b>2,119.87</b>
Income taxes paid	19,20, 21	(448.13)	(487.58)
<b>NET CASH INFLOW / OUTFLOW FROM OPERATING ACTIVITIES - TOTAL (A)</b>		<b>6,049.05</b>	<b>1,632.29</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment	2, 3	(146.54)	(140.52)
Proceeds from property, plant and equipment	2, 3	0.51	7.23
(Payment) / proceeds from investments (Net)	4, 9	942.35	(1,522.02)
Payment for investment in associates and joint ventures		(7.50)	-
(Payment) / proceeds from fixed deposits / Bank balances other than cash & cash equivalents (Net)	5, 12	(1,162.43)	719.97
Interest received	5, 26	151.71	346.89
Dividend received (including dividend from associate companies)	26	38.81	31.22
<b>NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES - TOTAL (B)</b>		<b>(183.09)</b>	<b>(557.23)</b>

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2017 (contd.)

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid (including dividend distribution tax)	13b	(825.96)	(430.67)
<b>NET CASH OUTFLOW FROM FINANCING ACTIVITIES - TOTAL (C)</b>		<b>(825.96)</b>	<b>(430.67)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>		<b>5,040.00</b>	<b>644.39</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	11	2,887.75	2,243.36
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD *</b>	11	7,927.75	2,887.75
* Includes amount received from members towards settlement obligation and margin money. (Refer Note 11 & 16)			
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT</b>		<b>5,040.00</b>	<b>644.39</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>			
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents	11	7,927.75	2,887.75
Bank overdrafts	11	-	-
<b>Balances per statement of cash flows</b>		<b>7,927.75</b>	<b>2,887.75</b>

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

**For Khandelwal Jain & Co.**  
Chartered Accountants  
Firm's Registration no : 105049W

**Narendra Jain**  
Partner  
Membership No.: 048725

**For Price Waterhouse & Co Chartered Accountants LLP**  
Chartered Accountants  
Firm's Registration no : 304026E / E-300009

**Sumit Seth**  
Partner  
Membership No.: 105869

Place : Mumbai  
Date : May 5, 2017

**For and on behalf of the Board of Directors**

**Ashok Chawla**  
Chairman

**Ravi Narain**  
Vice Chairman

**Dinesh Kanabar**  
Director

**J Ravichandran**  
CEO Incharge

**Yatrik Vin**  
Chief Financial Officer

**S. Madhavan**  
Company Secretary



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Background and Significant Accounting Policies

#### Background

The National Stock Exchange of India Limited (“NSE” or “the Parent Company”) established in 1992 is the first demutualized electronic exchange in India. NSE was the first exchange in the country to provide a modern, fully automated screen-based electronic trading system which offered easy trading facility to the investors spread across the country. NSE offers trading in equity, equity derivatives, debt and currency derivatives segments. The consolidated financial statements relates to the Parent Company, its subsidiary companies, jointly controlled entities and associates (collectively referred to as “the Group”).

#### Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements (“financial statements”). These policies have been consistently applied to all the years / periods presented, unless otherwise stated.

##### (a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as “Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous period numbers in the consolidated financial statements have been restated to Ind AS. These financial statements are the first consolidated financial statements of the Group which have been prepared in accordance with Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Group has presented a reconciliation from the presentation of consolidated financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) to Ind AS in respect of consolidated shareholders’ equity as at March 31, 2016 and April 1, 2015, of the consolidated comprehensive income for the year ended March 31, 2016 and of the cash flows for the year ended March 31, 2016.

##### (b) Basis of preparation

These consolidated financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act, 2013 and Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The consolidated financial statements up to year ended 31 March 2016 were prepared in accordance with Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Companies Act 2013 (the Act).

Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets that are measured at fair value, and
- defined benefit plans - plan assets measured at fair value.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 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 measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) 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 within Level 1, that are observable for the asset or liability, either directly or indirectly; and

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Level 3 inputs are unobservable inputs for the asset or liability.

### (c) Principles of consolidation and equity accounting

#### i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

#### ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

#### iii) Joint Arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only joint ventures.

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

#### iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post - acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note (i) below

#### v) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

The Group has recorded changes in ownership interests before April 1, 2015 i.e. date of transition to Ind AS as per the Previous GAAP. The Group has selected to measure its investments in joint ventures, associates and subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2015.

### (c) Foreign currency translation and transactions

#### (i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian currency (INR), which is the Group's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognised in statement of profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

#### (iii) Group Companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to statement of profit or loss, as part of the gain or loss on sale.

### (d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, incentives, service taxes and amounts collected on behalf of third parties.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue is recognised in the period when the service is provided as per arrangements/agreements with the customers. The sources of revenue are:

- (i) Transaction charges – revenue is recognised on transactions in accordance with the Group's fee scales as and when the transaction occurs.
- (ii) Subscription and other fees – revenue is recognised on a straight-line basis over the period to which the fee relates.
- (iii) Book building fees – revenue is recognised at the time of completion of book building process.
- (iv) Revenue from the sale of goods (software product licenses, digital certificates and resale of hardware & software) is recognised when the Group transfers to buyer the significant risks and rewards of ownership of the goods.
- (v) Revenue from consulting services (software development) is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method). Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.
- (vi) Revenues from Information Technology & Process support charges and maintenance are recognised on time and material basis based on the terms agreed with the customers.
- (vii) Others – all other revenue is recognised in the period in which the service is provided.

In respect of members who have been declared as defaulters by the Group all amounts (dues) remaining to be recovered from such defaulters, net of available security and insurance cover available if any, till the date of being declared as defaulters are written off as bad debts. All subsequent recoveries are accounted when received.

Penal charges in respect of shortages due from the respective member is recognised in profit and loss as part of other revenue to the extent such charges are recoverable in the period of declaration of default.

Insurance claims are accounted on accrual basis when the claims become due and payable.

### (e) Inventory

The Inventory is valued at cost or net realisable value whichever is lower. Cost of inventories include all other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### (f) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to consolidated statement of profit and loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity. The dividend distribution tax paid by the subsidiaries for which the set off has been availed by the Parent company has been recognized in equity.

### (g) Leases

#### As a lessee

Leases of property, plant and equipment and land where the Group, as lessee, has substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### (h) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- the fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business consideration is achieved in stages, the acquisition date carrying value of the acquirers previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

### Transition to Ind AS

Upon first-time adoption of Ind AS, the Group has elected not to restate business combinations which occurred prior to the transition date i.e. April 1, 2015. Accordingly, the Group has continued with its business combination accounting under Previous GAAP.

#### (i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### (j) Cash and cash equivalents

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked/restricted for specific purposes.

#### (k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### (l) Investments and other financial assets

##### (i) Classification

The Group classifies its financial assets in the following measurement categories:



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

### (ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised under other income. Interest income from these financial assets is included in other income using the effective interest rate method.
- Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss under other income in the period in which it arises. Interest or dividend income, if any from these financial assets is separately included in other income.

#### Equity investments (other than investments in associates and joint venture)

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income in the statement of profit and loss.

Purchase and sale of investments are accounted at trade date.

### (iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### De-recognition of financial assets

A financial asset is de-recognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### (iv) Income recognition

#### Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

#### Dividends

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

### (m) Financial liabilities

#### (i) 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.

#### (ii) 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.

#### (iii) 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.

#### (iv) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### (n) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

### (o) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

### (p) **Property, plant and equipment (including CWIP)**

Freehold land is carried at historical cost of acquisition. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

### **Transition to Ind AS**

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

### **Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Building	60 years
Furniture and fixture	5 to 10 years
Office equipment	4 to 5 years
Electrical equipment	10 years
Computer systems office automation	3 years
Computer systems – others	4 years
Computer software	4 years
Telecommunication systems	4 years
Trading systems	4 years
Clearing & Settlement Systems	4 years

The property, plant and equipment including land acquired under finance leases is depreciated over the asset's useful life or the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

The useful lives for computer systems office automation, computer systems – others, computer software, telecommunication systems, trading systems and clearing & settlement systems have been determined based on technical evaluation done by the management's expert which are lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted on a prospective basis if appropriate, at the end of each reporting period.

In case of subsidiary company NSEIT Limited, fixed assets are depreciated as per the useful life specified under schedule II to Companies Act 2013 except the furniture and fixtures, electrical installation and office equipment including civil improvements at leased premises which are depreciated over the lease period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### (q) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is accounted as investment property. Investment property is measured initially at its cost, including related transaction costs.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years.

#### Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2015 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of investment properties.

### (r) Intangible assets

#### (i) Goodwill:

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

#### (ii) Other intangible assets:

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Computer software is amortised over a period of 4 years.

#### Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value the deemed cost of intangible assets.

### (s) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### (t) Provisions

Provisions for legal claims and discounts/incentives are recognised when the Group has a present legal or constructive obligation as a result



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

At the end of each reporting period, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at a future date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### (u) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not disclosed in case the possibility of an outflow of resources embodying economic benefits is remote.

### (v) Employee benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### (ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet since the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (iii) Post-employment obligations

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, and
- (b) defined contribution plans such as provident fund and superannuation.

#### Gratuity obligations

The Group has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to yields on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### (iv) Defined contribution plans

#### Provident fund

The Company has established 'National Stock Exchange of India Limited Employee Provident Fund Trust' and one of the subsidiary, NSE Infotech Services Limited has established 'NSE Infotech Services Limited Employee Provident Fund Trust' to which both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary, respectively. Such contribution to the provident fund for all employees, are charged to the profit and loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is provided for by the Group.

One of the subsidiary, NSEIT Limited contributes to the Government administered fund and the same is charged to statement of profit and loss.

#### Superannuation

Superannuation benefits for employees designated as chief managers and above are covered by Group policies with the Life Insurance Corporation of India. Group's contribution payable for the year is charged to profit and loss. There are no other obligations other than the annual contribution payable.

### (v) Bonus plans

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### (w) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### (x) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### (y) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### (z) Core Settlement Guarantee Fund

The Group contributes to Settlement Guarantee Fund/ Core Settlement Guarantee Fund in accordance with Securities Exchange Board of India ('SEBI') (Stock Exchanges and Clearing Corporations) Regulation 2012. National Stock Exchange of India Limited (the Parent company) contributes 25% of its annual profits along with its clearing corporation subsidiary, National Securities Clearing Corporation Limited contributes



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

amounts pertaining to Minimum Required Corpus to the Core Settlement Guarantee Fund, which is determined as per SEBI guidelines. The contribution to Settlement Guarantee Fund/ Core Settlement Guarantee Fund by the Parent Company is recorded as an expense in the Consolidated Statement of Profit and Loss and contribution by its clearing corporation subsidiary is recorded as an appropriation from Group's retained earnings and such amounts are separately disclosed as Core Settlement Guarantee Fund in the Consolidated balance sheet. As per SEBI guidelines, the Group invests balances in Core Settlement Guarantee Fund in prescribed category of securities which are earmarked/restricted and income earned on such investments are attributed directly and credited to the fund balance. Fines and penalties recovered by the Group from members are also directly attributed and credited to the fund balance.

The Group records a loss in its Statement Profit and Loss in case of a default event, as per the default waterfall defined under the SEBI regulations, including by utilization of the Core Settlement Guarantee Fund balance. (Refer note 37).

### (aa) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

### (bb) Reclassification

Previous year's figures have been reclassified / regrouped wherever necessary.

### (cc) Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Estimation of fair value of unlisted securities Note 40

Estimation of useful life of intangible assets Note 3

Estimation of defined benefit obligation Note 30

Estimation of contingent liabilities refer Note 34

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

### (dd) Recent Accounting Pronouncements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from April 1, 2017.

#### Amendment to Ind AS 7 :

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Group is evaluating the requirements of the amendment including its effect on the financial statements.

#### Amendment to Ind AS 102 :

The amendment is not expected to have any impact on the Group's financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 2 : Property, plant and equipment

(₹ in Crores)

Particulars	Freehold land	Leasehold land	Owned building*	Office equipments	Electrical equipment & installations	Furniture & Fixtures	Trading systems	Computer systems office automation	Computer systems others	Tele-communication systems	Clearing and settlement system	Total	Capital work in progress
Deemed cost as at 01.04.2015	35.51	82.49	143.31	17.52	60.16	18.86	27.35	6.63	62.98	38.20	2.80	495.81	5.63
Gross carrying amount	35.51	107.62	175.83	63.73	87.56	43.27	188.55	26.11	156.35	156.32	27.61	1,068.46	5.63
Additions	-	-	-	11.11	15.34	3.95	2.15	0.97	43.62	18.49	3.72	99.35	108.78
Disposals	-	-	(1.32)	(0.38)	(0.04)	(1.28)	-	-	(0.19)	-	-	(3.21)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(99.35)
<b>Closing gross carrying amount</b>	<b>35.51</b>	<b>107.62</b>	<b>174.51</b>	<b>74.46</b>	<b>102.86</b>	<b>45.94</b>	<b>190.70</b>	<b>27.08</b>	<b>199.78</b>	<b>174.81</b>	<b>31.33</b>	<b>1,164.60</b>	<b>15.06</b>
<b>Accumulated depreciation</b>													
Accumulated depreciation as at 01.04.2015	-	25.13	32.52	46.21	27.40	24.41	161.20	19.48	93.37	118.12	24.81	572.65	-
Depreciation charge during the year	-	1.30	3.03	8.87	6.87	4.16	10.66	1.56	31.65	17.00	1.69	86.79	-
Disposals	-	-	(0.38)	(0.35)	(0.03)	(1.20)	-	-	(0.06)	-	-	(2.02)	-
<b>Closing Accumulated depreciation</b>	<b>-</b>	<b>26.43</b>	<b>35.17</b>	<b>54.73</b>	<b>34.24</b>	<b>27.37</b>	<b>171.86</b>	<b>21.04</b>	<b>124.96</b>	<b>135.12</b>	<b>26.50</b>	<b>657.42</b>	<b>-</b>
<b>Net carrying amount as at 31.03.2016</b>	<b>35.51</b>	<b>81.19</b>	<b>139.34</b>	<b>19.73</b>	<b>68.62</b>	<b>18.57</b>	<b>18.84</b>	<b>6.04</b>	<b>74.82</b>	<b>39.69</b>	<b>4.83</b>	<b>507.18</b>	<b>15.06</b>
Gross carrying amount													
Cost as at 01.04.2016	35.51	107.62	174.51	74.46	102.86	45.94	190.70	27.08	199.78	174.81	31.33	1,164.60	15.06
Additions	-	-	-	3.31	1.19	5.91	10.04	1.87	28.54	22.62	0.58	74.06	139.68
Disposals	-	-	-	(0.09)	(0.01)	(0.13)	-	(0.52)	(0.60)	(0.66)	-	(2.01)	(1.78)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(74.06)
<b>Closing gross carrying amount</b>	<b>35.51</b>	<b>107.62</b>	<b>174.51</b>	<b>77.68</b>	<b>104.04</b>	<b>51.72</b>	<b>200.74</b>	<b>28.43</b>	<b>227.72</b>	<b>196.77</b>	<b>31.91</b>	<b>1,236.65</b>	<b>78.90</b>
<b>Accumulated depreciation</b>													
Accumulated depreciation as at 01.04.2016	-	26.43	35.17	54.73	34.24	27.37	171.86	21.04	124.96	135.12	26.50	657.42	-
Depreciation charge during the period	-	1.30	3.03	8.01	8.09	4.42	10.52	2.43	36.47	19.76	2.08	96.11	-
Disposals	-	-	-	(0.06)	-	(0.13)	-	(0.53)	(0.60)	(0.38)	-	(1.70)	-
<b>Closing Accumulated depreciation</b>	<b>-</b>	<b>27.73</b>	<b>38.20</b>	<b>62.68</b>	<b>42.33</b>	<b>31.66</b>	<b>182.38</b>	<b>22.94</b>	<b>160.83</b>	<b>154.50</b>	<b>28.58</b>	<b>751.83</b>	<b>-</b>
<b>Net carrying amount as at 31.03.2017</b>	<b>35.51</b>	<b>79.89</b>	<b>136.31</b>	<b>15.00</b>	<b>61.71</b>	<b>20.06</b>	<b>18.36</b>	<b>5.49</b>	<b>66.89</b>	<b>42.27</b>	<b>3.33</b>	<b>484.82</b>	<b>78.90</b>

\* Includes investment property for which cost and fair value details are as follows:

Particulars	31.03.2017	31.03.2016	01.04.2015
Net carrying amount of investment property	4.87	8.21	23.09
Fair value of investment property	53.03	73.97	311.82
Depreciation	0.11	0.18	NA
Rental income	6.55	13.90	NA

#### Estimation of fair value

The group obtains independent valuations / quotations for its investment property. The best evidence of fair value is current prices in an active market for similar property.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 3 : Intangible assets

(₹ in Crores)

Particulars	Goodwill	Other intangible assets			Intangible under development
		Computer software	Software copyrights	Total	
Deemed cost as at 01.04.2015	67.35	33.20	-	33.20	11.39
Gross carrying amount					
Cost as at 01.04.2015	67.35	178.97	2.59	181.56	11.39
Additions	-	34.81	-	34.81	46.73
Transfers	-	-	-	-	(34.81)
<b>Closing gross carrying amount</b>	<b>67.35</b>	<b>213.78</b>	<b>2.59</b>	<b>216.37</b>	<b>23.31</b>
Accumulated amortisation					
Accumulated amortisation as at 01.04. 2015	-	145.77	2.59	148.36	-
Amortisation charge during the year	-	22.13	-	22.13	-
<b>Closing Accumulated amortisation</b>	<b>-</b>	<b>167.90</b>	<b>2.59</b>	<b>170.49</b>	<b>-</b>
<b>Net carrying amount as at 31.03.2016</b>	<b>67.35</b>	<b>45.88</b>	<b>-</b>	<b>45.88</b>	<b>23.31</b>
Gross carrying amount					
Cost as at 01.04.2016	67.35	213.78	2.59	216.37	23.31
Additions	-	21.46	-	21.46	33.59
Disposals	-	(0.36)	-	(0.36)	(0.52)
Transfers	-	-	-	-	(21.40)
<b>Closing gross carrying amount</b>	<b>67.35</b>	<b>234.88</b>	<b>2.59</b>	<b>237.47</b>	<b>34.98</b>
Accumulated amortisation					
Accumulated amortisation as at 01.04.2016	-	167.90	2.59	170.49	-
Amortisation charge during the period	-	22.03	-	22.03	-
Disposals	-	(0.36)	-	(0.36)	-
<b>Closing Accumulated amortisation</b>	<b>-</b>	<b>189.57</b>	<b>2.59</b>	<b>192.16</b>	<b>-</b>
<b>Net carrying amount as at 31.03.2017</b>	<b>67.35</b>	<b>45.31</b>	<b>-</b>	<b>45.31</b>	<b>34.98</b>

#### Significant estimate: Useful life of intangible assets under development

The Group has completed the development of software that is used in its various business processes. As at 31 March 2017, the net carrying amount of this software was ₹45.31 crores (31 March 2016: ₹45.88 crores, 01 April 2015: ₹33.20 crores). The Group estimates the useful life of the software to be 4 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 4 years, depending on technical innovations and competitor actions."

#### Impairment of goodwill

"For the purpose of impairment testing, goodwill is allocated to a cash generating unit, representing the lowest level within the Group at which goodwill is monitored for internal management purposes and which is not higher than the Group's operating segment. The goodwill of ₹65.59 crores relates to the index licensing services activity of the Group and ₹1.76 crores relates to datafeed services. The recoverable amount of the cash generating unit has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

As at April 1, 2015 i.e. transition date to Ind AS, the Group carried goodwill impairment test and estimated cash flows for a period of 5 years using internal forecasts. Similarly the Group has also carried out annual goodwill impairment assesment as at March 31, 2017 and March 31, 2016. The carrying amount does not exceed the recoverable amount of the cash generating units. Accordingly, there were no impairment recorded for the year ended March 31, 2017 and March 31, 2016.

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating units.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 4 : NON-CURRENT INVESTMENTS

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
(A) Investment in equity instruments						
(i) Quoted equity instruments at FVOCI						
In other companies						
Metropolitan Stock Exchange of India Limited (erstwhile known as MCX Limited)	5,000	0.68	5,000	0.42	5,000	0.56
<b>Total quoted equity instruments</b>		0.68		0.42		0.56
(ii) Unquoted equity instruments at FVOCI						
In other companies						
National Commodity & Derivative Exchange Limited	76,01,377	128.00	76,01,377	159.86	76,01,377	138.15
Goods And Service Tax Network (section 8 company) (Refer Note iii)	10,00,000	-	10,00,000	1.00	10,00,000	1.00
<b>Total in other companies</b>		128.00		160.86		139.15
<b>Total equity instruments</b>		128.68		161.28		139.71
(B) Investments in preference shares						
Unquoted preference shares						
In associate company at FVPL						
10% Optionally Convertible Redeemable Preference Shares of Power Exchange of India Limited (Refer Note i)	50,00,000	-	50,00,000	5.01	50,00,000	5.01
<b>Total preference shares</b>		-		5.01		5.01
(C) Investment in exchange traded funds (ETF)						
Quoted exchange traded funds at FVPL						
CPSE ETF	2,54,70,000	71.85	4,05,20,000	79.70	65,00,000	15.74
SBI-ETF Nifty 50	24,13,000	22.33	48,50,000	38.02	-	-
ICICI Prudential Nifty iWIN ETF	23,26,000	21.75	33,90,000	26.99	-	-
Kotak Mahindra MF - Kotak Banking ETF	7,78,500	16.96	16,12,450	26.27	-	-
R Shares Nifty Bees	5,40,200	50.69	10,26,000	81.18	2,80,000	23.82
R Shares Bank Bees	2,37,000	51.39	74,500	13.09	-	-
Goldman Sachs Mutual Fund Bank Bees	-	-	4,98,000	80.94	1,60,000	29.02
Goldman Sachs Nifty ETF-Nifty Bees	-	-	1,14,310	9.05	-	-
Goldman Sachs Nifty ETF	-	-	3,34,737	26.49	1,47,555	12.55
<b>Total exchange traded funds</b>		234.97		381.73		81.13
(D) Investment in bonds						
Quoted bonds at amortised cost						
(i) Tax free bonds						
7.35% Nabard 23 Mar 2031	5,00,000	52.10	2,50,000	25.95	-	-
7.64% Nabard 23 Mar 2031	4,00,000	42.35	-	-	-	-
8.67 National Hydroelectric Power Corp Limited - 02 Nov 2033	3,00,000	39.21	-	-	-	-
6.86% India Infrastructure Finance Company Limited - 26 Mar 2023	2,50,000	24.57	2,50,000	24.51	-	-
8.46% Rural Electrification Corporation Limited - 24 Sep 2028	2,50,000	27.89	2,50,000	28.01	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 4 : NON-CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
8.67% PFC Limited - 16 Nov 2033	2,50,000	31.38	-	-	-	-
7.18 % Indian Railway Finance Corpn Limited - Tranche 1 - Series 1 - 19 Feb 2023	2,50,000	31.72	1,50,000	15.50	1,50,000	15.50
7.51% HUDCO - 16 Feb 2028	2,50,000	25.99	3,50,000	36.47	-	-
8.20% HUDCO - 05 Mar 2027	2,00,000	22.78	-	-	-	-
7.39% Housing & Urban Development Corp Limited - 15 Mar 2031	2,00,000	22.03	-	-	-	-
7.19% India Infrastructure Finance Company Limited - 22 Jan 2023	1,95,000	20.06	1,00,000	10.17	-	-
8.20% Power Finance Corporation Limited - Tranche 1 - Series 1 - 01 Feb 2022	1,35,436	14.44	1,35,436	14.10	1,35,436	14.11
7.27% Power Finance Corporation Limited - 17 Oct 2030	1,00,000	11.19	-	-	-	-
7.19% Housing & Urban Development Corporation Limited 28 Mar 2028	1,00,000	10.09	1,00,000	10.10	-	-
7.43% Rural Electrification Corporation Limited 05 Nov 2035	1,00,000	10.76	-	-	-	-
8.66% India Infrastructure Finance Company Limited - 22 Jan 2034	1,00,000	11.89	-	-	-	-
7.34% Indian Railway Finance Corporation Limited - 19 Feb 2028	1,00,000	10.50	1,00,000	10.51	-	-
7.35% National Highways Authority Of India - 11 Jan 2031	1,00,000	10.76	1,00,000	10.17	-	-
7.36% India Infrastructure Finance Company Limited - 22 Jan 2028	1,00,000	10.33	1,00,000	10.34	-	-
8.40% Indian Railway Finance Corporation Limited - 18-Feb-2029	1,00,000	11.82	1,00,000	11.87	-	-
8.41% NTPC Limited - 16 Dec 2023	1,29,162	14.72	-	-	-	-
8.00 % Indian Railway Finance Corpn Limited - Tranche 1 - Series 1 - 23 Feb 2022	65,252	7.01	65,252	6.77	65,252	6.77
7.93 % Rural Electrification Corpn Limited - Tranche 1 - Series 1 - 27 Mar 2022	61,238	6.93	61,238	6.49	61,238	6.49
8.63% National Housing Bank - 13-Jan-2029	60,000	36.06	-	-	-	-
7.40% India Infrastructure Finance Corp. Limited 22-Jan-2033	-	-	79,162	8.11	79,162	8.11
8.66% NTPC Limited - 16 Dec 2033	50,000	5.50	-	-	-	-
8.54% Power Finance Corp Limited - 16-Nov-2028	50,000	6.24	-	-	-	-
8.20% National Highways Authority Of India - Tranche 1 - Series 1 - 25 Jan 2022	50,000	5.99	-	-	-	-
8.68% National Housing Bank - 24 Mar 2029	37,086	3.86	37,172	3.87	37,172	3.87
7.28% National Highways Authority of India - 18 Sep 2030	10,000	6.01	-	-	-	-
8.09% - Power Finance Corporation - Series 80 A - 25 Nov 2021	950	102.01	1,250	129.47	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 4 : NON-CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
7.19% Indian Railway Finance Corporation Limited - 31 Jul 2025	500	5.52	500	5.14	500	5.14
6.89% National Housing Bank 22 Mar 2023	500	53.88				
8.46% National Housing Bank - Series V - 30 Aug 2028	350	36.23	-	-	-	-
7.15% NTPC Limited - 21 Aug 2025	300	34.12	250	28.12	50	5.25
8.63% NTPC Limited - 04 Mar 2029	200	21.16	150	15.68	-	-
8.46% - Rural Electrification Corporation Limited - 29 Aug 2028	200	23.89	-	-	-	-
8.46% India Infrastructure Finance Company Limited - 30 Aug 2028	200	23.61				
8.35% Indian Railway Finance Corporation Limited - 21-Nov-2023	200	22.98	200	23.09	-	-
8.48% India Infrastructure Finance Company Limited 05 Sep 2028	150	16.21	150	16.21	150	16.71
7.21% Rural Electrification Corporation Limited -21 Nov 2022	150	17.13	150	17.21	-	-
7% HUDCO - 09 Oct 2025	100	10.48	-	-	-	-
7.07% HUDCO - 01 Oct 2025	100	10.33	100	10.34	-	-
7.18 % Indian Railway Finance Corporation Limited - Tranche 1 - Series 1	100	10.34	100	10.35	-	-
7.19% India Infrastructure Finance Company Limited 22-Jan-2023	-	-	1,50,000	15.50	1,50,000	15.50
7.19% Indian Railway Finance Corporation Limited - 31-Jul-2025	-	-	500	52.52	-	-
8.46% Rural Electrification Corporation Limited - 2028	-	-	100	10.51	100	10.51
<b>Total tax free bonds</b>		922.07		567.06		107.93
<b>(ii) Taxable bonds</b>						
8.80% Power Grid Corporation of India Limited - 13 Mar 2023	500	50.54	1,000	60.26	500	50.08
8.39% Power Finance Corporation Limited - 19 April 2025	250	24.87	250	24.86	-	-
8.82% Rural Electrification Corporation Limited - Sr 114 - 12 Apr 2023	150	16.39	250	27.03	250	27.02
11.25% Power Finance Corporation Limited - 28 Nov 2018	100	10.69	100	10.88	100	11.06
8.40% Power Grid Corporation Of India Limited - 27 May 2024	50	5.31	50	5.30	-	-
8.70% Power Grid Corporation Of India Limited 15-Jul-2013	50	5.50	50	5.23	50	5.19
8.95% NABARD 01 Jan 2018	-	-	2,500	4.29	2,500	3.91
8.70% Power Grid Corporation of India Limited 15-Jul-2023	-	-	86	5.10	50	5.07
6% National Highways Authority of India Limited - 31-Mar-17	-	-	-	-	500	0.53

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 4 : NON-CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
7.87% Export Import Bank of India - 16-May-2016	-	-	-	-	250	26.57
8.33% Union Bank 19-May-2016	-	-	-	-	100	10.30
8.78% Power Finance Corporation Limited - 11-Dec-2016	-	-	-	-	5	0.51
<b>Total taxable bonds</b>		113.30		142.95		140.26
<b>Unquoted bonds at amortised cost</b>						
(iii) <b>Taxable bonds</b>						
6 % National Highways Authority of India - 2017				-	500	0.53
<b>Total taxable bonds</b>		-		-		0.53
<b>Total bonds</b>		<b>1,035.37</b>		<b>710.01</b>		<b>248.72</b>
(E) <b>Investment in debentures</b>						
<b>Quoted at amortised cost</b>						
8.58% Infrastructure Leasing & Financial Services Limited - 01 Dec 2018	2,50,000	25.72	2,50,000	25.72	-	-
8.70% IIFs Financial Services Limited-Ncd--30Sp2018-	2,50,000	26.09	-	-	-	-
8.90% IIFs Financial Services Limited-Deb-21032019	2,50,000	25.07	-	-	-	-
8.74% Infrastructure Leasing & Financial Services Limited - 10 Aug 2018	2,50,000	26.40	-	-	-	-
0% Infrastructure Leasing & Financial Services Limited - 10 Apr 2018	1,50,000	17.69	-	-	-	-
8.77% Ici Home Finance Co. Limited-Deb-21122018	500	25.05	-	-	-	-
8.80% Kotak Mahindra Prime Limited - 26 Jun 2018	450	47.86	200	46.26	-	-
8.71% Can Fin Homes Limited - 07 Aug 2018	350	36.98	-	-	-	-
7.65% Bajaj Finance Limited - 10-Feb-2020	300	30.31	-	-	-	-
8.48% HDB Financial Services Limited - 13-May-2019	250	26.77	-	-	-	-
0% HDB Financial Services Limited - 16-Dec-2019	250	26.23	-	-	-	-
7.90% Tata Sons Limited - 03-Mar-2020	250	25.12	-	-	-	-
8.79% Bajaj Finance Limited - 10-May-19	250	25.84	-	-	-	-
9.25% Tata Sons Limited - Deb -19 Jun 2019	250	26.13	-	-	-	-
9.90 % Tata Sons Limited 2016	250	26.74	-	-	-	-
8.80% Kotak Mahindra Prime Limited 10 Jul 2018	150	15.96	400	17.56	-	-
8.71% HDB Financial Services Limited - 20 Oct 2018	100	10.55	100	10.56	-	-
7.90% Bajaj Finance Limited - 27-Sept-2019	100	10.44	-	-	-	-
8.25% Bajaj Finance Limited - 19-Aug-2019	100	10.63	-	-	-	-
8.41% Can Fin Home Finance	100	10.44	-	-	-	-
8.80% Can Fin Homes Limited - Deb - 02 Jul 2018	100	10.66	-	-	-	-
8.90% HDB Financial Services Limited - 28-Feb-2019	100	10.30	-	-	-	-
9.05% Fullerton India Credit Comapny Limited - 30 April 2018 - Series 33-A	50	5.41	50	5.42	-	-
7.95% HDFC 2019 - 23-Sep-2019	50	52.56	-	-	-	-
8.45% Can Fin Home Finance	50	5.20	-	-	-	-
8.72% Lic Housing Finance - 28-Nov-2019	50	5.25	-	-	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 4 : NON-CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
10.25% Mahindra & Mahindra Financial Services Limited- Deb-08-Oct-2018	50	5.35	-	-	-	-
7.80% HDFC 2019 - 11-Nov-2019	25	25.74	-	-	-	-
8.70% IL&FS Financial Services Limited- 30-Sep-2018	-	-	2,50,000	26.09	-	-
8.74% Infrastructure Leasing & Financial Services Limited - 10-Aug-2018	-	-	2,50,000	26.40	-	-
8.90% IL&FS Financial Services Limited- 21-Mar-2019	-	-	2,50,000	25.07	-	-
0% Infrastructure Leasing & Financial Services Limited - 10-Apr-2018	-	-	1,50,000	16.22	-	-
8.74% Infrastructure Leasing & Financial Services Limited - 10 Aug 2017	-	-	1,00,000	10.59	-	-
9.65% IL&FS Financial Services Limited - - 18 Sep 2017	-	-	30,250	29.44	2,80,000	29.44
8.77% ICICI Home Finance Company Limited - 21-Dec-2018	-	-	500	25.05	-	-
8.75% Mahindra & Mahindra Financial Services Limited - 31 Jul 2017	-	-	400	42.35	-	-
8.71% Can Fin Homes Limited - 07 Aug 2018	-	-	350	36.98	-	-
8.70% Kotak Mahindra Investment Limited 11 Aug 2017	-	-	250	26.38	-	-
8.8075% Mahindra & Mahindra Financial Services Limited - 15 May 2017	-	-	250	26.82	-	-
8.90% Kotak Mahindra Investment Limited - 11 Sep 2017	-	-	250	26.23	-	-
9.00% Reliance Capital Limited 28 July 2017	-	-	250	26.51	-	-
8.80% Kotak Mahindra Prime Limited - 15 Mar 2018	-	-	150	15.91	-	-
9.10% HDB Financial Services Limited - - 29 Dec 2017	-	-	150	15.34	150	15.34
8.80% Can Fin Homes Limited - 02 Jul 2018	-	-	100	10.66	-	-
10.25% Mahindra & Mahindra Financial Services Limited- -08-Oct-2018	-	-	50	5.42	-	-
8.75% Mahindra & Mahindra Financial Services Limited - Aug 2017	-	-	50	5.28	-	-
10.60% LIC Housing Finance - 06-Sept-2016	-	-	-	-	800	85.85
10.17% HDB Financial Services Limited - 11 Nov 2016	-	-	-	-	350	36.36
0% Housing Development Finance Corporation Limited - 16-Jan-2017	-	-	-	-	250	33.57
8.54% HDB Financial Services Limited - 03 Jun 2016	-	-	-	-	250	26.54
9.71% Tata Sons Limited - 13 Dec 2016	-	-	-	-	250	25.81
10.18% Lic Housing Finance - 19-Sep-2016	-	-	-	-	200	21.25
10.05% Hdb Financial Services Limited - 10-Feb-2017	-	-	-	-	150	15.22
9.06% Hdb Financial Services Limited - 20 Jun 2016	-	-	-	-	150	15.35
9.15% Housing Development Finance Corporation Limited - Sr K028 - 03 Apr 2016	-	-	-	-	50	5.42
9.68% Tata Sons Limited - 10-Jan-2017	-	-	-	-	50	5.11
9.75% Housing Development Finance Corporation Limited - 10-Oct-2016	-	-	-	-	50	5.25
<b>Total debentures</b>		<b>596.49</b>		<b>502.27</b>		<b>320.52</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 4 : NON-CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
(F) Investment in government securities						
Quoted investment in government securities at FVOCI						
7.61% Government Of India - 09-May-2030	1,50,000	159.86	-	-	-	-
8.60% Government of India - 02 Jun 2028	45,000	50.65	2,20,000	239.46	1,70,000	186.66
9.20% Government of India - 30 Sep 2030	55,000	63.46	1,30,000	143.79	1,30,000	145.40
8.15% Government of India - 24 Nov 2026	15,000	16.45	15,000	15.84	15,000	15.91
8.67% Maharashtra SDL 24 Feb 2026	5,000	5.59	5,000	5.24	-	-
7.72% Government of India 25 May 2025	-	-	5,25,000	540.68	-	-
9.23% Government of India - 23 Dec 2043	-	-	1,60,000	186.04	1,60,000	188.60
8.40% Government of India - 28 Jul 2024	-	-	80,000	84.40	80,000	84.68
8.72% Andhra Pradesh SDL 06 Feb 2023	-	-	25,000	26.48	25,000	26.32
7.88% Government of India - 19-Mar-2030	-	-	25,000	25.18	-	-
<b>Total government securities</b>		<b>296.01</b>		<b>1,267.12</b>		<b>647.56</b>
(G) Mutual Funds						
(i) Quoted Mutual funds at FVPL						
ICICI Prudential Fixed Maturity Plan - Series 80 - 1187 Days Plan G - Direct-Growth	2,50,00,000	25.09	-	-	-	-
Reliance Fixed Horizon Fund - XXXIII - Series 4 - 1208 Days	2,50,00,000	25.16	-	-	-	-
Reliance Fixed Horizon Fund - XXXIII - Series 6 - 1201 Days - Direct - Growth	2,50,00,000	25.06	-	-	-	-
Reliance Fixed Horizon Fund XXXIII Series 3 - 1215 Days - Direct - Growth	2,50,00,000	25.19	-	-	-	-
Kotak FMP Series 202 - 1144 Days - Direct - Growth	2,10,00,000	21.04	-	-	-	-
Birla Sun Life Fixed Term Plan - Series OI (1120 Days)	2,00,00,000	20.12	-	-	-	-
Kotak Fmp Series 199 - 1147 Days	2,00,00,000	20.15	-	-	-	-
Reliance Fixed Horizon Fund - XXXIII - Series 7 - 1197 Days - Direct - Growth	2,00,00,000	20.02	-	-	-	-
Reliance Fixed Horizon Fund XXXII Series 9 - 1285 Days	2,00,00,000	20.13	-	-	-	-
Reliance Fixed Horizon Fund XXXIII Series 1 - 1222 Days	2,00,00,000	20.15	-	-	-	-
DSP Blackrock FMP Series 204 - 37M - Direct - Growth	1,50,00,000	15.10	-	-	-	-
ICICI Prudential Fixed Maturity Plan - Series 80 - 1253 Days Plan J	1,50,00,000	15.12	-	-	-	-
IDFC Fixed Maturity Plan - Series 131 - 1139 Days - Direct - Growth	1,50,00,000	15.02	-	-	-	-
Kotak FMP Series 200 - 1158 Days	1,50,00,000	15.09	-	-	-	-
Birla Sun Life Fixed Term Plan - Series Oe - 1153 Days	1,00,00,000	10.06	-	-	-	-
Birla Sun Life Fixed Term Plan - Series Og - 1146 Days	1,00,00,000	10.05	-	-	-	-
Birla Sun Life Fixed Term Plan - Series Oh - 1120 Days	1,00,00,000	10.09	-	-	-	-
Birla Sun Life Fixed Term Plan - Series OK (1135 Days) - Direct - Growth	1,00,00,000	10.03	-	-	-	-
DSP Blackrock FMP Series 205 - 37M - Direct - Growth	1,00,00,000	10.06	-	-	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 4 : NON-CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
ICICI Prudential Fixed Maturity Plan - Series 80 - 1227 Days Plan Q	1,00,00,000	10.06	-	-	-	-
ICICI Prudential Fixed Maturity Plan - Series 80 - 1231 Days Plan P	1,00,00,000	10.06	-	-	-	-
ICICI Prudential Fixed Maturity Plan - Series 80 - 1225 Days Plan T - Direct - Growth	1,00,00,000	10.02	-	-	-	-
Icici Prudential Fixed Maturity Plan - Series 80 - 1233 Days Plan O - 29-Jul-2020	1,00,00,000	10.07	-	-	-	-
IDFC Fixed Maturity Plan - Series 129 - 1147 Days	1,00,00,000	10.08	-	-	-	-
Invesco India Fixed Maturity Plan – Series 29 - Plan B (1150 Days) - Direct - Growth	1,00,00,000	10.03	-	-	-	-
UTI Fixed Term Income Fund Series XXVI-VIII (1154 Days) - Direct - Growth	1,00,00,000	10.01	-	-	-	-
UTI-FTIF-XXVI-VI (1146 Days)	1,00,00,000	10.05	-	-	-	-
DHFL Pramerica Fixed Duration Fund Series AE	1,50,000	15.08	-	-	-	-
<b>Total quoted mutual funds</b>		<b>428.19</b>				
<b>(ii) Unquoted Mutual funds at FVPL (Refer Note ii)</b>						
Icici Prudential Ultra Short Term Plan - Direct - Growth	1,13,59,010	19.44	-	-	-	-
Axis Treasury Advantage Fund - Growth - Direct Plan	1,02,211	18.87	-	-	-	-
Baroda Pioneer Treasury Advantage Fund - Plan B - Direct - Growth	97,087	18.66	-	-	-	-
Kotak Treasury Advantage Fund – Direct - Growth	68,38,294	18.03	-	-	-	-
Reliance Medium Term Fund - Direct - Growth	51,46,322	17.85	-	-	-	-
Hdfc Floating Rate Income Fund - Stp - Direct - Growth	60,98,830	17.30	-	-	-	-
Birla Sun Life Savings Fund - Direct - Growth	5,35,518	17.14	-	-	-	-
Uti Floating Rate Fund - Stp - Direct – Growth	62,902	17.10	-	-	-	-
Idfc Money Manager - Treasury Plan - Direct - Growth	64,58,675	16.91	-	-	-	-
Birla Sun Life Floating Rate Fund - Ltp - Direct - Growth	8,31,723	16.69	-	-	-	-
Reliance Liquid Fund - Cash Plan - Direct - Growth	48,451	12.72	-	-	-	-
Jm High Liquidity Fund - Direct Growth	27,09,787	12.06	-	-	-	-
Icici Prudential Flexible Income Plan - Growth - Direct	2,78,673	8.71	-	-	-	-
Principal Cash Management - Direct Plan - Growth	47,458	7.52	-	-	-	-
Uti Treasury Advantage Fund - Direct - Growth	28,375	6.40	-	-	-	-
Uti Treasury Advantage Fund Growth - Direct Plan	4,748	1.07	-	-	-	-
Icici Prudential Ultra Short Term Plan - Direct - Growth	-	-	1,10,52,393	17.25	-	-
Kotak Treasury Advantage Fund – Direct - Growth	-	-	68,38,294	16.66	-	-
Idfc Money Manager - Treasury Plan - Direct - Growth	-	-	64,58,675	15.61	-	-
Hdfc Floating Rate Income Fund - Stp - Direct - Growth	-	-	60,98,830	15.92	-	-
Reliance Medium Term Fund - Direct - Growth	-	-	49,25,558	15.63	-	-
Jm High Liquidity Fund - Direct Growth	-	-	27,09,787	11.23	-	-
Birla Sun Life Savings Fund - Direct - Growth	-	-	5,35,518	15.73	-	-
Principal Cash Management - Direct Plan - Growth	-	-	1,09,353	16.13	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 4 : NON-CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
Baroda Pioneer Treasury Advantage Fund - Plan B - Direct - Growth	-	-	97,087	17.03	-	-
Axis Treasury Advantage Fund - Growth - Direct Plan	-	-	79,235	13.51	-	-
Uti Floating Rate Fund - Stp - Direct - Growth	-	-	62,902	15.67	-	-
Reliance Liquid Fund - Cash Plan - Direct - Growth	-	-	48,451	11.85	-	-
Jp Morgan India Treasury Fund - Direct - Growth	-	-	-	-	2,61,57,816	48.19
Icici Prudential Ultra Short Term Plan - Direct - Growth	-	-	-	-	1,86,28,284	26.67
Jp Morgan India Liquid Fund - Direct - Growth	-	-	-	-	2,58,039	0.47
Principal Cash Management - Direct Plan - Growth	-	-	-	-	96,389	13.12
<b>Total unquoted mutual funds</b>		<b>226.47</b>		<b>182.22</b>		<b>88.45</b>
<b>Total non-current investments</b>		<b>2,946.18</b>		<b>3,209.64</b>		<b>1,531.11</b>
<b>Total non-current investments</b>						
Aggregate Book value - Quoted Investments		2,591.70		2,861.55		1,297.97
Aggregate Book Value - Unquoted Investments		354.48		348.09		233.14
Aggregate Market Value of Quoted Investments		2,633.63		2,869.64		1,318.96

- (i) # During the year ended March 31, 2017, the Group has recorded impairment of ₹5.01 Crores on 10% Optionally Convertible Redeemable Preference Shares of Power Exchange India Limited since the Company has negative networth. The impairment has been debited to the consolidated statement of Profit and Loss.
- (ii) During the year ended March 31, 2017, one of the subsidiary company has reclassified investment in mutual funds fair valued through profit and loss as non-current investments which were hitherto classified as current investments as the management of the subsidiary intends to hold the same for more than twelve months. Accordingly, previous years / period figures amounting to ₹182.22 crores as of March 31, 2016 and ₹88.45 crores as of April 1, 2015 have been reclassified to Non Current Investment.
- (iii) \* Goods and Service Tax Network is incorporated under section 8 of the Companies Act, 2013 and intends to apply its profits, if any, or other income in promoting its objects and any payment of dividend to its members is prohibited. Accordingly, the investment in the company has been written down to ₹1/- . Accordingly, the Group has written off investment in Goods and Service Tax Network amounting to ₹0.99 crore and the same has been debited to the Consolidated Statement of Profit and Loss.

### Note 5 : Other financial assets (non-current)

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
<b>Non-current bank balances</b>			
Fixed deposits with maturity for more than 12 months	434.98	449.09	749.99
Earmarked fixed deposits with maturity for more than 12 months *	694.57	72.50	115.89
<b>Total (a)</b>	<b>1,129.55</b>	<b>521.59</b>	<b>865.88</b>
<b>Others</b>			
Security deposit for utilities and premises	7.48	6.47	6.40
Interest accrued on bank deposits**	90.46	48.26	27.84
<b>Total (b)</b>	<b>97.94</b>	<b>54.73</b>	<b>34.24</b>

\* Earmarked deposits includes deposits towards Core Settlement Guarantee Fund (Refer Note 37), listing entities, defaulter members, investor services fund and other restricted deposits.

The above, includes deposits towards Core Settlement Guarantee Fund amounting to ₹667.25 crores as of March 31, 2017 (March 31, 2016 : ₹18.52 crores, April 1, 2015 : Nil) (Refer Note 37).

\*\*Includes Interest accrued on Bank Deposits pertaining to investment made towards Core Settlement Guarantee Fund of ₹26.37 crores as at March 31, 2017 (March 31, 2016 : ₹0.89 crores, April 1, 2015 : ₹0.09 crore) (Refer Note 37).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 6 : Other financial assets (current)

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Security deposit for utilities and premises	0.22	-	-
Interest accrued on bank deposits and certificate of deposits*	121.28	132.08	197.53
Unbilled revenue	10.92	2.65	7.79
Receivable from member towards contribution Core Settlement Guarantee Fund	-	16.42	113.11
Settlement obligation receivable from member (refer note 37 (b))	-	6.19	48.28
Other receivables	31.01	8.29	11.42
<b>Total</b>	<b>163.43</b>	<b>165.63</b>	<b>378.13</b>

\*Includes Interest accrued on Bank Deposits pertaining to investment made towards Core Settlement Guarantee Fund of ₹43.58 crores as at March 31, 2017 (March 31, 2016 : ₹9.12 crores, April 1, 2015 : ₹1.46 crore) (Refer Note 37).

### Note 7 : Other non-current assets

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Capital advances	0.33	1.36	9.40
Prepaid expenses	5.23	2.09	3.89
Securities Transaction Tax paid *	10.59	10.59	10.59
Bank balance : Fund to guarantee settlement of trades **	4.87	-	-
Other receivables	0.08	0.20	0.20
<b>Total</b>	<b>21.10</b>	<b>14.24</b>	<b>24.08</b>

\*Securities Transaction Tax ("STT") paid represents amounts recovered by tax authorities towards STT, interest and penalty thereon recoverable from few members and ad-hoc STT, interest and penalty thereon which is disputed by the Company. The Company has recovered an amount of ₹5.39 crores against the STT paid to tax authorities from the respective members and which is held as deposit and disclosed under other non current liabilities (Refer note: 22). The contingent liability of ₹6.76 crores net of recoveries from members amounting to ₹5.39 crores disclosed under contingent liability (Refer note: 34 (d))

\*\* Represents amount in respect of one of the subsidiary which has been earmarked towards fund to guarantee settlement of trades in accordance with SEBI circular no. SEBI/HO/MRD/DSA/ CIR / P/2016/125 dated November 28, 2016

### Note 8 : Other current assets

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Advance recoverable in cash or kind	6.32	4.15	6.65
Balances with service tax authorities	21.75	18.02	15.98
Advances to related parties (refer note no.32)	2.49	0.22	-
Prepaid expenses	27.96	27.80	14.17
Other receivables	2.40	-	-
<b>Total</b>	<b>60.92</b>	<b>50.19</b>	<b>36.80</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 9 : CURRENT INVESTMENTS

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
<b>A) Investment in bonds</b>						
<b>Quoted bonds at amortised cost</b>						
<b>(i) Taxable bonds</b>						
8.95% Nabard Txb 01 Jan 2018	2,500	4.74	-	-	-	-
6 % National Highways Authority of India - 2017	-	-	500	0.53	-	-
6% National Highways Authority of India Limited - 31-Mar-17	-	-	500	0.56	-	-
7.87% Export Import Bank of India - 16 May 2016	-	-	250	26.71	-	-
8.33% Union Bank 19 May 2016	-	-	100	10.30	-	-
8.78% Power Finance Corporation Limited - 11 Dec 2016	-	-	5	0.51	-	-
9% Mahindra & Mahindra Financial Services Limited - 04 May 2015	-	-	-	-	150	17.57
8.88% National Bank For Agricultural Rural Development Sr-Xiii O 25 Sep 2015	-	-	-	-	100	10.45
9.14% Infrastructure Development Finance Company Limited - 15 Jan 2016	-	-	-	-	100	10.11
9.35% Indian Oil Corporation Limited - 30 Apr 2017	-	-	-	-	50	16.06
<b>Total taxable bonds</b>		<b>4.74</b>		<b>38.61</b>		<b>54.19</b>
<b>(ii) Taxfree bonds</b>						
6.05% Indian Railway Finance Corporation Limited - Series 73 - 20 Dec 2015	-	-	-	-	1,000	10.28
<b>Total taxfree bonds</b>		<b>-</b>		<b>-</b>		<b>10.28</b>
<b>Total bonds</b>		<b>4.74</b>		<b>38.61</b>		<b>64.47</b>
<b>(B) Investment in debentures</b>						
<b>(i) Quoted debentures at amortised cost</b>						
9.65% IIF&S Financial Services Limited - Deb - 18 Sep 2017	2,80,000	29.45	-	-	-	-
8.74% Infrastructure Leasing & Financial Services Limited - 10 Aug 2017	1,00,000	10.57	-	-	-	-
9.10% Tata Motors Finance Limited - Deb - 20-Nov-2017	600	62.38	-	-	-	-
8.33% ICICI Home Finance -09-June-2017	500	25.83	-	-	-	-
8.80% ICICI Home Finance - 15th Nov 2017	500	25.87	-	-	-	-
8.90% - Tata Cleantech Capital Limited - 03-August-2017	500	53.06	-	-	-	-
9.35 Piramal Enterprises Limited - 24 July 2017	500	53.31	-	-	-	-
8.75% Mahindra & Mahindra Financial Services Limited - 31 Jul 2017	400	42.34	-	-	-	-
9% Tata Capital Financial Ser. Limited - 24-May-2017	350	37.68	-	-	-	-
8.95% - L&T Infrastructure Finance Company Limited - 17-July-2017	300	79.85	-	-	-	-
8.8075% Mahindra & Mahindra Financial Services Limited - 15 May 2017	250	26.87	-	-	-	-
9.15 Piramal Enterprises Limited 10-Apr-2017	250	27.06	-	-	-	-
8.70% Kotak Mahindra Investment Limited 11 Aug 2017	250	26.36	-	-	-	-
8.90% Kotak Mahindra Investment Limited Ncd - 11 Sep 2017	250	26.23	-	-	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
9.15% - Tata Cleantech Capital Limited - 17-May-2017	250	26.98	-	-	-	-
9.74% Dewan Housing Finance Corp.Ltd. - 09-Jun-2017	200	21.96	-	-	-	-
10.95% Dewan Housing Finance Limited	200	21.71	-	-	-	-
8.80% Kotak Mahindra Prime Limited - 15 Mar 2018	150	15.91	-	-	-	-
9% Fullerton India Credit Company Limited - 07-Aug-2017	50	5.31	-	-	-	-
9.60% Dewan Housing Finance Limited - Nov 2017	50	5.21	-	-	-	-
9.65% Sundaram Finance Limited - 25-Aug-2017	50	5.32	-	-	-	-
8.75% Mahindra & Mahindra Financial Services Limited - Aug 2017	50	5.29	-	-	-	-
0% Dewan Housing Finance Corp. Limited - 26/04/2017	40	5.41	-	-	-	-
9.65% Shriram Transport Finance Company Limited - 31 Jul 2016	-	-	2,50,000	25.05	-	-
11.60% Shriram Transport Finance Company Limited - 11 July 2016	-	-	1,50,000	15.10	-	-
10.95% Fullerton India Credit Comapny Limited - 07-Oct-2016	-	-	1,200	63.65	-	-
10.60% Lic Housing Finance - 06-Sept-2016	-	-	800	85.14	-	-
9.45% Ashok Leyland Limited - 2016	-	-	750	80.20	-	-
5% Dewan Housing Finance Corporation Limited - 06 May 2016	-	-	600	69.52	-	-
9.40% Tata Motors Finance Limited - 10 Jun 2016	-	-	500	53.75	-	-
9.68% Tata Sons Limited - 10-Jan-2017	-	-	450	46.12	-	-
9% Shriram Transport Finance Company Limited - 17 Jun 2016	-	-	350	35.87	-	-
10.17% HDB Financial Services Limited - 11 Nov 2016	-	-	350	36.23	-	-
9.80% Bajaj Finance Limited - 17 Oct 2016	-	-	300	31.47	-	-
9.40% Tata Motors Finance Limited - 05 Jun 2016	-	-	300	32.29	-	-
9.75% Housing Development Finance Corporation Limited - 10-Oct-2016	-	-	300	31.43	-	-
0% Housing Development Finance Corporation Limited - 16-Jan-2017	-	-	250	36.86	-	-
8.80% Kotak Mahindra Investment Limited - 28 Feb 2017	-	-	250	26.29	-	-
9.25% Housing Development Finance Corporation Limited - 21Oct2016	-	-	250	26.01	-	-
9.71% Tata Sons Limited - 13 Dec 2016	-	-	250	25.76	-	-
8.54% HDB Financial Services Limited - 03 Jun 2016	-	-	250	26.76	-	-
9.65% Tata Capital Financial Services Limited - 26 May 2016	-	-	250	29.52	-	-
9.4623% Tata Capital Financial Services Limited - 08 Jul 2016	-	-	200	23.35	-	-
10.18% Lic Housing Finance - 19-Sep-2016	-	-	200	21.14	-	-
10.05% HDB Financial Services Limited - 10-Feb-2017	-	-	150	15.21	-	-
9.06% HDB Financial Services Limited - 20 Dec2016	-	-	150	15.35	-	-
8.90% L&T Finance Company Limited - 20 May 2016	-	-	150	19.06	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
9.90%Dewan Housing -Debenture - 06May2016	-	-	150	15.00	-	-
9.3450% L&T Finance Company Limited - 13 May 2016	-	-	100	26.84	-	-
10.23% Shriram Transport Finance Company Limited - 03 Jul 2016	-	-	100	10.28	-	-
9.58% Sundaram Bnp Paribas Home Finance Limited 10 Oct 2016	-	-	50	5.23	-	-
0% Shriram Transport Finance Co Limited – 24 May 2016	-	-	50	6.34	-	-
9.15% Housing Development Finance Corporation Limited - Sr K028 - 03 Apr 2016	-	-	50	5.46	-	-
8.80% Sundaram Finance Limited - 03 Jun 2016	-	-	50	5.36	-	-
9.15% Shriram Transport Finance Company Limited - 02 Jun 2016	-	-	50	5.38	-	-
9.55% Bajaj Finance Limited - 10 Aug 2016	-	-	50	5.31	-	-
9.60% Sundaram Finance Limited - 23 Sep 2016	-	-	50	5.26	-	-
9.95% L&T Finance Company Limited - 28 Oct 2016	-	-	40	10.47	-	-
10.80 Dewan Housing Finance Corporation Limited - 05 Dec 2015	-	-	-	-	850	88.43
9.15% Tata Motors Limited - 03 Jun 2015	-	-	-	-	750	75.12
10.59% Aditya Birla Finance Limited - 18 May 2015	-	-	-	-	600	79.22
9.85% Housing Development Finance Corporation Limited - Sr J005 - 05 Jun 2015	-	-	-	-	500	5.41
9.99% Sundaram Finance Limited - 04 May 2015	-	-	-	-	450	48.99
10.40% Tata Motors Finance Limited - - 22 May 2015	-	-	-	-	400	43.55
10.52% Sundaram Bnp Paribas Home Finance Limited - 03 Apr 2015	-	-	-	-	400	42.06
8.95% L&T Infrastructure Finance Company Limited - 15 Jun 2015	-	-	-	-	400	43.04
10.50% Fullerton India Credit Comapny Limited - 11 Dec 2015	-	-	-	-	350	36.40
9.93% Tata Capital Financial Services Limited 31 Jul 2015	-	-	-	-	300	32.00
10.40% Tata Motors Finance Limited - 12 Jun 2015	-	-	-	-	250	27.07
11.50% Fullerton India Credit Comapny Limited - 21-Aug-2015	-	-	-	-	250	26.90
8.95% L&T Infrastructure Finance Company Limited - 04 May 2015	-	-	-	-	250	27.03
9.60% Tata Motors Finance Limited - 13 May 2015	-	-	-	-	250	27.11
9.78% Tata Sons Limited - 23 Jul 2015	-	-	-	-	250	26.73
9.85% Tata Capital Financial Services Limited - 15 Apr 2015	-	-	-	-	250	26.13
9.89% Tata Motors Finance Limited - 26-Jun-2015	-	-	-	-	250	25.67
9.90% Dewan Housing Finance Corporation Limited - 17 Jun 2015	-	-	-	-	250	25.02
0% Sundaram Bnp Paribas Home Finance Limited - 28 May 2015	-	-	-	-	200	22.81

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
8.85% Infrastructure Development Finance Company Limited --27Jan16	-	-	-	-	200	20.39
9.20% Mahindra & Mahindra Financial Services Limited - 22 Apr 2015	-	-	-	-	200	23.66
9.60% Housing Development Finance Corporation Limited - 26 Jun 2015	-	-	-	-	200	20.06
9.60% Housing Development Finance Corporation Limited	-	-	-	-	200	21.36
10.20% Sundaram Finance Limited - 14 May 2015	-	-	-	-	150	16.35
9.30% Tata Sons Limited - 24 Dec 2015	-	-	-	-	150	15.38
9.70% Housing Development Finance Corporation Limited - 16 Apr 2015	-	-	-	-	150	16.39
9.90 % Tata Sons Limited 2016	-	-	-	-	150	15.19
10.57035% Aditya Birla Finance Limited 09 Apr 2015	-	-	-	-	130	17.13
10% Fullerton India Credit Comapny Limited - 15 Jan 2016	-	-	-	-	100	10.25
10.10% Sundaram Finance Limited - 11 Jul 2015	-	-	-	-	100	10.75
8.91% L&T Infrastructure Finance Company Limited - 16 Apr 2015	-	-	-	-	100	10.84
9.5553% HDB Financial Services Limited - 25 Sep 2015	-	-	-	-	100	11.98
9.60% Housing Development Finance Corporation Limited - Sr J 021 - 07 Aug 2015	-	-	-	-	100	10.64
9.83% Tata Capital Financial Services Limited - 30 Apr 2015	-	-	-	-	100	10.89
9.985 % Tata Motors Finance Limited - 26-Oct-2015	-	-	-	-	100	10.43
0% Tata Capital Financial Services Limited - 30 Jun 2015	-	-	-	-	50	6.58
11.10% Fullerton India Credit Comapny Limited - 04 Sep 2015	-	-	-	-	50	5.34
9.50% HDB Financial Services Limited - 22 Dec 2015	-	-	-	-	50	5.00
9.55% Housing Development Finance Coropration Limited 07-Sep-2016	-	-	-	-	50	5.27
9.85% Housing Development Finance Corporation Limited - 28 May 2015	-	-	-	-	50	5.42
9.99% Sundaram Finance Limited - 03 Aug 2015	-	-	-	-	50	5.33
8.70% Bajaj Finance Limited - 22 Jul 2015	-	-	-	-	25	26.44
<b>Total quoted debentures</b>		<b>639.95</b>		<b>972.05</b>		<b>1,029.74</b>
<b>Total debentures</b>		<b>639.95</b>		<b>972.05</b>		<b>1,029.74</b>
(C) <b>Investment in mutual funds</b>						
(i) <b>Quoted Mutual funds at FVPL</b>						
HDFC Fmp 91 D Feb 2015 (I)	-	-	-	-	1,00,00,000	10.00
HDFC Fmp 453D February 2014 (1)	-	-	-	-	20,00,000	2.22
IDFC Fixed Term Plan Series - 75 - 406 Days - 08-Apr-15	-	-	-	-	2,50,000	0.28
<b>Total quoted mutual funds</b>		<b>-</b>		<b>-</b>		<b>12.50</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
(ii) Unquoted Mutual funds at FVPL						
DSP Blackrock Ultra Short Term Fund - Direct - Growth	15,28,43,227	182.00	-	-	-	-
L&T Ultra Short Term Fund - Direct - Growth	8,35,99,661	224.90	-	-	-	-
LIC MF Savings Plus Fund - Direct - Growth	7,62,94,877	196.47	-	-	-	-
HDFC Floating Rate Income Fund - Stp - Direct - Growth	5,80,02,154	164.49	-	-	-	-
DHFL Pramerica Short Term FRF - Dir - Growth	5,32,77,022	96.81	-	-	-	-
ICICI Prudential Ultra Short Term Plan - Direct - Growth	1,33,05,003	22.77	8,92,16,233	139.23	32,82,371	4.70
IDFC Money Manager - Treasury Plan - Direct - Growth	1,30,13,860	34.08	6,41,80,599	155.11	1,12,97,903	25.07
Sundaram Ultra Short Term - Direct Plan - Growth	84,20,757	19.13	-	-	1,44,55,202	27.91
Kotak Treasury Advantage Fund - Direct - Growth	73,99,570	19.50	-	-	-	-
Birla Sun Life Floating Rate Fund - Ltp - Direct - Growth	67,92,218	136.28	-	-	-	-
IDFC Money Manager - Investment Plan - Direct - Growth	40,87,652	10.52	-	-	6,60,478	1.44
ICICI Prudential Flexible Income Plan - Growth - Direct	40,84,884	127.68	-	-	2,05,945	5.42
IDFC Ultra Short Term Fund - Direct - Growth	43,28,039	10.02	-	-	17,72,338	3.47
Reliance Medium Term Fund - Direct - Growth	37,54,136	13.02	-	-	39,65,295	11.55
ICICI Prudential Liquid - Direct Plan - Growth	31,81,054	76.57	-	-	28,37,411	29.38
Kotak Flexi Debt Scheme - Plan A - Direct - Growth	26,46,665	5.70	-	-	72,15,491	12.74
Dhfl Pramerica Insta Cash Plus Fund - Direct - Growth	24,33,797	51.42	-	-	-	-
Lic Nomura Mf Liquid Fund - Direct - Growth	18,06,370	4.77	-	-	-	-
SBI Treasury Advantage Fund - Direct - Growth	10,42,361	192.55	-	-	-	-
JM High Liquidity Fund - Direct Growth	8,95,684	3.99	-	-	20,284	0.08
UTI Treasury Advantage Fund - Direct - Growth	8,23,115	185.64	-	-	10,376	1.98
DSP BlackRock Ultra Short term fund direct Growth	4,23,159	0.50	-	-	-	-
Invesco India Ultra Short Term Fund - Direct - Growth	5,47,863	125.27	-	-	-	-
Reliance Money Manager Fund - Growth - Direct	2,44,814	55.73	-	-	-	-
L&T Liquid Fund - Direct - Growth	2,30,674	51.44	-	-	-	-
Reliance Liquid Fund - Cash Plan - Direct - Growth	1,87,605	49.24	2,53,865	62.08	73,599	16.59
Tata Liquid Fund Direcl Plan - Growth	1,71,456	51.43	-	-	-	-
Birla Sun Life Floating Rate Fund - Ltp - Direct - Growth Lien Marked	1,57,986	3.17	-	-	-	-
Birla Sun Life Cash Manager - Direct - Growth	1,03,941	4.22	14,06,723	52.44	-	-
Axis Banking Debt Fund - Direct - Growth	99,451	15.00	-	-	-	-
ICICI Prudential Money Market Fund - Direct - Growth	96,741	2.18	-	-	57,643	1.12
Icici Prudential Flexible Income Plan - Growth	90,439	2.82	-	-	-	-
UTI Treasury Advantage Fund Growth - Direct Plan	56,772	12.80	-	-	39,720	7.56
Axis Treasury Advantage Fund - Ip - Growth	55,403	10.22	-	-	79,486	12.43
Axis Treasury Advantage Fund - Growth - Direct Plan	49,220	9.09	17,49,758	298.45	-	-
Birla Sun Life Cash Plus - Direct - Growth	49,716	1.30	-	-	87,92,932	197.49
UTI Floating Rate Fund - Stp - Direct - Growth	28,471	7.74	8,40,233	209.35	-	-
SBI Shdf - Ultra Short Term - Growth - Direct Plan	26,415	5.57	-	-	9,094	1.64
Reliance Money Manager Fund - Growth	22,459	5.04	-	-	22,459	4.34
UTI Money Market - Direct Plan - Growth	21,990	4.01	-	-	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
Tata Floater Fund - Direct - Growth	16,497	4.09	-	-	913	0.19
Kotak Liquid Scheme - Plan A - Direct - Growth	16,608	5.48	-	-	-	-
Kotak Floater - Short Term - Direct - Growth	13,727	3.66	-	-	-	-
SBI Shdf - Ultra Short Term - Direct – Growth Lien Marked	12,391	2.61	-	-	-	-
HDFC Liquid Fund - Direct - Growth	11,955	3.84	693	0.21	-	-
UTI Floating Rate Fund - Stp - Direct – Growth Lien Marked	10,127	2.75	-	-	-	-
Reliance Liquidity Fund - Direct - Growth	7,377	1.81	-	-	-	-
Canara Robecco Liquid- Direct Growth	5,620	1.11	-	-	-	-
IDBI Liquid Fund(G)-Direct	4,336	0.76	-	-	-	-
UTI Treasury Advantage Fund - Growth	4,586	1.03	-	-	31,378	5.95
HDFC Cash Management Savings Direct (G)	2,965	1.01	-	-	-	-
Uti Liquid Fund - Cash Plan -Direct- Growth	694	0.19	-	-	-	-
IDFC Cash Fund - Growth - Direct Plan	114	0.03	-	-	-	-
DSP Blackrock Ultra Short Term Fund - Direct - Growth	-	-	9,29,05,242	102.06	-	-
Reliance Medium Term Fund - Direct - Growth	-	-	3,76,10,209	119.36	-	-
L&T Ultra Short Term Fund - Direct - Growth	-	-	2,75,74,189	68.42	-	-
JP morgan India Liquid Fund - Direct - Growth	-	-	2,28,32,954	44.72	3,57,82,823	65.08
ICICI Prudential Flexible Income Plan - Growth - Direct	-	-	1,97,64,666	235.70	-	-
Dhfl Pramerica Ultra Short Term Fund - Direct Plan - Growth	-	-	1,60,50,554	29.51	-	-
Sundaram Ultra Short Term - Direct Plan - Growth	-	-	1,50,94,034	31.67	-	-
Kotak Treasury Advantage Fund – Direct - Growth	-	-	1,16,62,790	28.40	-	-
HDFC Floating Rate Income Fund - Stp - Direct - Growth	-	-	96,32,501	25.14	-	-
ICICI Prudential Liquid - Direct Plan - Growth	-	-	56,27,026	3.99	1,842	0.04
Jm High Liquidity Fund - Direct Growth	-	-	43,77,261	18.13	7,63,159	2.92
IDFC Money Manager - Investment Plan - Direct - Growth	-	-	40,87,652	9.65	-	-
Kotak Flexi Debt Scheme - Plan A - Direct - Growth	-	-	26,46,665	5.10	-	-
Birla Sun Life Savings Fund - Direct - Growth	-	-	24,00,678	70.54	-	-
Dhfl Pramerica Low Duration Fund - Direct Plan- Growth	-	-	16,97,719	3.53	-	-
IDFC Ultra Short Term Fund - Direct - Growth	-	-	13,82,810	2.95	-	-
Birla Sun Life Floating Rate Fund - Ltp - Direct - Growth	-	-	13,66,686	25.05	-	-
Religare Invesco Ultra Short Term Fund - Direct - Growth	-	-	10,03,372	211.49	-	-
Hdfc Cash Management Saving Plan Growth	-	-	5,79,494	1.83	5,79,494	1.69
Dhfl Pramerica Ultra Short Term Fund - Direct Plan- Growth	-	-	3,63,464	0.67	-	-
Dsp Merrill Lynch Liquidity Fund - Growth	-	-	3,02,847	1.08	3,02,847	1.00
Baroda Pioneer Treasury Advantage Fund Plan B - Growth	-	-	2,13,783	37.51	71,306	11.43
ICICI Prudential Money Market Fund - Direct- Growth	-	-	2,02,903	4.25	902	0.02
Reliance Liquid Fund - Tp - Direct - Growth	-	-	1,52,232	56.23	-	-
Reliance Money Manager Fund - Growth - Direct	-	-	1,44,076	30.25	-	-
Axis Treasury Advantage Fund - Ip - Growth	-	-	55,403	9.45	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
Birla Sun Life Cash Plus - Direct - Growth	-	-	49,716	1.21	-	-
UTI Treasury Advantage Fund Growth - Direct Plan	-	-	47,541	9.86	-	-
SBI Shdf - Ultra Short Term - Growth - Direct Plan	-	-	33,869	6.61	-	-
Lic Nomura Mf Liquid Fund - Direct - Growth	-	-	33,150	9.11	114	0.03
UTI Treasury Advantage Fund - Growth	-	-	31,378	6.48	-	-
UTI Money Market - Direct Plan - Growth	-	-	27,690	4.70	-	-
Kotak Liquid Scheme - Plan A - Direct - Growth	-	-	26,858	8.26	2,483	0.70
L&T Cash Fund - Direct Plan - Growth	-	-	25,975	3.18	-	-
Reliance Money Manager Fund - Growth	-	-	22,459	4.72	-	-
Kotak Floater - Short Term - Direct - Growth	-	-	20,388	5.07	-	-
Tata Floater Fund - Direct - Growth	-	-	16,497	3.78	-	-
HDFC Cash Mgmt Fund - Savings Plan - Direct - Growth	-	-	15,938	5.09	-	-
SBI Shdf - Ultra Short Term - Direct - Growth Lien Marked	-	-	12,391	2.42	-	-
Reliance Liquidity Fund - Direct - Growth	-	-	11,517	2.63	-	-
UTI Floating Rate Fund - Stp - Direct - Growth Lien Marked	-	-	10,810	2.69	-	-
UTI Treasury Advantage Fund - Direct - Growth	-	-	10,376	2.15	-	-
SBI Shdf - Ultra Short Term - Ip - Growth	-	-	6,767	1.32	-	-
Uti Liquid Cash Plan Regular - Growth	-	-	4,522	1.07	4,522	0.99
Canara Liquid Fund Institutional Growth Plan	-	-	4,279	1.15	4,279	1.07
L&T Liquid Fund - Direct - Growth	-	-	690	0.14	-	-
SBI Shdf - Ultra Short Term - Growth	-	-	648	0.13	-	-
Religare Invesco Liquid Fund - Direct - Growth	-	-	634	0.13	-	-
Axis Liquid Fund - Direct - Growth	-	-	536	0.09	32,254	5.00
IDFC Money Manager - Treasury Plan - Direct - Growth	-	-	-	-	4,77,43,345	105.93
Templeton India Tma - Direct - Growth	-	-	-	-	3,77,85,764	70.15
Templeton India Ultra Short Bond Fund - Direct Plan - Growth	-	-	-	-	2,22,70,721	41.35
ICICI Prudential Ultra Short Term Plan - Direct - Growth	-	-	-	-	2,00,05,797	28.63
ICICI Prudential Flexible Income - Direct Plan - Daily Dividend - Reinvestment	-	-	-	-	96,39,975	101.93
JP Morgan India Treasury Fund - Super Ip - Growth	-	-	-	-	86,83,656	1.52
JP morgan India Liquid Fund - Daily Dividend - Direct Plan	-	-	-	-	81,25,475	8.13
Birla Sun Life Savings Fund - Direct - Daily Dividend Reinvest	-	-	-	-	59,25,332	59.43
Templeton India Ultra Short Bond Fund - Direct Plan - Growth	-	-	-	-	56,34,149	10.46
HDFC Banking & Psu Debt Fund	-	-	-	-	45,39,471	5.01
JP Morgan India Treasury Fund - Direct - Growth	-	-	-	-	36,64,909	4.07
Franklin India Low Duration Fund - Direct - Growth	-	-	-	-	33,51,127	5.18
DWA Money Plus Fund - Direct - Growth	-	-	-	-	21,58,630	3.22
DWA Treasury Fund - Investment - Dir - Growth	-	-	-	-	18,42,077	2.85

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
JP Morgan India Liquid Fund - Direct - Growth	-	-	-	-	17,88,911	3.25
Sundaram Money Fund - Direct Plan - Growth	-	-	-	-	16,94,772	5.00
Religare Invesco Ultra Short Term Fund - Dir - Daily Dividend Reinvestment	-	-	-	-	13,59,960	138.44
Kotak Treasury Advantage Fund - Direct - Growth	-	-	-	-	8,94,653	2.00
JP Morgan India Treasury Fund - Growth	-	-	-	-	6,63,730	1.22
SBI Magnum Insta Cash Fund - Direct - Growth	-	-	-	-	6,44,608	199.53
Baroda Pioneer Liquid Fund - Plan B - Direct - Growth	-	-	-	-	5,92,907	95.18
Reliance Liquid Fund - Tp - Direct Plan - Daily Dividend	-	-	-	-	5,03,086	76.91
L&T Liquid Fund - Direct - Growth	-	-	-	-	4,96,031	95.17
JM Money Manager Fund - Super Plus Plan - Direct - Growth	-	-	-	-	3,90,615	0.78
Principal Cash Management - Direct Plan - Growth	-	-	-	-	3,31,240	45.09
HDFC Cash Management Fund - Treasury Advantage - Direct - Growth	-	-	-	-	2,76,443	0.83
Templeton India - Tma - Daily Dividend - Direct Plan	-	-	-	-	2,36,668	23.71
Sundaram Money Fund - Direct Plan - Growth	-	-	-	-	2,14,395	0.63
ICICI Prudential Money Market Fund - Direct - Daily Dividend Reinvestment	-	-	-	-	2,08,814	2.09
Birla Sun Life Savings Fund - Direct - Growth	-	-	-	-	1,05,264	2.84
ICICI Prudential Flexible Income Plan - Growth	-	-	-	-	96,881	2.55
Templeton India Tma - Direct - Growth	-	-	-	-	80,875	16.90
Reliance Liquid Fund - Tp - Direct - Growth	-	-	-	-	66,939	22.83
ICICI Prudential Flexible Income Plan - Premium - Growth	-	-	-	-	46,841	1.23
Religare Invesco Credit Opportunities Fund - Direct - Growth	-	-	-	-	46,722	7.52
Kotak Liquid Scheme - Plan A - Direct - Daily Dividend	-	-	-	-	41,079	2.97
Axis Treasury Advantage Fund - Growth - Direct Plan	-	-	-	-	39,100	3.88
IDBI Liquid Fund - Dir - Growth	-	-	-	-	33,356	5.00
Boi Axa Liquid Fund- Direct Plan - Growth	-	-	-	-	31,038	5.00
BNP Paribas Overnight Fund - Direct - Growth	-	-	-	-	23,227	5.00
Birla Sun Life Ultra Short Term Fund - Direct Plan - Growth	-	-	-	-	22,656	0.40
SBI Shdf - Ultra Short Term - Ip - Growth	-	-	-	-	22,211	1.21
Tata Liquid Fund Direct Plan - Growth	-	-	-	-	19,367	5.00
SBI Ultra Short Term Debt Fund - Direct Plan - Growth	-	-	-	-	19,222	3.46
Baroda Pioneer Treasury Advantage Fund - Plan B - Direct - Growth	-	-	-	-	18,205	2.92
SBI Shdf - Ultra Short Term - Growth	-	-	-	-	11,657	0.56
Birla Sun Life Cash Manager - Direct - Growth	-	-	-	-	5,933	0.20
Religare Invesco Ultra Short Term Fund - Direct - Growth	-	-	-	-	3,177	0.62
Axis Liquid Fund -Direct - Growth	-	-	-	-	1,279	0.20
DWA Treasury Fund - Cash - Direct - Growth	-	-	-	-	1,247	0.02

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
Tata Liquid Fund Direcl Plan - Growth	-	-	-	-	699	0.18
IDFC Cash Fund Growth Direct Plan	-	-	-	-	114	0.02
Dhfl Pramerica Short Maturity Plan - Direct - Growth	-	-	-	-	0.00	0.02
<b>Total unquoted mutual funds</b>		<b>2,223.45</b>		<b>2,175.52</b>		<b>1,689.23</b>
<b>Total mutual funds</b>		<b>2,223.45</b>		<b>2,175.52</b>		<b>1,701.73</b>
(D) Investment in commercial paper						
(i) Unquoted investments in commercial paper at amortised cost						
Fullerton India Credit Comapny Limited	-	-	-	-	1,500	72.63
Sundaram Finance Limited	-	-	-	-	1,100	54.65
Tata Capital Limited	-	-	-	-	1,100	53.77
Reliance Capital Limited	-	-	-	-	1,000	47.45
Bajaj Finance Limited	-	-	-	-	800	39.61
Tata Capital Financial Services Limited	-	-	-	-	700	34.03
Bajaj Finance Limited - 06 Apr 2015	-	-	-	-	600	29.96
Sundaram BNP Paribas Home Finance Limited	-	-	-	-	500	24.59
Tata Capital Limited - 03 Aug 2015	-	-	-	-	500	24.27
L&T Finance Company Limited	-	-	-	-	300	14.87
<b>Total commercial paper</b>		<b>-</b>		<b>-</b>		<b>395.84</b>
<b>Total current investments</b>		<b>2,868.14</b>		<b>3,186.19</b>		<b>3,191.78</b>
Aggregate Book value - Quoted Investments		644.69		1,010.67		1,106.71
Aggregate Book Value - Unquoted Investments		2,223.45		2,175.52		2,085.07
Aggregate Market Value of Quoted Investments		647.69		1,015.83		1,108.42
<b>Investments in Mutual Fund earmarked for Core Settlement Guarantee Fund</b>						
IDFC Money Manager - Treasury Plan - Direct - Growth	-	-	4,63,25,403	111.94	-	-
JP morgan India Liquid Fund - Direct - Growth	-	-	2,28,32,954	44.72	-	-
ICICI Prudential Ultra Short Term Plan - Direct - Growth	-	-	1,26,34,805	19.72	-	-
Reliance Medium Term Fund - Direct - Growth	-	-	52,50,414	16.66	-	-
ICICI Prudential Flexible Income Plan - Growth - Direct	-	-	37,94,968	108.91	-	-
L&T Ultra Short Term Fund - Direct - Growth	-	-	37,09,907	9.21	-	-
Birla Sun Life Savings Fund - Direct - Growth	-	-	24,00,678	70.54	-	-
Religare Invesco Ultra Short Term Fund - Direct - Growth	-	-	4,35,484	91.79	-	-
Birla Sun Life Cash Manager - Direct - Growth	-	-	3,21,295	11.98	-	-
UTI Floating Rate Fund - STP - Direct - Growth	-	-	2,51,170	62.58	-	-
Axis Treasury Advantage Fund - Growth - Direct Plan	-	-	2,06,179	46.82	-	-
Reliance Liquid Fund - TP - Direct - Growth	-	-	1,52,179	56.23	-	-
ICICI Prudential Money Market Fund - Direct- Growth	-	-	1,06,161	2.22	-	-
Lic Nomura Mf Liquid Fund - Direct - Growth	-	-	32,642	8.97	-	-
Baroda Pioneer Treasury Advantage Fund - Plan B - Direct - Growth	-	-	27,498	4.82	-	-
Kotak Liquid Scheme - Plan A - Direct - Growth	-	-	10,250	3.15	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
JP morgan India Liquid Fund - Direct - Growth	-	-	-	-	2,15,34,595	39.11
ICICI Prudential Flexible Income - Direct Plan - Daily Dividend - Reinvestment	-	-	-	-	96,39,975	101.93
JP morgan India Liquid Fund - Daily Dividend - Direct Plan	-	-	-	-	81,25,475	8.13
Birla Sun Life Savings Fund - Direct - Daily Dividend Reinvest	-	-	-	-	59,25,332	59.43
Religare Invesco Ultra Short Term Fund - Dir - Daily Dividend Reinvestment	-	-	-	-	13,59,960	138.44
Reliance Liquid Fund - TP - Direct Plan - Daily Dividend	-	-	-	-	5,03,086	76.91
Templeton India - TMA - Daily Dividend - Direct Plan	-	-	-	-	2,36,668	23.71
ICICI Prudential Money Market Fund – Direct – Daily Dividend Reinvestment	-	-	-	-	2,08,814	2.09
Kotak Liquid Scheme - Plan A - Direct - Daily Dividend	-	-	-	-	24,269	2.97
<b>Total Mutual Fund earmarked for Core Settlement Guarantee Fund</b>		-		670.26		452.72

### Note 10 : Trade receivables

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
<b>Outstanding for a period of over six months from the date they are due for payment</b>			
Secured, considered good*	4.74	2.32	2.52
Unsecured, considered good	15.48	28.36	39.34
Doubtful	-	-	0.28
	20.22	30.68	42.14
Less : Allowance for doubtful debts	-	-	0.28
	20.22	30.68	41.86
<b>Other receivables</b>			
Secured, considered good*	250.63	208.11	156.38
Unsecured, considered good	42.81	38.49	28.80
Related Party, considered good (Refer Note 32)	0.63	1.23	1.66
Doubtful	1.45	0.04	0.04
	295.52	247.87	186.88
Less : Allowance for doubtful debts	1.45	0.04	0.04
	294.07	247.83	186.84
<b>Total</b>	<b>314.29</b>	<b>278.51</b>	<b>228.70</b>

\* Trade receivables are secured against deposits and margin money received from members (refer note: 24 and 16).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 11 : Cash and cash equivalents

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Balances with banks :-			
In current accounts <sup>^</sup>	1,028.53	96.64	59.60
Balance held for the purpose of meeting short term cash commitments <sup>^</sup>	6,882.29	2,774.44	2,131.82
Earmarked Deposits held for the purpose of meeting short term cash commitments <sup>**</sup>	16.92	16.20	51.93
Cheques on hand	-	0.45	-
Cash on hand	0.01	0.02	0.01
<b>Total</b>	<b>7,927.75</b>	<b>2,887.75</b>	<b>2,243.36</b>

<sup>^</sup> Represents amount received from members towards settlement obligations which is payable on the date of settlement of the transactions. i.e. Transaction date + 2 days & margin money from members which is also repayable on the settlement of transactions. Balance in current accounts also includes amount received from members towards settlement obligations. (refer note 16).

<sup>\*\*</sup> Earmarked deposits includes deposits towards listing entities, defaulter members, investor services fund and other deposits.

### Note 12 : Bank balances other than cash and cash equivalents

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Balance in Escrow Account *	6.42	2.33	1.82
'Restricted Balances with banks :			
In current accounts <sup>**</sup>	323.88	4.08	6.51
in flexi fixed deposits <sup>***</sup>	69.97	52.91	44.70
Fixed deposits			
- with original maturity for more than 3 months but less than 12 months	75.61	503.97	453.01
- with maturity of less than 12 months at the balance sheet date	678.28	749.95	1,326.15
Earmarked Deposits <sup>***</sup> :			
Fixed deposits			
- with original maturity for more than 3 months but less than 12 months	530.92	179.78	122.74
- with maturity of less than 12 months at the balance sheet date	488.80	126.39	40.16
<b>Total</b>	<b>2,173.88</b>	<b>1,619.41</b>	<b>1,995.09</b>

\* Balance in escrow Account represents balances kept by NSE IT Ltd towards UIDAI project of Government of India. (refer note 16).

\*\* As at March 31, 2017 the Parent Company has transferred ₹320.39 Crore in separate bank account towards transaction charges and colocation services based on SEBI directives and one of the subsidiary company has kept balance of ₹3.49 crore towards Core Settlement Guarantee Fund (March 31, 2016 : ₹4.08 crores, April 1, 2015 : ₹6.51 crores) (Refer Note 37).

\*\*\* As at March 31, 2017 balance includes deposits towards Core Settlement Guarantee Fund of ₹69.97 crores in flexi fixed deposits (March 31, 2016 : ₹52.91 crores, April 1, 2015 : ₹44.70 crore) and ₹874.28 crores in earmarked deposits (March 31, 2016 : ₹241.53 crores, April 1, 2015 : ₹170 crores) (Refer Note 37).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 13 a : Equity share capital

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Authorised			
50,00,00,000 Equity Shares of ₹1 each.			
(Previous years: 5,00,00,000 equity shares of ₹10 each)	50.00	50.00	50.00
Issued, subscribed and paid-up			
49,50,00,000 equity shares of ₹1 each, fully paid up	49.50	45.00	45.00
(Previous years: 4,50,00,000 equity shares of ₹10 each, fully paid up)			
<b>Total</b>	<b>49.50</b>	<b>45.00</b>	<b>45.00</b>

### Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1 per share. They entitle the holder to participate in dividends. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### A reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period

Name of the Company	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	(Numbers in Crores)	(₹ in Crores)	(Numbers in Crores)	(₹ in Crores)	(Numbers in Crores)	(₹ in Crores)
At the beginning of the year (Face value of ₹10 each)	4.50	45.00	4.50	45.00	4.50	45.00
Add: Bonus Shares Issued during the year [Note 3 of 13 (b)]	0.45	4.50	-	-	-	-
	4.95	49.50	4.50	45.00	4.50	45.00
Sub-division of equity shares of ₹10 each, into equity shares having a face value of ₹1 [Note 3 of 13 (b)]	49.50	-	-	-	-	-
At the end of the year	49.50	49.50	4.50	45.00	4.50	45.00

### Details of shareholders holding more than 5% share in the Company (No. of shares)

Name of the Company	31.03.2017	31.03.2016	01.04.2015
Life Insurance Corporation of India	6,19,13,500	56,28,500	47,28,500
State Bank of India	2,57,12,500	45,87,500	45,87,500
IFCI Limited	1,51,00,250	17,47,750	24,97,750

### Details of shareholders holding more than 5% share in the Company (% shareholding)

Name of the Company	31.03.2017	31.03.2016	01.04.2015
Life Insurance Corporation of India	12.51%	12.51%	10.51%
State Bank of India	5.19%	10.19%	10.19%
IFCI Limited	3.05%	3.88%	5.55%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 13 b : Other Equity

(₹ in Crores)

Particulars	Reserves and Surplus				Other Reserves					Total other Equity
	Securities premium reserve	Retained earnings *	CSR Reserve	Other reserves**	Total Reserves and Surplus	FVOCI equity instruments	FVOCI debt instruments	Foreign Currency Translation Reserve	Total other reserves	
Balance as at 01.04.2015	40.00	6,005.37	-	60.89	6,106.26	91.65	(2.76)	(0.16)	88.73	6,194.99
Profit for the period	-	630.81	-	-	630.81	-	-	-	-	630.81
Other Comprehensive Income	-	(2.06)	-	-	(2.06)	17.44	(5.21)	-	12.23	10.17
Transferred to other reserves	-	(3.00)	-	3.00	-	-	-	-	-	-
Reversal of Provisional transfer to Settlement Guarantee Fund	-	527.19	-	-	527.19	-	-	-	-	527.19
Appropriation to Core Settlement Guarantee Fund (net of tax) (Refer below (Note 4))	-	(109.88)	-	-	(109.88)	-	-	-	-	(109.88)
Changes in foreign currency translation reserve	-	-	-	-	-	-	-	0.06	0.06	0.06
<b>Transaction with owners in their capacity as owners</b>										
Dividend paid (including dividend distribution tax)	-	(430.67)	-	-	(430.67)	-	-	-	-	(430.67)
Balance as at 31.03.2016	40.00	6,617.76	-	63.89	6,721.65	109.09	(7.97)	(0.10)	101.02	6,822.67
Balance as at 01.04.2016	40.00	6,617.76	-	63.89	6,721.65	109.09	(7.97)	(0.10)	101.02	6,822.67
Profit for the period	-	1,218.82	-	-	1,218.82	-	-	-	-	1,218.82
Transfer to CSR Reserve [Refer note 43(iii)]	-	(72.06)	72.06	-	-	-	-	-	-	-
Other Comprehensive Income	-	(8.62)	-	-	(8.62)	(23.58)	8.25	(2.40)	(17.73)	(26.35)
Appropriation to Core Settlement Guarantee Fund (net of tax) (Refer below (Note 4))	-	(24.55)	-	-	(24.55)	-	-	-	-	(24.55)
Issue of Bonus shares (Refer below (Note 3))	(4.50)	-	-	-	(4.50)	-	-	-	-	(4.50)
<b>Transaction with owners in their capacity as owners</b>										
Dividend paid (including dividend distribution tax)	-	(825.96)	-	-	(825.96)	-	-	-	-	(825.96)
Balance as at 31.03.2017	35.50	6,905.39	72.06	63.89	7,076.84	85.51	0.28	(2.50)	83.29	7,160.13

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
* Includes General Reserves	4,441.04	4,441.04	4,443.53
** Includes capital reserve on consolidation	39.39	39.39	39.39
** Includes capital redemption reserve	13.00	13.00	10.00
** Includes staff welfare reserve	1.50	1.50	1.50
** Includes investor compensation activities	10.00	10.00	10.00

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 13 b : Other Equity (contd.)

#### Other Equity

##### Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

##### CSR Reserves:

The Group has created CSR Reserve to undertake CSR activities and has transferred unspent amount from Retained earnings to CSR Reserve.

##### Other Reserves:

The Group has in the past created Other Reserves for investor compensation activities, staff welfare activities, capital redemption reserve and capital reserve arising on consolidation.

##### FVOCI equity investments

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

##### Debt Instruments through Other Comprehensive Income:

The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in debt instruments through other comprehensive income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.

Note 1: During the year ended March 31, 2016, the amount of dividend recognized as distribution to equity shareholders was ₹72/- per equity share and a special one time dividend of ₹7.50 per equity share. The total dividend paid during the year ended March 31, 2016 amounts to ₹357.75 crores excluding dividend distribution tax ₹43.06 crores. Further, Company has availed set off of dividend distribution tax of ₹29.86 crores paid by a subsidiary company while distributing the dividend to Parent company.

Note 2 : The Board of Directors, in their meeting on May 12, 2016, proposed a dividend of ₹73 /- per equity share which has been approved by the shareholders at the Annual General Meeting held on September 16, 2016 and on October 4, 2016 declared an interim dividend of ₹79.50 (795%) per equity share of ₹10/- each of the Company. The total dividend paid during the year ended March 31, 2017 amounts to ₹686.25 crores excluding dividend distribution tax ₹107.64 crores. Further, Company has availed set off of dividend distribution tax of ₹32.07 crores paid by a subsidiary company while distributing the dividend to Parent company.

Note 3 : The Board of directors of the Parent Company in their meeting held on October 4, 2016 recommended issue of Bonus equity shares in the proportion of 1 (one) bonus share of ₹10/- (Rupees Ten each) for every existing 10 (Ten) fully paid up equity shares of ₹10 each, which was approved by the shareholders in the general meeting held on November 10, 2016. The record date for issue of bonus shares was November 23, 2016. The board of directors also recommended the sub-division of equity shares of ₹10 each, into equity shares having a face value of ₹1 each. The same was approved by the shareholders in the general meeting held on November 10, 2016, approved by SEBI on November 27, 2016 and has been notified in the gazette on December 10, 2016. The record date for sub-division of equity shares was December 13, 2016.

Note 4 : Pertains to appropriation to Core Settlement Guarantee Fund by one of the subsidiary, National Securities Clearing Corporation Limited of ₹37.12 Crores (Previous year ₹143 crores), net of corresponding tax benefit of ₹12.57 crores (Previous year ₹33.12 crores).

### Note 14 : Trade payables (current)

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Trade payables	97.09	66.32	56.15
Trade payables to MSME (Refer note 35)	0.07	0.11	0.06
Trade payables to related parties (Refer note 32)	0.31	-	0.06
<b>Total</b>	<b>97.47</b>	<b>66.43</b>	<b>56.27</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 15 : Other financial liabilities (non-current)

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Obligations under finance lease	9.19	8.57	8.03
<b>Total</b>	<b>9.19</b>	<b>8.57</b>	<b>8.03</b>

### Note 16 : Other financial liabilities (current)

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Deposits - premises	5.24	5.73	33.01
Creditors for capital expenditure	44.89	20.72	13.77
Defaulters fund pending claims	76.27	67.89	63.98
Margin money from members <sup>^</sup>	3,296.24	863.53	508.75
Settlement obligation payable <sup>^</sup>	4,210.41	1,865.18	1,640.59
Obligations under finance lease	0.93	0.93	0.93
Balance in escrow account*	6.73	4.34	1.90
Other liabilities	26.72	37.59	39.69
<b>Total</b>	<b>7,667.43</b>	<b>2,865.91</b>	<b>2,302.61</b>

<sup>^</sup> Represents amount received from members towards settlement obligations which is payable on the date of settlement of the transactions. i.e. Transaction date + 2 days & margin money from members which is also repayable on the settlement of transactions (refer note 11)

\* Balance in Escrow Account represents liability towards balances kept by NSE IT Ltd for UIDAI project of Government of India. (refer note 12)

### Note 17 : Provision (non current)

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Employee benefits obligation			
Provision for gratuity	11.40	3.71	2.72
Provision for variable pay and allowance	7.54	7.55	7.15
<b>Total</b>	<b>18.94</b>	<b>11.26</b>	<b>9.87</b>

### Note 18 : Provision (current)

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
<b>Employee benefits obligation</b>			
Provision for gratuity	4.44	4.01	3.36
Provision for variable pay and allowance	33.72	28.97	21.14
Provision for leave encashment	18.50	15.62	14.15
	56.66	48.60	38.65
<b>Other Provisions</b>			
Provisional appropriation towards contribution to Settlement Guarantee Fund ("SGF") ( Refer note 37)	-	-	-
Opening balance	-	503.09	527.19
Less : Reversal of Provisional appropriation towards contribution to SGF	-	(503.09)	(24.10)
	-	-	503.09
<b>Total</b>	<b>56.66</b>	<b>48.60</b>	<b>541.74</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 19 : Income taxes

#### (a) Income tax expense

(₹ in Crores)

Particulars	31.03.2017	31.03.2016
<b>Current Tax</b>		
Current tax expense	516.31	302.03
<b>Deferred Tax</b>		
Decrease (increase) in deferred tax assets	(0.80)	(3.62)
Increase (decrease) in deferred tax liabilities	40.31	38.70
<b>Total deferred tax expense (benefit)</b>	<b>39.51</b>	<b>35.08</b>
<b>Total Income tax expenses *</b>	<b>555.82</b>	<b>337.11</b>

\* This excludes deferred tax benefit/expense on other comprehensive income 7.29 (0.46)

\* This excludes income tax benefit adjusted in other equity 12.57 33.12

#### (b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Crores)

Particulars	31.03.2017	31.03.2016
Profit before income tax expense	1,774.64	967.92
Tax rate (%)	34.608%	34.608%
Tax at the Indian Tax Rate	614.17	334.98
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Dividend income	(1.02)	(0.51)
Dividend distribution tax paid by subsidiary companies on which credit is not availed	0.41	12.61
Interest on tax free bonds	(19.99)	(7.76)
Expenditure related to exempt income	8.64	5.01
Net (gain)/loss on financial assets mandatorily measured at fair value through profit or loss	(23.57)	3.84
(Profit) / Loss on sale of investments taxed at other than Statutory rate	(21.12)	3.08
Specific Tax deductions	(1.39)	(2.08)
Profits of associates and joint venture taxed at different rate	(15.51)	(6.04)
Provision for impairment in value of investments / Investment written off	3.56	-
MAT credit not recognized	2.99	-
Others	8.65	(6.02)
<b>Income Tax Expense</b>	<b>555.82</b>	<b>337.11</b>

#### (c) Current tax assets / (liability)

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Opening income tax asset/ (liability) at the beginning of the year/period	265.86	47.19	62.44
Income tax paid	448.13	487.58	472.61
Current income tax payable for the period / year	(516.31)	(302.03)	(487.86)
Tax on contribution to Core SGF	12.57	33.12	-
Net current income tax asset/ (liability) at the end of year/period	<b>210.25</b>	<b>265.86</b>	<b>47.19</b>
<b>Income tax asset</b>	<b>305.69</b>	<b>284.12</b>	<b>98.92</b>
<b>Income tax (liability)</b>	<b>(95.44)</b>	<b>(18.26)</b>	<b>(51.73)</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 19 : Income taxes (contd.)

#### (d) Deferred tax (liabilities)/assets (net)

The balance comprises temporary differences attributable to:

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
<b>Deferred income tax assets</b>			
Property, plant and equipment and investment property	3.63	2.32	1.94
Provision for leave encashment	4.74	5.73	4.93
Financial Assets at Fair Value through OCI	12.35	4.25	1.46
Others	17.75	13.71	10.38
<b>Total deferred tax assets</b>	<b>38.47</b>	<b>26.01</b>	<b>18.71</b>
<b>Deferred income tax liabilities</b>			
Property, plant and equipment and investment property	25.98	30.66	23.24
Financial Assets at Fair Value through OCI	24.60	20.23	16.10
Financial Assets at Fair Value through profit and Loss	39.31	19.15	12.00
Tax on undistributed earning of Associates	60.38	43.39	26.58
Others	3.44	1.22	0.49
<b>Total deferred tax liabilities</b>	<b>153.71</b>	<b>114.65</b>	<b>78.41</b>
<b>Net Deferred tax (liabilities) / assets</b>	<b>(115.24)</b>	<b>(88.64)</b>	<b>(59.70)</b>
<b>Deferred tax assets</b>	<b>3.73</b>	<b>1.86</b>	<b>1.27</b>
<b>Deferred tax liabilities</b>	<b>(118.97)</b>	<b>(90.50)</b>	<b>(60.97)</b>

#### (e) Deferred tax assets

Movements in deferred tax assets

(₹ in Crores)

Particulars	Property, plant and equipment	Provision for leave encashment	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	Others	Total
At 01 April 2015	1.94	4.93	-	1.46	10.38	18.71
Charged/(credited)						
- to profit or loss	0.38	0.80	-	0.03	2.41	3.62
- to other comprehensive income	-	-	-	2.76	0.92	3.68
At 31 March 2016	2.32	5.73	-	4.25	13.71	26.01
Charged/(credited)						
- to profit or loss	1.31	(0.99)	-	-	0.48	0.80
- to other comprehensive income	-	-	-	8.10	3.56	11.66
At 31 March 2017	3.63	4.74	-	12.35	17.75	38.47

Deferred tax asset is recognised based on reasonable certainty. Accordingly, the Group, as a matter of prudence, have not recognised deferred tax asset aggregating to ₹3.56 crores on impairment in value of investment in Power Exchange India Limited (Deferred Tax Asset amounting to ₹1.73 crores), Market Simplified India Limited (Deferred Tax Asset amounting to ₹1.48 crores) and in Goods and Service Tax Network (Deferred Tax Asset amounting to ₹0.35 crores)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 19 : Income taxes (contd.)

#### (f) Movements in deferred tax liabilities

(₹ in Crores)

Particulars	Property, plant and equipment	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	Tax on undistributed earning of Associates	Others	Total
At 01 April 2015	23.24	12.00	16.10	26.58	0.49	78.41
Charged/(credited)	-	-	-	-	-	-
- to profit or loss	7.42	7.15	-	22.76	1.37	38.70
- Others	-	-	-	(5.94)	(0.64)	(6.58)
- to other comprehensive income	-	-	4.12	-	-	4.12
At 31 March 2016	30.66	19.15	20.22	43.40	1.22	114.65
Charged/(credited)	-	-	-	-	-	-
- to profit or loss	(4.68)	20.16	-	23.46	1.38	40.32
- Others	-	-	-	(6.48)	0.84	(5.64)
- to other comprehensive income	-	-	4.38	-	-	4.38
At 31 March 2017	25.98	39.31	24.60	60.38	3.44	153.71

(g) The Group has not recognised deferred tax liability associated with undistributed earnings of its subsidiaries as it can control the timing of the reversal of these temporary differences and it is probable that such differences will not reverse in the foreseeable future.

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
The taxable temporary differences relating to investment in subsidiaries associated with respect to undistributed earnings for which a deferred tax liability has not been created:			
Undistributed Earnings	1,234.92	1,182.98	1,196.48
Unrecognised deferred tax liabilities relating to the above temporary differences	251.40	240.82	239.29

### Note 20 : Income tax liabilities (net)

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Income tax (net of advances)	95.13	17.96	49.91
Fringe Benefit Tax (net of Advances)	0.02	0.01	0.01
Wealth tax (net of advances)	0.29	0.29	1.81
<b>Total</b>	<b>95.44</b>	<b>18.26</b>	<b>51.73</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 21 : Income tax assets (net)

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Income tax paid including TDS (net of provisions)	303.44	281.87	96.67
Wealth tax (net of provisions)	0.02	0.02	0.02
Fringe benefit tax (net of provisions)	2.23	2.23	2.23
<b>Total</b>	<b>305.69</b>	<b>284.12</b>	<b>98.92</b>

### Note 22 : Other non-current liabilities

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Deposit - STT (refer note no. 7)	5.39	5.39	5.39
<b>Total</b>	<b>5.39</b>	<b>5.39</b>	<b>5.39</b>

### Note 23 : Other current liabilities

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Securities Transaction Tax payable	267.68	166.35	126.87
Statutory dues payable	52.99	36.33	28.97
Advance from customers	34.60	17.88	20.42
Income received in advance	51.28	39.18	44.87
Others	29.83	40.37	39.31
<b>Total</b>	<b>436.38</b>	<b>300.11</b>	<b>260.44</b>

### Note 24 : Deposits

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Deposits from trading members	1,034.23	1,029.79	1,037.06
Deposits from applicants for membership	3.80	2.86	3.91
Deposits from mutual fund distributors	3.21	2.19	0.67
Deposits towards equipment's	21.32	19.39	18.03
Deposit from clearing members	324.68	287.52	317.20
Deposit in lieu of bank guarantee/securities from clearing members	66.89	63.36	64.28
Deposits from clearing banks	293.05	223.55	185.55
Deposit - listing & book building	56.10	46.49	36.87
<b>Total</b>	<b>1,803.28</b>	<b>1,675.15</b>	<b>1,663.57</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 25 : Revenue from operations

(₹ in Crores)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>Operating revenues</b>		
<b>Revenue from services :</b>		
<i>Trading services</i>		
Transaction charges # (Refer Note 50)	1,335.30	1,167.57
<i>Listing services</i>		
Listing fees	63.43	50.36
Book building fees	13.83	8.50
	77.26	58.86
<i>Technology services</i>		
Application development & maintenance services	28.22	26.16
Infrastructure management services	5.49	5.06
E-Learning solutions	75.61	57.51
IT & process support charges	-	0.73
	109.32	89.46
<i>Data Feed services</i>		
Online datafeed service fees	73.04	59.21
	73.04	59.21
<i>Licensing services</i>		
Index licensing & Data subscription fees	69.28	64.02
	69.28	64.02
Others	2.23	8.30
<b>Other operating revenues</b>		
<i>Listing services</i>		
Processing fees	21.97	17.37
<i>Data centre charges # (Refer Note 50)</i>	80.36	70.84
<i>Others</i>		
Registration & test enrolment fees	19.32	19.01
Income on investments *	265.41	259.14
Net fair value gain on financial assets mandatorily measured at FVPL	15.17	9.89
Net gain on sale of financial assets mandatorily measured at FVPL	1.40	6.74
Connectivity charges	-	0.73
Others	33.76	31.68
	335.06	327.19
<b>Sale of Products :</b>		
Software Products	0.22	0.17
Traded Goods	0.22	0.55
	0.44	0.72
<b>Total</b>	<b>2,104.26</b>	<b>1,863.54</b>

# Includes revenue from Transaction charges amounting to ₹325.25 crores and colocation services amounting to ₹50.26 crores for the period September 2016 to March 2017 and kept in separate bank account based on SEBI directive. (Refer Note 50)

\* Represent income generated from sources of fund related to operating activity of the Group.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 26 : Other income

(₹ in Crores)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>Other income</b>		
Dividend income		
- from equity investments designated at FVOCI	1.90	1.33
- from other investments	1.05	0.17
Interest income from financial assets at amortised cost	135.65	244.44
Interest income from financial assets designated at FVOCI	42.47	81.05
Rental income	6.96	15.52
Miscellaneous income	10.15	9.68
	198.18	352.19
<b>Other gains/ (losses)</b>		
Net gain / (loss) on financial assets mandatorily measured at FVPL	122.87	3.08
Net gain on sale of financial assets measured at FVOCI *	26.90	5.34
Net gain on sale of financial assets mandatorily measured at FVPL	226.13	128.98
Net gain on sale of investments of associate (i.e. National Securities Depository Limited)	2.06	-
Net gain on disposal of property, plant and equipment	0.20	6.04
Net foreign exchange gains	0.23	-
<b>Total other income and other gains/(losses)</b>	378.39	143.44
<b>Total</b>	<b>576.57</b>	<b>495.63</b>

\* This includes amount of ₹(10.02) crores reclassified from other comprehensive income on account of sale of investments as at March 31, 2017 (March 31, 2016 : nil)

### Note 27 : Employee benefits expenses

(₹ in Crores)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Salaries, wages and bonus	218.78	198.70
Contribution to provident and other fund (refer note 30)	7.72	7.98
Gratuity	3.16	2.87
Staff welfare expenses	10.52	8.43
<b>Total</b>	<b>240.18</b>	<b>217.98</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 28 : Other expenses

(₹ in Crores)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Repairs & maintenance		
- To computers, trading & telecommunication systems	85.03	76.07
- To buildings	3.57	2.67
- To others	8.71	9.36
SEBI regulatory fees	26.34	25.04
IT management and consultancy charges	11.18	6.82
Software expenses	55.25	31.70
Network infrastructure management charges	5.36	7.07
Lease line charges	11.57	8.47
Telephone charges	4.10	1.28
Water and electricity charges	23.09	23.07
Rental charges	20.28	20.31
Rates and taxes	7.91	6.74
Directors' sitting fees	2.08	0.87
Legal and professional fees	39.82	34.32
Advertisement and publicity	31.97	17.97
Travel and conveyance	15.48	7.75
Insurance	2.29	1.84
Printing and stationery	4.54	4.40
Corporate social responsibility expenditure	11.62	2.83
Contribution to Investor protection fund trust*	5.60	4.57
Investor education expenses	2.19	4.38
Payment to auditors (Refer note below)	1.30	1.26
Doubtful debts written off (Refer Note 37)	25.05	0.06
Provision for doubtful debts	1.41	0.21
Loss on foreign currency transaction (net)	0.17	0.30
Technical & Subcontract Charges	21.45	21.67
Cost of goods sold	0.02	0.04
Impairment in value of investments (Refer Note 4(i), 39(b))	9.29	-
Cost of investment written off (Refer Note 4(iii))	0.99	-
Other expenses	87.81	72.91
<b>Total</b>	<b>525.47</b>	<b>393.98</b>
<b>Note :</b>		
<b>Payment to auditors</b>		
<b>As auditors :</b>		
Audit fees	0.57	0.40
Tax audit fee	0.12	0.11
Limited review	0.16	0.17
<b>In other capacities</b>		
Taxation matters	0.19	0.19
Certification matters	0.08	0.14
Other services	0.19	0.25
<b>Total</b>	<b>1.30</b>	<b>1.26</b>

\*It represents contribution to National Stock Exchange Investor Protection fund trust formed as required under SEBI regulation.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 29 : Earnings per share

(₹ in Crores)

Particulars	31.03.2017	31.03.2016
<b>Profit attributable to the equity holders of the company used in calculating basic earnings per share and diluted earnings per share</b>		
Profit for the period	1,218.82	630.81
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (no. in Crores) *	49.50	49.50
<b>Earnings per equity share (basic and diluted)</b>	<b>24.62</b>	<b>12.74</b>
Profit before contribution to Core Settlement Guarantee Fund	1,908.71	1,729.44
Income tax effects on above	602.22	600.65
Profit before contribution to Core Settlement Guarantee Fund	1,306.49	1,128.78
<b>Earnings per equity share before contribution to Core Settlement Guarantee Fund (net) (basic and diluted)</b>	<b>26.39</b>	<b>22.80</b>

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

\* The Board of directors of the company in their meeting held on October 4, 2016 recommended issue of Bonus equity shares in the proportion of 1 (one) bonus share of ₹10/- (Rupees Ten each) for every existing 10 (Ten) fully paid up equity shares of ₹10 each, which is approved by the shareholders in the general meeting held on November 10, 2016. The record date for issue of bonus shares was November 23, 2016. Accordingly, the weighted average number of equity shares has been restated for all periods presented. The Board of directors also recommended the subdivision of equity shares of ₹10 each, into equity shares having a face value of ₹1. The same was approved by the shareholders in the general meeting held on November 10, 2016, approved by SEBI on November 27, 2016 and has been notified in the gazette on December 10, 2016. The record date for stock split was December 13, 2016. Accordingly, basic and diluted earning per share figures for the current period and those of the prior periods have been restated and is based on the new weighted average number of shares after taking into account increase in the number of shares arising from bonus and subdivision of shares.

### Note 30 : Disclosure under Indian Accounting Standard 19 (Ind AS 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016.

#### i) Defined Contribution Plan :

The Group's contribution towards superannuation fund during the years has been charged to Statement of Consolidated Profit & Loss as follows:

(₹ in Crores)

Particulars	31.03.2017	31.03.2016
Group's contribution towards superannuation fund	1.58	1.99

#### ii) Defined Benefit Plan :

##### (a) Provident Fund :

Provident fund:

The Company has established 'National Stock Exchange of India Limited Employees Provident Fund Trust' and one of the subsidiary, NSE Infotech Services Limited has established 'NSE Infotech Services Limited Employees Provident Fund Trust' to which both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively. The Company's contribution to

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 30 : Disclosure under Indian Accounting Standard 19 (Ind AS 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016. (contd.)

the provident fund for all employees is charged to Statement of Consolidated Profit and Loss. In case of any liability arising due to short fall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. The actuary has provided an actuarial valuation and indicated the interest shortfall liability for the years as below, which has been provided in the books of accounts after considering the reserves available with the company's Provident Fund Trust, where considered necessary. The Company has contributed towards Provident Fund during the years as below.

Other subsidiaries, contribute to the Regional Provident Fund Office as per the applicable rule at the rate of 12% of the employee's basic salary to the said recognized provident fund and the same is charged to to Statement of Consolidated Profit and Loss.

(₹ in Crores)

Particulars	31.03.2017	31.03.2016
Group's contribution to the provident fund	6.14	5.98
Interest shortfall liability	-	0.01

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

Particulars	31.03.2017	31.03.2016
a. Approach used	Deterministic	Deterministic
b. Increase in compensation levels	8.00%	5.00%
c. Discount Rate	7.09%	7.96%
d. Attrition Rate	12.00%	2.00%
e. Weighted Average Yield	9.14%	8.89%
f. Weighted Average YTM	9.27%	9.10%
g. Reinvestment Period on Maturity	5 years	5 years
h. Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

#### (b) Gratuity :

The Group provides for gratuity for employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity, The amount of Gratuity is payable on retirement/termination of the employee's based on last drawn basic salary per month multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contribution to recognised funds with Life Insurance Corporation of India (LIC).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**Note 30 : Disclosure under Indian Accounting Standard 19 (Ind AS 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016. (contd.)**

### A Consolidated Balance Sheet

(i) The amounts recognised in the consolidated balance sheet and the movements in the net defined benefit obligation over the years are as follows:

(₹ in Crores)

Particulars	31.03.2017		
	Present Value of Obligation	Fair Value of Plan Assets	Total
<b>At the beginning of the year</b>	25.21	(17.49)	7.72
Current service Cost	2.59	-	2.59
Interest cost / (income)	1.96	(1.39)	0.57
<b>Expenses recognised in the Statement of Profit &amp; Loss</b>	<b>4.55</b>	<b>(1.39)</b>	<b>3.16</b>
Remeasurements			
Return on plan assets	-	(0.27)	(0.27)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	2.79	-	2.79
Actuarial (gains)/losses on obligations - due to change in financial assumptions	5.27	-	5.27
Actuarial (gains)/losses on obligations - due to experience	2.64	-	2.64
<b>Net (income)/expense for the period recognized in OCI</b>	<b>10.70</b>	<b>(0.27)</b>	<b>10.43</b>
Employer Contributions	-	(5.62)	(5.62)
Liability transferred	0.15	-	0.15
Benefits paid	(8.83)	8.83	-
<b>At the end of the year</b>	<b>31.78</b>	<b>(15.94)</b>	<b>15.84</b>

(₹ in Crores)

Particulars	31.03.2016		
	Present Value of Obligation	Fair Value of Plan Assets	Total
<b>At the beginning of the year</b>	21.38	(15.30)	6.08
Current service Cost	2.36	-	2.36
Interest cost / (income)	1.73	(1.22)	0.51
<b>Expenses recognised in the Statement of Profit &amp; Loss</b>	<b>4.09</b>	<b>(1.22)</b>	<b>2.87</b>
Remeasurements		-	
Return on plan assets	-	(0.23)	(0.23)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	0.06	-	0.06
Actuarial (gains)/losses on obligations - due to experience	2.96	-	2.96
<b>Net (income)/expense for the period recognized in OCI</b>	<b>3.02</b>	<b>(0.23)</b>	<b>2.79</b>
Employer Contributions	-	(4.02)	(4.02)
Liability transferred	-	-	-
Benefits paid	(3.28)	3.28	-
<b>At the end of the year</b>	<b>25.21</b>	<b>(17.49)</b>	<b>7.72</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**Note 30 : Disclosure under Indian Accounting Standard 19 (Ind AS 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016.** (contd.)

(₹ in Crores)

Particulars	01.04.2015		
	Present Value of Obligation	Fair Value of Plan Assets	Total
At the beginning of the year	16.67	(10.71)	5.96
Current service Cost	1.83	-	1.83
Interest cost / (income)	1.55	(0.98)	0.57
<b>Expenses recognised in the Statement of Profit &amp; Loss</b>	<b>3.38</b>	<b>(0.98)</b>	<b>2.40</b>
Remeasurements			
Return on plan assets	-	(0.32)	(0.32)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	2.48	-	2.48
Actuarial (gains)/losses on obligations - due to experience	2.09	-	2.09
<b>Net (income)/expense for the period recognized in OCI</b>	<b>4.57</b>	<b>(0.32)</b>	<b>4.25</b>
Employer Contributions	-	(6.53)	(6.53)
Benefits paid	(3.24)	3.24	-
<b>At the end of the year</b>	<b>21.38</b>	<b>(15.30)</b>	<b>6.08</b>

(ii) The net liability disclosed above relates to funded plans are as follows:

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Fair value of plan assets as at the end of the year/period	16.82	17.49	15.30
Liability as at the end of the year/period	(32.66)	(25.21)	(21.38)
<b>Net (liability) / asset</b>	<b>(15.84)</b>	<b>(7.72)</b>	<b>(6.08)</b>
Non Current Portion	(11.40)	(3.71)	(2.72)
Current Portion	(4.44)	(4.01)	(3.36)

(iii) Sensitivity Analysis

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Projected Benefit Obligation on Current Assumptions	32.67	25.21	21.38
Delta Effect of +1% Change in Rate of Discounting	(1.85)	(2.28)	(1.89)
Delta Effect of -1% Change in Rate of Discounting	2.10	2.67	2.20
Delta Effect of +1% Change in Rate of Salary Increase	2.08	2.72	2.24
Delta Effect of -1% Change in Rate of Salary Increase	(1.86)	(2.37)	(1.95)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.06)	0.67	0.55
Delta Effect of +1% Change in Rate of Employee Turnover	0.05	(0.77)	(0.64)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 30 : Disclosure under Indian Accounting Standard 19 (Ind AS 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016. (contd.)

(iv) Significant actuarial assumptions are as follows:

Particulars	31.03.2017	31.03.2016	01.04.2015
Discount Rate	6.77-7.90%	7.38-8.03%	7.96-8.03%
Rate of Return on Plan Assets	7.09-7.90%	7.95-8.03%	7.96-8.03%
Salary Escalation	5.00-8.00%	5.00%	5.00%
Attrition Rate	2.00-12.00%	2.00%	2.00%

(v) Expected contribution to gratuity plan for the year ending March 31, 2018 are ₹2.23 Crores.

### Note 31 : Segment Information

(a) Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CEO Incharge of the Company. The Group has identified the following segments i.e. Trading Services, Clearing Services, Data Feed, Index licensing and strategic investment as reporting segments based on the information reviewed by CODM.

1: **Trading services** : Includes services related to trading in equity, equity derivatives, debt and currency derivatives segments. Revenue includes transaction charges, Listing & book building fees, revenue from data centre charges etc.

2: **Clearing Services**: Includes clearing and settlement of the trades executed in the Capital Markets, Future & Options and Currency Derivative segments.

3: **Datafeed Services** : Includes services related to dissemination of price, volume, order book and trade data relating to securities and various indexes to the stock and commodity brokers.

4: **Index Licensing Fees**: Primary provider of indices and related products and services to various participants in Capital Market in India.

5: **Strategic Investments** : Includes businesses relating to make or hold all strategic investments in the equity shares and / or other securities of various group companies.

6: **Other segments** includes End to End Solution, E-learning Solutions, Web Trading, IT services, IT Process Support charges, and Software application development. The results of these operations are included in the "all other segments". This column also includes head office and group services.

The above business segments have been identified considering :

- the nature of products and services
- the differing risks
- the internal organisation and management structure, and
- the internal financial reporting systems.

The segment information presented is in accordance with the accounting policies adopted for preparing the consolidated financial statements of the Group. Segment revenues, expenses and results include inter-segment transfers. Such transfers are undertaken either at competitive market prices charged to unaffiliated customers for similar goods or at contracted rates. These transfers are eliminated on consolidation.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 31 : Segment Information (contd.)

#### (b) Segment Revenue :

Segment revenue is measured in the same way as in the statement of profit or loss. Revenue and expenses which relate to the enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as Unallocable. Transactions between segments are eliminated on consolidation. The CODM primarily uses a measure of profit before tax to assess the performance of the operating segments. However, the CODM also receives information about the segments revenue and assets on a quarterly basis.

(₹ in Crores)

Segments	31.03.2017				31.03.2016			
	Segment Revenue	Inter-segment revenue	Revenue from external customers	Segment Results	Segment Revenue	Inter-segment revenue	Revenue from external customers	Segment Results
Trading Services *	1,690.50	34.86	1,655.64	817.30	1,472.97	30.22	1,442.75	37.61
Clearing Services	267.03	100.05	166.98	143.68	277.24	98.35	178.89	198.50
Datafeed Services	73.37	0.33	73.04	50.30	60.41	0.32	60.09	42.23
Index Licensing Services	80.72	11.44	69.28	72.57	77.97	10.39	67.58	71.41
Strategic Investments	52.04	35.39	16.65	29.41	70.28	58.63	11.65	68.02
Other Segments	229.57	106.91	122.66	15.82	216.68	114.10	102.58	26.62
<b>Total</b>	<b>2,393.23</b>	<b>288.98</b>	<b>2,104.25</b>	<b>1,129.08</b>	<b>2,175.55</b>	<b>312.01</b>	<b>1,863.54</b>	<b>444.39</b>
<b>RESULT</b>								
Add: Unallocable income (Net of Exp.)	-	-	-	353.71				106.89
Add: Profit on sale of investment in equity instruments in Associates				2.06				-
Add : Contribution to Core Settlement guarantee fund (Core SGF)				134.07				761.52
Interest income	-	-	-	178.12				325.49
<b>Profit before exceptional item, Share of net profits of investments accounted for using equity method and tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,797.04</b>				<b>1,638.29</b>
Add: Share of Profit (net) of Associates	-	-	-	111.67				91.15
<b>Profit before contribution to Core Settlement Guarantee Fund and tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,908.71</b>				<b>1,729.44</b>
Less: Contribution to Core Settlement guarantee fund (Core SGF)	-	-	-	(134.07)				(761.52)
<b>Profit before Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,774.64</b>				<b>967.92</b>
<b>Less: Tax Expense:</b>								
Current Tax	-	-	-	(516.31)				(302.03)
Deferred Tax	-	-	-	(39.51)				(35.08)
<b>Total Tax Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(555.82)</b>				<b>(337.11)</b>
<b>Net profit after tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,218.82</b>				<b>630.81</b>

\* Segment result of trading segment is net of contribution to Core SGF as follows :

(₹ in Crores)

Particulars	31.03.2017	31.03.2016
Contribution to Core SGF	134.07	761.52

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 31 : Segment Information (contd.)

#### (c) Revenue From External Customers based on geographies

The Parent company is domiciled in India. The amount of Group revenue from external customers broken down by location of customers.

(₹ in Crores)

Particulars	31.03.2017	31.03.2016
India	1,984.48	1,747.85
Outside India	119.77	115.69

#### (d) Segment Assets :

Segment assets are measured in the same way as in the balance sheet. These assets are allocated based on the operations of the segment.

(₹ in Crores)

Segments	31.03.2017	31.03.2016	01.04.2015
Trading Services	2,191.61	2,075.26	1,986.53
Clearing Services *	9,942.00	4,415.78	3,584.18
Datafeed Services	9.19	6.08	4.30
Index Licensing Services	11.56	10.72	7.48
Strategic Investments	993.62	966.86	900.82
Other Segments	99.45	49.70	36.55
<b>Total Segment Assets</b>	<b>13,247.43</b>	<b>7,524.40</b>	<b>6,519.86</b>
<b>Unallocable Assets</b>	<b>6,246.88</b>	<b>6,116.56</b>	<b>5,375.90</b>
<b>Total Assets</b>	<b>19,494.31</b>	<b>13,640.96</b>	<b>11,895.76</b>

There are no non current assets situated outside the domicile of India.

Investments held by the group are not considered to be segment assets but are managed by the treasury function. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as unallocable. Interest income are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.

\* Segment Asset includes amount pertaining to Core SGF maintained by NSCCL as follows :

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Contribution to Core SGF	1,684.95	997.30	675.47

#### (e) Segment Liabilities

Segment Liabilities are measured in the same way as in the financial statements. These Liabilities are allocated based on the operations of the segment.

(₹ in Crores)

Segments	31.03.2017	31.03.2016	01.04.2015
Trading Services	2,075.86	2,294.91	2,040.45
Clearing Services	9,954.14	4,380.34	3,467.86
Datafeed Services	10.84	8.13	5.78
Index Licensing Services	5.09	2.95	2.05
Strategic Investments	2.03	1.39	0.59
Other Segments	71.39	33.66	30.81
<b>Total Segment Liabilities</b>	<b>12,119.35</b>	<b>6,721.38</b>	<b>5,547.54</b>
<b>Unallocable Liabilities</b>	<b>165.33</b>	<b>51.91</b>	<b>108.23</b>
Core Settlement Guarantee Fund	(1,975.53)	(1,683.11)	(695.15)
<b>Total Liabilities</b>	<b>10,309.15</b>	<b>5,090.18</b>	<b>4,960.62</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 31 : Segment Information (contd.)

#### (f) Segment Capital Expenditure

(₹ in Crores)

Segments	31.03.2017	31.03.2016	01.04.2015
Trading Services	143.81	138.88	148.77
Clearing Services	7.45	6.88	1.09
Datafeed Services	0.77	0.00	0.25
Other Segments	17.97	2.21	2.42
Total Segment Capital Expenditure	170.00	147.97	152.53
Add: Unallocable Capital Expenditure	-	-	-
Total Capital Expenditure	170.00	147.97	152.53

#### (g) Segment Depreciation / Amortisation

(₹ in Crores)

Particulars	31.03.2017	31.03.2016
Trading Services	110.54	101.92
Clearing Services	2.71	2.30
Datafeed Services	0.11	0.13
Index Licensing Services	0.09	-
Other Segments	3.51	3.42
<b>Total Segment Depreciation / Amortisation</b>	<b>116.96</b>	<b>107.77</b>
Add: Unallocable Depreciation / Amortisation	1.18	1.15
Total Depreciation / Amortisation	118.14	108.92

**Note 32 : In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below:**

#### (a) Names of the related parties and related party relationships

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
1	Power Exchange India Limited	Associate Company	Trading Facility in power	30.95%
2	NSDL e-Governance Infrastructure Limited (Formerly known as National Securities Depository Limited)	Associate Company	E-Governance Solutions	25.05%
3	National Securities Depository Limited (New)	Associate Company	Depository Services	25.05% upto 23.02.2017 & 24% w.e.f 24.02.2017
4	Computer Age Management Services Private Limited (w.e.f. 07.01.2014)	Associate Company	Mutual Fund Transfer Agency	44.99%
5	Market Simplified India Limited (Formerly known as INXS Technologies Limited)	Joint Venture Company	Software Industry	30.00%
6	CAMS Investor Services Private Limited	Subsidiary of Associate Company		

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**Note 32 : In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below: (contd.)**

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
7	NSDL Database Management Limited	Subsidiary of Associate Company		
8	BFSI Sector Skill Council of India (w.e.f. 21.05.2013)	Associate Company	Skill Council	49.00%
9	Receivables Exchange of India Limited (w.e.f. 25.02.2016)	Associate Company (w.e.f. 25.02.2016) Joint Venture (upto 24.02.2016)	Online Platform for financing receivables (TReDS)	50% from 25.02.2016 to 28.06.2016 and 30% w.e.f. 29.06.2016

Sr. No.	List of Key Management Personnel
1	Ms. Chitra Ramkrishna - Managing Director & CEO (upto 02-Dec-2016)
2	Mr. J. Ravichandran - CEO - Incharge (w.e.f. 02-Dec-2016)
3	Mr. Ashok Chawla (w.e.f. 28-Mar-2016)
4	Mr. Ravi Narain (w.e.f. 1-Apr-2013)
5	Mr. Abhay Havaladar (w.e.f. 13-Jun-2012)
6	Mr. Dinesh Kanabar (w.e.f. 13-Jul-2016)
7	Mr. Naved Masood (w.e.f. 13-Jul-2016)
8	Mr. T. V. Mohandas Pai (w.e.f. 13-Jul-2016)
9	Mr. Prakash Parthasarathy (w.e.f. 30-May-2012)
10	Ms. Dharmishta Raval (w.e.f. 5-Feb-2016)
11	LIC (Ms. Sunita Sharma) (w.e.f. 19-Oct-2016)
12	State Bank Of India (Ms. Anshula Kant) (w.e.f. 19-Oct-2016)
13	Mr. S. B. Mathur (Upto 28-Mar-2016)
14	LIC (Mr. S. B. Mainak) (Upto 25-Aug-2015)
15	Mr. Y. H. Malegam (Upto 28-Mar-2016)
16	Dr. K. R. S. Murthy (Upto 28-Mar-2016)
17	Dr. S. Sadagopan (Upto 28-Mar-2016)
18	Mr. Justice B. N. Srikrishna (Retd.) (upto 2-Aug-2016)
19	Mrs. Pratima M. Umarji (Upto 11-Aug-2015)

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

Nature of Transactions	(₹ in Crores)		
	31.03.2017	31.03.2016	01.04.2015
Application Development and Maintenance Services	0.52	0.53	NA
Applicable Taxes Recovered	0.08	0.07	NA
Closing balances (Credit) / Debit	0.04	1.00	1.09
Investment in Preference Share Capital	5.01	5.01	5.01
Investment in Equity Share Capital	15.04	15.04	15.04

\* Refer Note 4 (i)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**Note 32 : In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below:** (contd.)

NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited) (₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Application Development and Maintenance Services	0.49	0.62	NA
Applicable Taxes Recovered	0.08	0.09	NA
Miscellaneous Expenditure	-	0.00	NA
Dividend received	6.51	6.01	NA
Closing balances (Credit) / Debit	0.08	0.13	0.24
Investment in Equity Share Capital	35.42	35.42	35.42

National Securities Depository Limited (New) (₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Dividend received	2.50	2.50	NA
STP Charges received	-	0.00	NA
Miscellaneous expenditure	-	0.00	NA
Application Development and Maintenance Services	0.25	0.32	NA
Applicable Taxes Recovered	0.04	0.04	NA
DP Validation Charges	0.62	-	NA
Closing balances (Credit) / Debit	0.11	0.05	0.27
Investment in Equity Share Capital	58.92	61.49	61.49

NSDL Database Management Ltd (₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Infrastructure Management Services	0.06	0.07	NA
Applicable Taxes Recovered	0.01	0.01	NA
Closing balances (Credit) / Debit	0.02	0.02	0.01

BFSI Sector Skill Council of India (₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Amount paid towards Pradhan Mantri Kaushalya Vikas Yojna(PMKVY) centres	0.00	0.09	NA
Closing balances (Credit) / Debit	0.01	-	-
Investment in Equity Share Capital	1.00	1.00	1.00

Computer Age Management Services Private Limited (₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Dividend Received	26.85	21.21	NA
Sitting Fees Received	0.03	0.02	NA
Reimbursement received for expenses incurred	0.44	0.11	NA
Amount paid towards Rent	0.26	-	NA
Closing balances (Credit) / Debit	(0.26)	-	-
Investment in Equity Shares	412.13	412.13	412.13

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**Note 32 : In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below: (contd.)**

### CAMS Investor Services Private Limited

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
KRA fees received / receivable	0.16	0.13	NA
KRA fees Paid / payable	0.00	-	NA
Closing balances (Credit) / Debit	0.11	0.03	0.05

### Market Simplified India Limited (formerly known at INXS Technologies Limited)

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
License Fees paid/ payable	0.69	0.68	NA
Consultancy Charges paid for software development	1.91	1.88	NA
Investment in Equity Shares	4.51	4.51	4.51
Closing balances (Credit) / Debit	(0.05)	-	(0.06)

### Receivables Exchange Of India Limited

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Reimbursement received towards expenses incurred	0.52	0.15	NA
Income from software development charges paid	-	0.08	NA
Preliminary Expenses paid on behalf	-	0.26	NA
Reimbursement received for expenses on staff on deputation	1.84	-	NA
Subscription of Equity Shares	7.30	0.20	-
Investment in Equity Share Capital	7.50	0.20	-
Closing balance included in Other assets	2.49	0.22	-
Closing balances (Credit) / Debit	0.26	-	-

### Key Management Personnel - Ms. Chitra Ramkrishna - Managing Director & CEO (Upto 02-Dec-16)

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Short-term employee benefits	14.65	7.05	NA
Post-employment benefits #	6.75	0.82	NA
Long-term employee benefits *	1.58	1.25	NA
Total Remuneration	22.98	9.12	NA

### Key Management Personnel - Mr. J. Ravichandran - CEO - Incharge (w.e.f. 02-Dec-16)

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Short-term employee benefits	1.66	NA	NA
Post-employment benefits #	0.12	NA	NA
Long-term employee benefits *	0.19	NA	NA
Total Remuneration	1.97	NA	NA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**Note 32 : In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below:** (contd.)

Key Management Personnel				(₹ in Crores)
Nature of Transactions	31.03.2017	31.03.2016	01.04.2015	
Sitting Fees Paid to Directors	4.32	2.25	1.21	

\* includes 50% of the variable pay payable after 3 years subject to certain conditions,

# As the liabilities for define benefit plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

: 0.00 denotes amounts below the rounding off convention

All related parties transaction enter during the year were in ordinary course of business. Outstanding balances as at the year end are unsecured and settlement occurs in cash. There have been no guarantee provided or received for any related parties receivable or payables as of and for the year ended March 31, 2017, March 31, 2016 and April 1, 2017. The Group has not recorded any impairment of receivables relating to amount owned by related parties except as disclosed in Note 28.

### Note 33 : Capital and other commitments

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided	50.71	95.35	38.83
Network infrastructure charges	38.00	3.79	10.86
Other commitments (Primarily in respect of operating expenses and Investor education expenses)	66.90	30.95	12.86

### Note 34 : Contingent liabilities:

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
a) Claims against the Group not acknowledged as debts	21.36	11.79	12.39

b) In a complaint filed by a competitor against the Parent Company, the Competition Commission of India directed the Parent Company to pay a penalty. The Parent Company had appealed against the order before the Hon'ble Competition Appellate Tribunal (COMPAT) which rejected the appeal. The Parent Company has appealed against the said order and stay has been granted by the Hon'ble Supreme Court of India. In respect of the same subject matter, a compensation claim has been filed against the Parent Company before the COMPAT by the competitor and the same is being disputed by the Parent Company. Based on the legal advice, the Parent Company is of the view that there are strong grounds that the Hon'ble Supreme Court of India will over turn the decision of the COMPAT. In view of the same no provision has been made in respect of penalty and compensation claimed.

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Penalty amount	55.50	55.50	55.50
Compensation claimed	856.99	856.99	856.99

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 34 : Contingent liabilities: (contd.)

- c) A suit has been filed, jointly and severally against the Parent Company and its subsidiary National Securities Clearing Corporation Limited for damages / compensation along with interest thereon and has been disputed by the Parent Company. As per the legal opinion received, the possibility of the claim being awarded against the Parent Company is remote. In view of the same no provision has been made in respect of compensation claimed.

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Damages / compensation claimed	152.57	152.57	152.57

- d) On account of disputed demand of:

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Income tax matters	51.45	47.30	59.66
Fringe Benefit Tax matters	2.22	2.22	2.22
Wealth tax matters	0.09	1.94	1.94
Services tax matters	40.13	47.75	47.75
Securities Transaction Tax matters (Refer note 7)	6.76	5.21	5.21
Sales Tax / VAT	0.13	6.43	0.38

- e) Bank guarantees

Particulars	31.03.2017	31.03.2016	01.04.2015
Bank guarantees	1.53	5.11	4.49

### Note 35 : Details under the MSMED Act, 2006 for dues to micro and small, medium enterprises

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Outstanding	0.07	0.11	0.06

Total outstanding dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Group.

### Note 36 : Lease

The Group has taken land on finance lease. The following is the summary of future minimum lease rental payment under finance lease arrangement entered into by the Group.

(₹ in Crores)

Lease obligations	31.03.2017	31.03.2016	01.04.2015
	Minimum lease payments	Minimum lease payments	Minimum lease payments
- Not later than one year	0.93	0.93	0.93
- Later than one year and not later than five years	6.71	5.80	4.90
- Later than five years	130.26	132.10	133.93
<b>Total minimum lease commitments</b>	<b>137.90</b>	<b>138.83</b>	<b>139.76</b>
Less: future finance charges	127.78	129.33	130.80
<b>Present value of minimum lease premium</b>	<b>10.12</b>	<b>9.50</b>	<b>8.96</b>
Other financial liabilities - current	0.93	0.93	0.93
Other financial liabilities - non current	9.19	8.57	8.03

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 36 : Lease (contd.)

(₹ in Crores)

Lease obligations	31.03.2017	31.03.2016	01.04.2015
	Present value of minimum lease payments	Present value of minimum lease payments	Present value of minimum lease payments
- Not later than one year	0.93	0.93	0.93
- Later than one year and not later than five years	3.72	3.17	2.70
- Later than five years	5.47	5.40	5.33
Total minimum lease commitments	10.12	9.50	8.96

The lease has escalation clause and there is no right to renew or purchase option.

The Group has taken certain premises and vehicles on operating lease. The following is the summary of future minimum lease rental payment under operating lease arrangement entered into by the Group.

(₹ in Crores)

Lease obligations	31.03.2017	31.03.2016	01.04.2015
	Minimum lease payments	Minimum lease payments	Minimum lease payments
- Not later than one year	9.56	9.22	9.41
- Later than one year and not later than five years	8.60	12.04	15.44
- Later than five years	-	-	-
Total minimum lease commitments	18.16	21.26	24.85

### Note 37 :

- a) On June 20, 2012, Securities Exchange Board of India ("SEBI") notified Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ("the Regulations") to regulate recognition, ownership and governance in stock exchanges and clearing corporations in India. In accordance with Regulation 33 of the Regulations, every recognized stock exchange was required to transfer twenty five percent (25%) of its annual profits every year to a Settlement Guarantee Fund ("SGF") of the recognized clearing corporation(s) which clears and settles trades executed on that stock exchange to guarantee settlement of trades. Subsequently, SEBI in its press release No.66/2012 dated June 21, 2012 made an announcement about expert committee being formed to inter-alia look into the norms for adequacy of the core corpus of the SGF and its sourcing, including transfer of profits by stock exchanges to SGF in the long run. As a matter of prudence, the Parent company had recorded the provisional appropriation from reserves at 25% of its annual profit after tax in its financial statements

On August 27, 2014, SEBI vide its circular no. CIR/MRD/DRMNP/25/2014 issued norms relating to Core Settlement Guarantee Fund ("Core SGF") and contribution requirements by recognised stock exchange to Core SGF maintained by clearing corporations. As per the circular, stock exchange contribution to Core SGF shall be at least 25% of the Minimum Required Contribution ("MRC") determined by clearing corporation. The contribution towards Core SGF is eligible to be adjusted against twenty five percent transfer of profits by stock exchange under the Regulations. Accordingly, the Parent company had recorded provisional appropriation from reserves in its Previous GAAP financial statements from the year beginning April 1, 2012 through March 31, 2015 amounting to ₹527.19 Crores (net of ₹170 Crores for contribution to MRC of Core SGF for the year ended March 31, 2015). (Refer also note b below)

On May 4, 2016, SEBI in its circular no. SEBI/HO/MRD/DRMNP/CIR/2016/54 notified that the provisions made by stock exchange towards the transfer of profits to SGF until March 31, 2015 shall be transferred to the Core SGF maintained by the clearing corporation within one month of the date of issuance of the notification. Further, as per the circular, SEBI will notify the amounts to be transferred by the stock exchange to the Core SGF maintained by the clearing corporation in respect of the period from April 01, 2015 till the date of amendment of the

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 37 : (contd.)

Regulations by SEBI. Accordingly, the provisional appropriations made out of reserve aggregating to ₹527.19 crores disclosed as provision in the Consolidated Balance Sheet of the Parent company as on March 31, 2015 was reversed and an expense of ₹527.19 was recorded in the Consolidated Statement of Profit and Loss for the year ended March 31, 2016. During the year ended March 31, 2016, the Parent company had also recorded an expense of ₹163.33 crores (net of ₹71 crores for contribution to MRC of Core SGF for the year ended March 31, 2016) in its Consolidated Statement of Profit and Loss and under Core Settlement Guarantee Fund of ₹666.41 crores in its consolidated balance sheet as of March 31, 2016.

Effective August 29, 2016, SEBI has amended Regulation 33 of SECC Regulations, 2012 and the Parent company is now required to contribute only towards the MRC of Core SGF. Accordingly, during the year ended March 31, 2017, the Parent company has recorded an expense of ₹121.07 crores (pro-rata based on profits till the date of amendment of the Regulation) (net of ₹13 crores for contribution to MRC of Core SGF for the year ended March 31, 2017) in its Consolidated Statement of Profit and Loss and disclosed ₹284.39 crores as the amount payable to Core SGF as Core settlement Guarantee Fund in its Consolidated Balance Sheet as of March 31, 2017.

#### Details of amount payable to Core SGF by NSE and NSCCL:

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Amount payable by NSE ( 25% of annual profits)	284.39	666.41	-
Fines & penalties collected from members by NSCCL	6.19	19.40	19.68
<b>Sub Total (A)</b>	<b>290.58</b>	<b>685.81</b>	<b>19.68</b>
Provision by NSE towards contribution to Core SGF (25% of annual profits) ( Refer Note 18)	-	-	527.19
Less : Reversal of Provisional appropriation towards contribution to SGF	-	-	(24.10)
<b>Sub Total (B)</b>	<b>-</b>	<b>-</b>	<b>503.09</b>

- b) In case of a subsidiary namely National Securities Clearing Corporation Limited, during the year ended March 31, 2014, dues amounting to ₹83.47 Crores of defaulter member, after netting off available deposits and collaterals in the form of securities available with the company have been partly appropriated from Fines and Penalties amounting to ₹59.37 Crores and the balance amount of ₹24.1 Crores from the contribution provisionally receivable from Parent Company towards Settlement Guarantee Fund under the Securities Contracts (Regulations) (SECC) Regulations, 2012. This above amount was adjusted against contribution payable to Settlement Guarantee Fund amounts to ₹24.10 Crores as of March 31, 2015.

During the year ended March 31, 2017, such dues amounting to ₹24.10 crores pertaining to this defaulter member, after netting off available deposits and collaterals in the form of securities available with the subsidiary company have been written off as bad debts."

- c) Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, interlia, has issued norms related to the computation and contribution to the Core Settlement Guarantee Fund by the Clearing Corporation (minimum 50%), Stock Exchange (minimum 25%) and members (maximum 25%), transfer fines and penalties collected by NSCCL to Core SGF and Income from investment made from the amount pertaining to the fund to be credited to the fund. Further SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05,2016 advised Stock Exchange to transfer 25% of its annual profits to Core SGF,

#### Details of Core SGF as on March 31, 2017 are as follows :

(₹ in Crores)

Details of MRC of Core SGF	Capital Markets	Futures & Options	Currency Derivatives	Debt	Total
NSCCL own contribution	74.00	401.00	47.00	3.00	525.00
Contribution by NSE on behalf of Member	37.00	200.00	23.00	-	260.00
Contribution by NSE	37.00	201.00	24.00	1.00	263.00
<b>Total</b>	<b>148.00</b>	<b>802.00</b>	<b>94.00</b>	<b>4.00</b>	<b>1,048.00</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 37 : (contd.)

Details of the cash contributions and investment of Core SGF are as follows :

(₹ in Crores)

Contribution to Corpus of Core SGF	Capital Markets	Futures & Options	Currency Derivatives	Debt	Other	Total
NSCCL own contribution	74.00	401.00	47.00	3.00	-	525.00
Contribution by NSE on behalf of Member	37.00	200.00	23.00	-	-	260.00
Contribution by NSE	37.00	201.00	24.00	1.00	258.20	521.20
Total (a+b+c+d)	148.00	802.00	94.00	4.00	258.20	1,306.20
Fines and Penalties#	27.61	157.43	14.19	-	-	199.23
Income on Investments#	26.54	123.91	15.54	0.44	13.09	179.52
<b>Grand Total (1+2+3)</b>	<b>202.15</b>	<b>1,083.34</b>	<b>123.73</b>	<b>4.44</b>	<b>271.29</b>	<b>1,684.95</b>

(₹ in Crores)

Details of Investment	Capital Markets	Futures & Options	Currency Derivatives	Debt	Other	Total
Mutual Funds	-	-	-	-	-	-
Fixed Deposit with Banks	167.42	1,007.67	109.44	2.88	254.13	1,541.54
Flexi Fixed Deposits	26.37	31.19	9.33	-	3.07	69.96
Balance in Bank Accounts	-	-	0.79	1.44	1.26	3.49
Accrued interest	8.36	44.48	4.17	0.12	12.83	69.96
<b>Grand Total (1+2+3+4+5)</b>	<b>202.15</b>	<b>1,083.34</b>	<b>123.73</b>	<b>4.44</b>	<b>271.29</b>	<b>1,684.95</b>

Details of Core SGF as on March 31, 2016 are as follows :

(₹ in Crores)

Details of MRC of Core SGF	Capital Markets	Futures & Options	Currency Derivatives	Debt	Total
NSCCL own contribution	73.42	357.27	46.76	3.00	480.45
Contribution by NSCCL on behalf of Member	0.55	13.60	2.25	-	16.40
Member Deposits	13.27	28.54	5.22	-	47.03
Member Cash Equivalents ( Collaterals)	22.88	136.49	15.90	-	175.27
Contribution by NSE	37.00	179.00	24.00	1.00	241.00
<b>Total</b>	<b>147.12</b>	<b>714.90</b>	<b>94.13</b>	<b>4.00</b>	<b>960.15</b>

Details of the Cash contributions and investment of the same are as follows :

(₹ in Crores)

Contribution to Corpus of Core SGF	Capital Markets	Futures & Options	Currency Derivatives	Debt	Total
NSCCL own contribution	74.81	361.46	48.62	3.00	487.89
Contribution by NSCCL on behalf of Member	0.54	13.63	2.25	-	16.42
Member Deposits	13.27	28.54	5.22	-	47.03
Contribution by NSE	37.00	179.00	24.00	1.00	241.00
<b>Total (a+b+c+d)</b>	<b>125.62</b>	<b>582.63</b>	<b>80.09</b>	<b>4.00</b>	<b>792.34</b>
Fines and Penalties#	19.38	100.98	11.70	-	132.06
Income on Investments#	13.28	52.44	6.96	0.22	72.90
<b>Grand Total (1+2+3)</b>	<b>158.28</b>	<b>736.05</b>	<b>98.75</b>	<b>4.22</b>	<b>997.30</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**Note 37 :** (contd.)

(₹ in Crores)

Details of Investment	Capital Markets	Futures & Options	Currency Derivatives	Debt	Total
Mutual Funds	101.83	504.05	61.45	2.93	670.26
Fixed Deposit with Banks	33.60	199.98	26.47	-	260.05
Flexi Fixed Deposits	22.39	21.72	8.80	-	52.91
Balance in Bank Accounts	0.02	0.85	1.92	1.29	4.08
Accrued interest	0.44	9.45	0.11	-	10.00
<b>Grand Total (1+2+3+4+5)</b>	<b>158.28</b>	<b>736.05</b>	<b>98.75</b>	<b>4.22</b>	<b>997.30</b>

Details of Core SGF a on March 31, 2015 are as follows :

(₹ in Crores)

Details of MRC of Core SGF	Capital Markets	Futures & Options	Currency Derivatives	Debt	Total
NSCCL own contribution	62.81	239.46	39.62	3.00	344.89
Contribution by NSCCL on behalf of Member	19.19	77.54	16.38	-	113.11
Member Deposits	4.83	10.79	0.94	-	16.56
Member Cash Equivalents ( Collaterals)	7.01	31.01	2.08	-	40.10
Contribution by NSE	31.00	119.00	19.00	1.00	170.00
<b>Total</b>	<b>124.84</b>	<b>477.80</b>	<b>78.02</b>	<b>4.00</b>	<b>684.66</b>

Details of the Cash contributions and investment of the same are as follows :

(₹ in Crores)

Contribution to Corpus of Core SGF	Capital Markets	Futures & Options	Currency Derivatives	Debt	Total
NSCCL own contribution	62.81	239.46	39.62	3.00	344.89
Contribution by NSCCL on behalf of Member	19.19	77.54	16.38	-	113.11
Member Deposits	4.83	10.79	0.94	-	16.56
Contribution by NSE	31.00	119.00	19.00	1.00	170.00
<b>Total (a+b+c+d)</b>	<b>117.83</b>	<b>446.79</b>	<b>75.94</b>	<b>4.00</b>	<b>644.56</b>
Fines and Penalties*#	1.07	14.66	0.57	-	16.29
Income on Investments*#	3.41	9.40	1.75	0.05	14.61
<b>Grand Total (1+2+3)</b>	<b>122.31</b>	<b>470.85</b>	<b>78.26</b>	<b>4.05</b>	<b>675.47</b>

(₹ in Crores)

Details of Investment	Capital Markets	Futures & Options	Currency Derivatives	Debt	Total
Mutual Funds	76.14	320.07	53.75	2.75	452.71
Fixed Deposit with Banks	25.00	130.00	15.00	-	170.00
Flexi Fixed Deposits	18.67	18.91	7.12	-	44.70
Balance in Bank Accounts	1.84	1.20	2.17	1.30	6.51
Accrued interest	0.66	0.67	0.22	-	1.54
<b>Grand Total (1+2+3+4+5)</b>	<b>122.31</b>	<b>470.85</b>	<b>78.26</b>	<b>4.05</b>	<b>675.47</b>

\* Net of applicable corporate tax ₹9.38 Crores, on cash basis.

# Fines and penalties collected from members and income on investments related to Core Settlement Guarantee Fund are directly credited to Core Settlement Guarantee Fund balances in the Consolidated Balance Sheet.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 38 :

As explained above, NSE contributes to the Settlement Guarantee Fund / Core Settlement Guarantee Fund ("Core SGF") established and maintained by its clearing corporation subsidiary – National Securities Clearing Corporation Limited (NSCCL) in accordance with the Regulation 33 of the Securities Contracts (Regulations) (SECC) Regulations, 2012 and as per the circulars issued by SEBI thereunder ("SEBI Regulations"). As per the SEBI Regulations, NSE was required to transfer 25% of its annual profits every year to a fund maintained by the NSCCL. Further, as per SEBI Circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014 and Circular SEBI/HO/MRD/DRNP/CIR/2016/54 dated May 04, 2016, NSE and NSCCL are also required to contribute to the Minimum Required Corpus ("MRC") of the Core SGF maintained by the NSCCL.

The contribution to the Core SGF being regulatory in nature and has restricted use and purpose. Accordingly, as a matter of accounting prudence and consistent with the accounting policy followed while preparing the financial statements in the earlier years under Previous GAAP, the contributions made by NSE to the Core SGF is treated as an item of expenditure and hence has been charged to the Consolidated Statement of Profit and Loss in both the standalone and the consolidated financial statements of the NSE Group. Further, the contributions made by the NSCCL to the MRC of the Core SGF, being a Fund within the same legal entity, is recorded as appropriation from its reserves both in the standalone financial statements of NSCCL and the consolidated financial statements of the NSE Group.

On adoption of Ind AS, an alternative view and approach to the above in these Consolidated Financial Statements of NSE Group could be to record the contribution to the Core SGF made by NSE as an appropriation from reserves, instead of charging as an expense in the consolidated statement of profit and loss of the NSE Group. This is considering that NSE, NSCCL and the Core SGF are part of NSE Group thereby eliminating intra-group transactions. NSE is in the process of seeking necessary clarification in this regard.

However, as mentioned above since the contribution to Core SGF is regulatory requirement having restricted use and purpose and as a matter of accounting prudence and consistent with the accounting policy followed while preparing the financial statements in the earlier years under previous GAAP, the Group has decided to continue to treat the contribution to the Core SGF by NSE as an item of expenditure in these consolidated financial statements.

Had the alternative view discussed above been followed, the impact of such adjustments on the consolidated financial information as reported would be as follows:

Particulars	(₹ in Crores)	
	March 31, 2017	March 31, 2016
Reduction in expense - Contribution to Core SGF and increase in Profit before tax	134.07	761.52
Increase in income tax expense – Deferred tax liability	(46.40)	(263.55)
Increase in Profit after tax and Total Comprehensive Income	87.67	497.97
Reported Profit before tax	1,774.64	967.92
Adjusted Profit before tax	1,908.71	1,729.44
Reported Profit after tax	1,218.82	630.81
Adjusted Profit after tax	1,306.49	1,128.78
Reported Total Comprehensive Income	1,192.47	640.98
Adjusted Total Comprehensive Income	1,280.14	1,138.95
Reported Earnings Per Share (₹)	24.62	12.74
Adjusted Earnings Per Share (₹)	26.39	22.80

The contributions paid and payable to the Core SGF have been accumulated and disclosed as Core Settlement Guarantee Fund separately from Group's equity and liabilities in the Group's Consolidated financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 39 : Interests in other entities

#### (a) Subsidiaries

The Group's subsidiaries are set out below. Share capital consisting solely of equity shares that are held directly by the Group including preference shares held in NSE Strategic Investment Corporation Limited, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of Entity	With effect from	Place of business / country of incorporation	Ownership interest held by the Group			Principal activities
			March 31, 2017	March 31, 2016	April 01, 2015	
National Securities Clearing Corporation Limited	31-Aug-95	India	100.00	100.00	100.00	Clearing and Settlement
NSE Strategic Investment Corporation Limited	31-Jan-13	India	100.00	100.00	100.00	Investment entity
NSE. IT Limited	29-Oct-99	India	100.00	100.00	100.00	IT services
NSE. IT (US) Inc.	04-Dec-06	United States of America	100.00	100.00	100.00	IT services
India Index Services & Products Limited	02-Aug-06	India	100.00	100.00	100.00	Index services
DotEx International Limited	02-Jun-00	India	100.00	100.00	100.00	Data vending
NSE Infotech Services Limited	02-Aug-06	India	100.00	100.00	100.00	IT services
NSE IFSC Limited	29-Nov-16	India	100.00	-	-	Trading Platform
NSE IFSC Clearing Corporation Limited	02-Dec-16	India	100.00	-	-	Clearing and Settlement
NSE Academy Limited (Formerly known as NSE Education Facilities Limited)	12-Mar-16	India	100.00	100.00	-	Financial literacy programmes

#### (b) Interests in associates and joint ventures

- i. Set out below are the associates and joint ventures of the Group. The entities listed below have share capital consisting solely of equity shares, which are held directly or indirectly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of Entity	Place of business/ country of incorporation	Relationship	Proportion of Interest (%)			Accounting method	Carrying Value			Share of Profit from Associates	
			March 31, 2017	March 31, 2016	April 01, 2015		March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016
National Securities Depository Limited (new)	India	Associate	24.00 (25.05% upto February 23, 2017)	25.05	25.05	Equity method	116.97	103.24	81.77	24.94	24.40
Power Exchange India Limited	India	Associate	30.95	30.95	30.95	Equity method	-	-	-	-	-
NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited)	India	Associate	25.05	25.05	25.05	Equity method	166.92	144.57	129.16	30.52	22.61

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 39 : Interests in other entities (contd.)

Name of Entity	Place of business/ country of incorporation	Relationship	Proportion of Interest (%)			Accounting method	Carrying Value			Share of Profit from Associates	
			March 31, 2017	March 31, 2016	April 01, 2015		March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016
Market Simplified India Limited (Formerly known as INXS Technologies Limited) **	India	Joint Venture	30.00	30.00	30.00	Equity method	2.93	7.20	6.96	-	0.24
Computer Age Management Services Private Limited ^	India	Associate	44.99	44.99	44.99	Equity method	475.98	452.28	434.09	57.18	43.90
BFSI Skill Sector Council of India *	India	Associate	49.00	49.00	49.00	NA	1.00	1.00	1.00	-	-
Receivables Exchange of India Limited	India	Associate	30.00	-	-	Equity method	6.53	-	-	(0.97)	-
<b>Total equity accounted investments</b>							<b>770.33</b>	<b>708.29</b>	<b>652.98</b>	<b>111.67</b>	<b>91.15</b>

\* BFSI Sector Skill Council of India, an associate company incorporated under section 8 of Companies Act, 2013, and has been set up with the aim of enhancing skill development across the BFSI sector leading to greater efficiency, productivity and sustained growth wherein the profits will be applied for promoting its objects.

^ The Securities Exchange Board of India (SEBI) in its inspection report, had observed that the Company through its Subsidiary Company, NSE Strategic Investment Corporation Ltd had acquired 44.99% equity stake in Computer Age Management Services Private Limited (CAMS) without prior permission of the SEBI. While the Company has suitably replied to the SEBI's observation, the same is under consideration by SEBI.

\*\* During the year, the Group has provided for impairment amounting to ₹4.27 crores in respect of Market Simplified India Limited, since the joint venture company has continuously defaulted in statutory payments. The impairment has been debited to the consolidated statement of Profit and Loss.

The aggregate amount of impairment in the value of investments with associates and joint venture are ₹10.28 crores as on March 31, 2017 (March 31, 2016 : nil, April 1, 2015 : nil)

#### ii. Summarised financial information for associates and joint ventures

Amongst the associates and joint venture, the table below summarises financial information in respect of one of its significant associate. The information disclosed reflects the amount presented in the financial statements of this associate and not NSIEL's shares of those amounts. Such information has been amended to reflect the adjustments made by the Parent company when using the equity method, including Ind AS adjustments and modifications for differences in accounting policies.

#### Summarised statement of net assets\*

(₹ in Crores)

Summarised balances	Computer Age Management Services Private Limited		
	March 31, 2017	March 31, 2016	April 01, 2015
Total Current assets	218.56	235.04	185.76
Total Non current assets	301.29	211.49	211.02
Total Current liabilities	42.56	42.75	34.04
Total Non current liabilities	53.24	32.99	32.46
<b>Net assets</b>	<b>424.05</b>	<b>370.79</b>	<b>330.28</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 39 : Interests in other entities (contd.)

#### Summarised statement of profit and loss\*

(₹ in Crores)

Summarised balances	Computer Age Management Services Private Limited	
	March 31, 2017	March 31, 2016
Revenue	499.54	411.95
Total comprehensive income for the year	125.10	97.01
Dividend received	26.85	21.21

#### Reconciliation of Net Equity in Associates\*

(₹ in Crores)

Summarised balances	Computer Age Management Services Private Limited		
	March 31, 2017	March 31, 2016	April 01, 2015
Opening Balance of Investments	452.28	434.09	418.46
Cost of Purchase of Investments	-	-	-
Add : Share of Total Comprehensive Income for the year (including other comprehensive income)	56.02	43.64	39.32
Less : Dividend received	(26.85)	(21.21)	(20.25)
Add : Tax Effect on above	(5.47)	(4.24)	(3.44)
Closing Balance of Investments	475.98	452.28	434.09

\* Figures are unaudited and are taken as certified by management.

### Note 40 : FINANCIAL RISK MANAGEMENT

The Group's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Group's senior management has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has constituted a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Risk Management Committee of the Group is supported by the Treasury department that provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Treasury department activities are designed to:

- protect the Group's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Group's financial investments, while maximising returns.

The Treasury department is responsible to maximise the return on companies internally generated funds."

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 40 : FINANCIAL RISK MANAGEMENT (contd.)

#### A MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the Group's credit rating and impair investor confidence.

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

(₹ in Crores)

Particulars	Notes	Carrying amount	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2017</b>					
Trade payables	14, 16	142.36	142.36		142.36
Deposits	16, 24	1,808.52	1,808.52		1,808.52
Obligations under finance lease	15, 16	0.93	0.93	9.19	10.12
Other liabilities	16	7,616.37	7,616.37		7,616.37
<b>As at March 31, 2016</b>					
Trade payables	14, 16	87.15	87.15		87.15
Deposits	16, 24	1,680.88	1,680.88		1,680.88
Obligations under finance lease	15, 16	0.93	0.93	8.57	9.50
Other liabilities	16	2,838.53	2,838.53		2,838.53
<b>As at April 01, 2015</b>					
Trade payables	14, 16	70.04	70.04		70.04
Deposits	16, 24	1,696.58	1,696.58		1,696.58
Obligations under finance lease	15, 16	0.93	0.93	8.03	8.96
Other liabilities	16	2,254.91	2,254.91		2,254.91

#### B MANAGEMENT OF MARKET RISK

The Group's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- price risk; and
- interest rate risk

The above risks may affect the Group's income or the value of its financial instruments. The objective of the Group's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Group's exposure to, and management of, these risks is explained below.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 40 : FINANCIAL RISK MANAGEMENT (contd.)

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
<p><b>1. PRICE RISK</b></p> <p>The Group is mainly exposed to the price risk due to its investment in mutual funds, exchange traded funds and investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments.</p> <p>At 31st March 2017, the exposure to price risk due to investment in mutual funds amounted to ₹2878.11 crores (March 31, 2016: ₹2357.74 crores, and April 01, 2015 : ₹1790.17 crores).</p> <p>At 31st March 2017, the exposure to price risk due to investment in exchange traded fund amounted to ₹234.97 crores (March 31, 2016: ₹381.73 crores, and April 01, 2015 : ₹81.13 crores,).</p> <p>At 31st March 2017, the exposure to price risk due to investment in equity instruments amounted to ₹129.60 crores (March 31, 2016: ₹161.28 crores, and April 01, 2015 : ₹139.71 crores).</p>	<p>In order to manage its price risk arising from investments in mutual funds, exchange traded funds and investments in equity instruments. The Group diversifies its portfolio in accordance with the limits set by the risk management policies.</p> <p>The Treasury department maintains a list of approved financial instruments. The use of any new investment must be approved by the Chief Financial Officer.</p>	<p>As an estimation of the approximate impact of price risk, with respect to mutual funds, exchange traded funds and investments in equity instruments. The Group has calculated the impact as follows.</p> <p>For mutual funds, a 0.25% increase in prices would have led to approximately ₹7.20 crores gain in the Statement of Profit and Loss (2015-16: ₹5.89 crores and 2014-15: ₹4.48 crores). A 0.25% decrease in prices would have led to an equal but opposite effect.</p> <p>For exchange traded fund, a 10% increase in prices would have led to approximately ₹23.50 crores gain in the Statement of Profit and Loss (2015-16: ₹38.17 crores and 2014-15: ₹8.11 crores). A 10% decrease in prices would have led to an equal but opposite effect.</p> <p>For equity instruments, a 10% increase in prices would have led to approximately ₹12.96 crores gain in the other comprehensive income (2015-16: ₹16.13 crores and 2014-15: ₹13.97 crores). A 10% decrease in prices would have led to an equal but opposite effect.</p>
<p><b>2. INTEREST RATE RISK</b></p> <p>The Group is mainly exposed to the interest rate risk due to its investment in government securities measured at FVOCI. The interest rate risk arises due to uncertainties about the future market interest rate of these investments.</p> <p>As at 31st March, 2017, the exposure to interest rate risk due to investment in government securities amounted to ₹296.01 crores (March 31, 2016: ₹1,267.12 crores, and March 31, 2015: ₹647.56 crores).</p>	<p>In order to manage its interest rate risk arising from investments in treasury bills and government securities, the Group diversifies its portfolio in accordance with the limits set by the risk management policies.</p> <p>The Treasury department maintains a list of approved financial instruments. The use of any new investment must be approved by the Chief Financial Officer.</p>	<p>As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Group has calculated the impact of a 0.25% change in interest rates.</p> <p>A 0.25% increase in interest rates would have led to approximately ₹5.46 crores loss in Other Comprehensive Income (2015-16: ₹22.62 crores gain, and 2014-15 : ₹12.87 crores) . A 0.25% decrease in interest rates would have led to an equal but opposite effect.</p>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 40 : FINANCIAL RISK MANAGEMENT (contd.)

#### C MANAGEMENT OF CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations.

##### Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse and also on account of member's deposits kept by the Group as collateral which can be utilised in case of member default. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low. Accordingly, our provision for expected credit loss on trade receivables is not material.

##### Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in commercial papers, government securities, investments in mutual funds and exchange traded funds. The Group has diversified portfolio of investment with various number of counter-parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Group's Treasury department.

The Group's maximum exposure to credit risk as at March 31, 2017, March 31, 2016, and April 01, 2015 is the carrying value of each class of financial assets as disclosed in note 4, 5, 6, 9, 10, 11 and 12.

#### D CAPITAL MANAGEMENT

The Group considers the following components of its Balance Sheet to be managed capital:

Total equity as shown in the balance sheet includes retained profit, other reserves, share capital, share premium.

The Group aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The management monitors the return on capital as well as the level of dividends to shareholders. The Group's goal is to continue to be able to provide return by the Group to shareholders by continuing to distribute dividends in future periods.

Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (regulation) (stock exchanges and clearing corporations) Regulations, 2012, NSE shall have a minimum networth of ₹100 crore at all times.

Capital requirement of NSCCL is regulated by Securities And Exchange Board of India (SEBI). As per SEBI notification dated April 02, 2012 Clearing corporation shall be mandated to build up to the prescribed net worth of ₹300 crores over a period of three years from the date of notification.

Capital requirement of NSE IFSC Limited is regulated by Securities And Exchange Board of India (SEBI). As per SEBI (International Financial Services Centres) Guidelines, 2015, every permitted stock exchange shall have a minimum networth equivalent of ₹25 crores initially and it shall enhance its networth to a minimum equivalent of ₹100 crores over the period of three years from the date of approval.

Capital requirement of NSE IFSC Clearing Corporation Limited is regulated by Securities And Exchange Board of India (SEBI). As per SEBI (International Financial Services Centres) Guidelines, 2015, every permitted clearing corporation shall have a minimum networth equivalent of ₹50 crores initially and it shall enhance its networth to a minimum equivalent of ₹300 crores over the period of three years from the date of approval.

The Parent Company and its subsidiary NSCCL are in compliance with the above networth requirement as of March 31, 2017, March 31, 2016 and April 01, 2015. The Networth of NSE IFSC Limited and NSE IFSC Clearing Corporation Limited is below the prescribed limit as at March 31, 2017, in respect of which the Group has subsequently invested additional amount of ₹10 crores each in these two subsidiaries.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 40 : Fair Value Measurements

#### Financial Instruments by category

(₹ in Crores)

Particulars	31-03-2017			31-03-2016			01-04-2015		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>									
Investments									
Equity Instruments	-	128.68	-	-	161.28	-	-	139.71	-
Preference Shares	-	-	-	5.01	-	-	5.01	-	-
Debentures	-	-	1,236.45	-	-	1,474.32	-	-	1,350.26
Taxable Bonds	-	-	118.04	-	-	181.56	-	-	194.98
Taxfree Bonds	-	-	922.07	-	-	567.06	-	-	118.21
Commercial Paper	-	-	-	-	-	-	-	-	395.84
Fixed Deposits	-	-	3,131.82	-	-	2,278.23	-	-	3,085.24
Government Securities	-	296.01	-	-	1,267.12	-	-	647.56	-
Mutual Funds	2,878.11	-	-	2,357.74	-	-	1,790.18	-	-
Exchange Traded Funds	234.97	-	-	381.73	-	-	81.13	-	-
Trade receivables	-	-	314.29	-	-	278.51	-	-	228.70
Cash and Cash equivalents	-	-	1,028.54	-	-	97.11	-	-	59.61
Balance held for the purpose of meeting short term cash commitments	-	-	6,882.29	-	-	2,774.44	-	-	2,131.82
Restricted Balances with banks : in current accounts	-	-	323.88	-	-	4.08	-	-	6.51
Restricted Balances with banks : in flexi fixed deposits	-	-	69.97	-	-	52.91	-	-	44.70
Balance in Escrow Account	-	-	6.42	-	-	2.33	-	-	1.82
Unbilled revenue	-	-	10.92	-	-	2.65	-	-	7.79
Receivable from member towards contribution Core Settlement Guarantee Fund	-	-	-	-	-	16.42	-	-	113.11
Settlement obligation receivable from member	-	-	-	-	-	6.19	-	-	48.28
Security deposits	-	-	7.70	-	-	6.47	-	-	6.40
Other receivables	-	-	31.01	-	-	8.29	-	-	11.42
<b>Total financial assets</b>	<b>3,113.08</b>	<b>424.69</b>	<b>14,083.40</b>	<b>2,744.48</b>	<b>1,428.40</b>	<b>7,750.57</b>	<b>1,876.32</b>	<b>787.27</b>	<b>7,804.69</b>
<b>Financial liabilities</b>									
Trade payables	-	-	142.36	-	-	87.15	-	-	70.04
Deposits	-	-	1,808.52	-	-	1,680.88	-	-	1,696.58
Obligations under finance lease	-	-	10.12	-	-	9.50	-	-	8.96
Other liabilities	-	-	7,616.37	-	-	2,838.53	-	-	2,254.91
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>9,577.37</b>	<b>-</b>	<b>-</b>	<b>4,616.06</b>	<b>-</b>	<b>-</b>	<b>4,030.49</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 40 : Fair Value Measurements (contd.)

#### (i) Fair Value hierarchy and valuation technique used to determine fair value :

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in these consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three level prescribed under the accounting standard. An explanation of each level follows below the table.

#### Financial Assets measured at Fair Value - recurring fair Value measurements at 31.03.2017

(₹ in Crores)

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investments at FVPL</b>					
Mutual Fund	4 & 9	2,460.95	417.16	-	2,878.11
Exchange Traded Funds	4	234.97	-	-	234.97
<b>Financial Investments at FVOCI</b>					
Debt Instrument at FVOCI - Government Securities	4	-	296.01	-	296.01
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd. (NCDEX)	4	-	-	128.00	128.00
Quoted Equity Investments - MCX Limited	4	0.68	-	-	0.68
<b>Total Financial Assets</b>		<b>2,696.60</b>	<b>713.17</b>	<b>128.00</b>	<b>3,537.77</b>

#### Financial Assets measured at Fair Value - recurring fair Value measurements At 31.03.2016

(₹ in Crores)

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investments at FVPL</b>					
Mutual Fund	4 & 9	2,357.74	-	-	2,357.74
Exchange Traded Funds	4	381.73	-	-	381.73
Preference Shares	4	-	5.01	-	5.01
<b>Financial Investments at FVOCI</b>					
Debt Instrument at FVOCI - Government Securities	4	-	1,267.12	-	1,267.12
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd.	4	-	159.86	-	159.86
Unquoted Equity Investments - Goods And Service Tax Network	4	-	1.00	-	1.00
Quoted Equity Investments - MCX Limited	4	0.42	-	-	0.42
<b>Total Financial Assets</b>		<b>2,739.89</b>	<b>1,432.99</b>	<b>-</b>	<b>4,172.88</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 40 : Fair Value Measurements (contd.)

Financial Assets measured at Fair Value - recurring fair Value measurements At 01.04.2015					(₹ in Crores)
Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investments at FVPL</b>					
Mutual Fund	4 & 9	1,790.18	-	-	1,790.18
Exchange Traded Funds	4	81.13	-	-	81.13
Preference Shares	4	-	5.01	-	5.01
<b>Financial Investments at FVOCI</b>					
Debt Instrument at FVOCI - Government Securities	4	-	647.56	-	647.56
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd.	4	-	138.15	-	138.15
Unquoted Equity Investments - Goods And Service Tax Network	4	-	1.00	-	1.00
Quoted Equity Investments - MCX Limited	4	0.56	-	-	0.56
<b>Total Financial Assets</b>		<b>1,871.87</b>	<b>791.72</b>	<b>-</b>	<b>2,663.60</b>

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

#### - Level 1:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

#### - Level 2:

If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of financial instruments that are not traded in an active market (for example, government securities) is determined using FIMMDA valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Mutual fund - fixed maturity plan though listed, however since there is low trading activity, they have been classified within level - 2 hierarchy. The fair value of investments in unlisted equity shares of NCDEX has been classified within Level 2 of the fair value hierarchy as at March 31, 2016 and April 01, 2015. Such valuation of Level 2 instrument can be verified to recent trading activity for identical or similar instruments, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. Consideration is given to the nature of the quotations (e.g., indicative or firm) and the relationship of recent market activity to the prices provided from alternative pricing sources. The Management has considered Price to Book (P/B) multiple under the Market Approach to arrive at the fair value of investment in NCDEX at the above reporting dates. The P/B is computed based on the price of recent investment transaction available in market and applied to the book value of NCDEX to arrive at the fair value of Company's investment in NCDEX at the above reporting dates.

- There were no transfers between levels 1 and 2 during the year ended March 31, 2017 and March 31, 2016.

#### - Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

During the year ended March 31, 2017, the Company has transferred investment in unquoted equity shares of NCDEX between levels 2 to 3 as there were no observable market data available as at March 31, 2017.

- The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 40 : Fair Value Measurements (contd.)

#### (ii) Valuation technique used to determine fair value :

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices and NAV.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

#### (iii) Fair value measurements using significant unobservable inputs (level 3)

- The following table presents the changes in level 3 items for the year ended 31 March, 2017.

Particulars	Unlisted Equity security (₹ Crs)
As at 1 April 2015	78.61
Gains (losses) recognised in Other Comprehensive Income	21.71
As at 31 March 2016	100.32
Gains (losses) recognised in Other Comprehensive Income	(31.86)
As at 31 March 2017	68.46

#### (iv) Valuation inputs and relationships to fair value :

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted

Particulars	Fair Value 31/03/17	Significant Unobservable inputs*	Fair Value 31/03/17
Unquoted Equity Shares - NCDEX	128.00	P/B Multiple	5.0x
		Business Risk Discount	60%
		Liquidity Discount	30%
		Net P/B Multiple	1.4x
		P/Bmultiple based on recent transactions	2.4x
		Average P/B multiple arrived at	1.9x
		Book value as on 31.03.2017 (₹ In Crores)	449.20
		Equity valuation of NCDEX (₹ In Crores)	853.50
		Valuation of 15% stake (₹ In Crores)	128.00

\* There were no significant inter relationship between unobservable inputs that materially affect fair value

For equity instruments, a 10% increase average P/B multiple would have led to approximately ₹12.82 crores gain in the other comprehensive income (2015-16: nil and 2014-15: nil). A 10% decrease in prices would have led to an equal but opposite effect.

#### (v) Valuation processes :

The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every three months, in line with the reporting periods.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 40 : Fair Value Measurements (contd.)

#### ii) Fair value of financial assets and liabilities measured at amortised cost :

(₹ in Crores)

Particulars	Notes	31/03/17		31/03/16		01/04/15	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>							
Debentures	4 & 9	1,236.45	1,246.02	1,474.32	1,481.47	1,350.26	1,356.15
Taxable Bonds	4 & 9	118.04	123.33	181.56	185.67	194.98	198.40
Taxfree Bonds	4 & 9	922.07	952.19	567.06	569.06	118.21	131.06
Commercial Paper	9	-	-	-	-	395.84	395.84
Fixed Deposits	5, 6 & 12	3,131.82	3,133.56	2,278.23	2,265.25	3,085.24	3,035.30
<b>Total Financial Assets</b>		<b>5,408.38</b>	<b>5,455.10</b>	<b>4,501.17</b>	<b>4,501.45</b>	<b>5,144.53</b>	<b>5,116.75</b>
<b>Financial Liabilities</b>							
Obligations under Finance Lease	15 & 16	10.12	17.72	9.50	17.35	8.96	15.61
<b>Total Financial Liabilities</b>		<b>10.12</b>	<b>17.72</b>	<b>9.50</b>	<b>17.35</b>	<b>8.96</b>	<b>15.61</b>

- The carrying amounts of trade receivables, trade payables, deposits, other receivables, cash and cash equivalent including other current bank balances and other liabilities including settlement obligation payable, deposits, creditors for capital expenditure, etc. are considered to be the same as their fair values, due to current and short term nature of such balances.
- The fair value of finance lease obligation, debentures, taxable bonds, taxfree bonds, commercial paper, fixed deposits and security deposit are based on discounted cash flow.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

#### Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of the changes to these assumptions, see note (i).

### Note 41 : Statement of Reconciliation between the Indian GAAP and Ind AS

#### Note 1 First time adoption of Ind AS

These are the Group's first consolidated financial statement prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the consolidated Financial statements for the year ended March 31, 2017, the comparative information presented in these consolidated financial statements for the year ended March 31, 2016 and in the preparation of comparative consolidated balance sheet as at March 31, 2016 and an opening Ind AS consolidated balance sheet as at April 01, 2015 (the Group's date of transition). In preparing its opening Ind AS consolidated balance sheet, the Group has adjusted the amounts reported previously in consolidated financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

#### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS as at the transition date, i.e. April 1, 2015.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### A.1 Ind AS optional exemptions

#### A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and Investment Property covered by Ind AS 40 Investment Properties.

Accordingly, the Group has elected to measure all of its property, plant and equipment, intangible assets and investment property at their Previous GAAP carrying value.

#### A.1.2 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated instead have been accounted as per previous GAAP. The Group has applied same exemption for investment in associates and joint ventures.

#### A.1.3 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Group has elected to apply this exemption for its investment in equity instruments.

#### A.1.4 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Group has elected to apply this exemption for such contracts/arrangements.

### A.2 Ind AS mandatory exceptions

#### A.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made in for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in mutual funds / ETFs carried at FVPL;
- Investment in equity instruments carried at FVOCI;
- Investment in debt instruments carried at FVOCI; and
- Fair value of the Investment property.

#### A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, classification and measurement of bonds, debentures, government securities, commercial papers, certificate of deposits has been based on the facts and circumstances that exist at the date of transition to Ind AS.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Ind AS 101 requires the Group to reconcile equity, total comprehensive income and cash flows for prior periods. The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- Reconciliation of Equity as at April 01, 2015 and March 31, 2016;
- Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016; and
- The impact on cash flows from operating, investing and financing activities for the year ended March 31, 2016 on transition to Ind AS is as follows :

(₹ in Crores)			
Financial Year ended March 31, 2016	Previous GAAP	Adjustments	Ind AS
Net cash inflow from operating activities	1,614.36	17.93	1,632.29
Net cash outflow from investing activities	(528.72)	(28.51)	(557.23)
Net cash outflow from financing activities	(441.25)	10.58	(430.67)
Net increase in cash and cash equivalents	644.39	0.00	644.39

The Company has reclassified interest income related to operating activities of ₹(28.51) crores. Further, the Group has reclassified dividend distribution tax paid by subsidiary companies on which credit is not availed of ₹12.61 crores and the proceeds / refund of deposits from trading members / applicants of ₹(2.03) crores to operating activities, as the deposits are accepted in normal course of business.

### Note 2: Investments

#### Mutual funds and equity instruments (other than investments in subsidiaries, associates and joint venture):

Under the Previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in other equity as at the date of transition i.e. April 1, 2015 and subsequently in the profit or loss.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI equity instruments reserve as at the date of transition and subsequently in the other comprehensive income.

(₹ in Crores)		
Mutual funds and equity instruments:	Balance Sheet Impact - Increase/ (Decrease)	
	March 31, 2016	April 1, 2015
Investments (Current)	47.40	28.47
Investments (Non - Current)	101.07	85.72
<b>Total</b>	<b>148.47</b>	<b>114.19</b>
Other Equity (Retained earnings)	47.73	35.02
Other Equity instruments at FVOCI	100.74	79.17
<b>Total</b>	<b>148.47</b>	<b>114.19</b>

(₹ in Crores)	
Mutual funds and equity instruments:	Impact in statement of Profit and Loss - Increase/(Decrease)
	March 31, 2016
Other income (Profit and loss)	12.69
Other comprehensive income (net of tax)	17.44

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Additionally, fair value gain on mutual funds invested towards core settlement guarantee fund by National Securities Clearing Corporation Limited amounts to ₹21.42 crores has been credited to core settlement guarantee fund.

### Investments in Debt instruments

Under Previous GAAP, the investments in debentures, government securities (G-Sec), commercial papers and bond are measured at cost or fair value, whichever is lower, if classified as current investment. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments.

- Investments in Government Securities - Under Ind AS, the Group has designated Government Securities (G-Sec) as fair value through other comprehensive income (FVOCI). Accordingly, these investments are required to be measured at fair value. At the date of transition to Ind AS, difference between the instrument's fair value and Previous GAAP carrying amount has been recognised in other equity (Retained earnings for interest income component and Debt instruments through Other Comprehensive Income for fair value change). Interest income and fair value changes are recognised in the statement of profit and loss and other comprehensive income, respectively.
- Under Ind AS, the Group has designated debentures, commercial papers, certificate of deposits and bonds at amortised cost. Difference between the instruments's amortised value and Previous GAAP carrying amount has been recognised in other equity and subsequently in the statement of profit or loss.

(₹ in Crores)

Investments in Debt instruments:	Balance Sheet Impact - Increase/ (Decrease)	
	March 31, 2016	April 1, 2015
Investments (Current)	(0.60)	(0.32)
Investments (Non - Current)	(10.14)	(4.08)
<b>Total</b>	<b>(10.74)</b>	<b>(4.40)</b>
Other Equity (Retained earnings)	1.45	(0.17)
Other Debt instrument at FVOCI	(12.19)	(4.23)
<b>Total</b>	<b>(10.74)</b>	<b>(4.40)</b>

(₹ in Crores)

Investments in Debt instruments:	Impact in statement of Profit and Loss - Increase/(Decrease)
	March 31, 2016
Other income	1.63
Other comprehensive income (net of tax)	(5.21)

### Investments in Associates and Joint venture

As per Ind AS, profit from share of associate is calculated as per applicable Ind AS to the respective associates, this has resulted in increase/ (decrease) in the share of Associate in each of the following years as follows:

(₹ in Crores)

	Impact on Statement of Profit and Loss - Increase/(Decrease)	
	March 31, 2016	
Profit and loss account	1.49	
Other comprehensive income (net of tax)	(0.18)	
Tax effect on distribution of dividend	(5.94)	
	Balance Sheet Impact - Increase/ (Decrease)	
	March 31, 2016	April 1, 2015
Total Equity	1.35	5.98

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 3: Deferred tax

- Under Previous GAAP, deferred taxes are recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. Also deferred tax asset shall be recognised for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.
- Deferred tax has been recognised on the adjustments made on transition to Ind AS.
- Under Previous GAAP, deferred taxes in the consolidated financial statements was determined by using line by line method of consolidation method. Under Ind AS, the Group has recognised deferred tax liability on the undistributed earnings of Associates and Joint ventures, which had the following impact in Profit and loss account and retained earnings.

(₹ in Crores)

	Impact on statement of Profit and Loss - Increase/(Decrease)	
	March 31, 2016	
Total Comprehensive income	(22.76)	
	Impact on Total equity - Increase/ (Decrease)	
	March 31, 2016	April 1, 2015
Total Equity impact	(54.54)	(31.78)
Tax effect on distribution of dividend	(11.15)	(5.21)
Deferred tax liability	(43.39)	(26.57)

### Note 4: Leasehold land

Under Previous GAAP, all leasehold lands are classified as property, plant and equipment. Under Ind AS, leasehold land is to be recognised as an operating or a finance lease as per the definition and classification criteria under Ind AS 17. Accordingly, leasehold land has been classified as finance lease and future rent payable has been recognised as finance lease obligation. Deemed cost of the leasehold land has been disclosed as property plant and equipment and the annual leases payments has been disclosed as a lease obligation. Consequent to the above, following is the impact in statement of Profit and loss account and total equity for each of the respective years:

(₹ in Crores)

	Impact on statement of Profit and Loss - Increase/(Decrease)	
	March 31, 2016	
Total Comprehensive income	(0.53)	
	Impact on Total equity - Increase/ (Decrease)	
	March 31, 2016	April 1, 2015
Non-Current – Finance lease obligation	8.57	8.03
Current - Finance lease obligation	0.94	0.94
<b>Total Equity</b>	<b>(9.51)</b>	<b>(8.97)</b>

### Note 5: Proposed dividend

Under the Previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend including dividend distribution tax was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

liability for proposed dividend including dividend distribution tax included under provisions has been reversed with corresponding adjustments in other equity. Consequent to the above, total equity has increased for each of the respective years as follows:

	(₹ in Crores)	
	March 31, 2016	April 1, 2015
Total Equity	395.78	438.09

Under Previous GAAP, the entire dividend distribution tax paid by the Group was charged as an appropriation in equity along with the dividend proposed by the Parent company. As per Ind AS dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to profit or loss if the dividend itself is charged to profit or loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is also recognised in equity. The Group has charged certain amounts of dividend distribution tax paid in respect of dividend received from subsidiaries to the statement of profit and loss, as the Group has not been able to utilise the tax credit in respect of such dividend distribution tax paid against dividend distribution tax in respect of dividend paid by the Parent Company to its shareholders. The impact of the same is given below:

	(₹ in Crores)	
	Impact in statement of Profit and Loss - Increase/(Decrease)	
	March 31, 2016	
Profit/(Loss) (Increase/(Decrease))		(12.62)

### Note 6: Re-measurement of post-employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the Previous GAAP, these re-measurements were forming part of the profit or loss for the year. Consequent to the above, following is the impact in statement of Profit and loss account for the year ended March 31, 2016:

	(₹ in Crores)	
	March 31, 2016	
Profit/(Loss) (Increase/(Decrease))		2.79

### Note 7: Prior Period Items

Under Previous GAAP changes in accounting policies, correction of errors and omissions are recorded through the current period income statement. Under Ind AS, changes in accounting policies and correction of errors and omissions are accounted retrospectively by restating the comparative period. Consequent to the above, following is the impact in statement of Profit and loss account and total equity for each of the respective years:

	(₹ in Crores)	
	Impact on statement of Profit and Loss - Increase/(Decrease)	
	March 31, 2016	
Other expenses/incomes adjusted in respective years / period		2.10
Total Comprehensive income		2.10
	Impact on Total equity - Increase/(Decrease)	
	March 31, 2016	April 1, 2015
Excess Income tax provision written back	21.95	21.95
Others	-	(2.10)
<b>Total Equity</b>	<b>21.95</b>	<b>19.85</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 8: Other adjustments

Under Previous GAAP, the maintenance and operational charges paid to a service provider for generation of the electricity, has been charged to profit and loss accounts in the year in which it is contractually payable. Under Ind AS, such charges paid have been recognized on a straight line basis over the contractual term. Consequent to the above, following is the impact in statement of Profit and loss account and total equity for each of the respective years.

(₹ in Crores)		
	Impact in statement of Profit and Loss - Increase/(Decrease)	
	March 31, 2016	
Profit/(Loss) (Increase/(Decrease))	(0.55)	
	Impact in Equity - Increase/(Decrease)	
	March 31, 2016	April 1, 2015
Total Equity	(0.72)	(0.17)

Dues of the defaulter member of ₹24.11 crores is adjusted against amount receivable from National Stock Exchange of India Limited towards core SGF.

### Note 9: Revenue

Under Previous GAAP, revenue is recognised net of discounts and rebates. Under Ind AS, revenue is recognised at the fair value of the consideration received or receivable, after the deduction of any incentive and any taxes or duties collected on behalf of the government such as services tax. Incentives given to customers have been reclassified from 'other expense' under Previous GAAP and deducted from revenue under Ind AS for each of the respective years. This had no impact on total comprehensive income or total equity.

(₹ in Crores)		
	Impact in statement of Profit and Loss	
	March 31, 2016	
Customer incentives	7.45	

### Note 10: Retained Earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

### Note 11: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as part of other comprehensive income includes re-measurements of defined benefit plans, and fair value gains or (losses) on FVOCI equity instruments and debt instruments. The concept of other comprehensive income did not exist under Previous GAAP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### A: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

#### Reconciliation of equity as at date of transition (1 April, 2015)

(₹ in Crores)

Particulars	Notes to first-time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		495.81	-	495.81
Capital work-in-progress	7	5.15	0.48	5.63
Goodwill		67.35	-	67.35
Other intangible assets		33.20	-	33.20
Intangible assets under development		11.39	-	11.39
Investment associates/ joint venture accounted for using the equity method	2	647.00	5.98	652.98
<b>Financial assets</b>				
Investments	2	1,449.47	81.64	1,531.11
Other financial assets				
Non-current bank balances		865.88	-	865.88
Others		34.24	-	34.24
Income tax assets (net)	7	91.35	7.57	98.92
Deferred tax assets (net)	3	1.27	-	1.27
Other non-current assets		24.08	-	24.08
<b>Total non-current assets</b>		<b>3,726.19</b>	<b>95.67</b>	<b>3,821.86</b>
<b>Current assets</b>				
Inventories		0.04	-	0.04
<b>Financial assets</b>				
Investments	2	3,163.63	28.15	3,191.78
Trade receivables		228.70	-	228.70
Cash and cash equivalents		2,243.36	-	2,243.36
Bank balances other than cash and cash equivalents		1,995.09	-	1,995.09
Other financial assets		378.13	-	378.13
Other current assets	8	60.91	(24.11)	36.80
<b>Total current assets</b>		<b>8,069.86</b>	<b>4.04</b>	<b>8,073.90</b>
<b>TOTAL ASSETS</b>		<b>11,796.05</b>	<b>99.71</b>	<b>11,895.76</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital		45.00	-	45.00
Other equity	2,3,4,5,7,9	5,681.70	513.29	6,194.99
<b>TOTAL EQUITY</b>		<b>5,726.70</b>	<b>513.29</b>	<b>6,239.99</b>
<b>Core Settlement Guarantee Fund</b>				
Core Settlement Guarantee Fund paid		675.47	-	675.47
Core Settlement Guarantee Fund payable		19.68	-	19.68

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Crores)

Particulars	Notes to first-time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Other financial liabilities	4	-	8.03	8.03
Provisions		9.87	-	9.87
Deferred tax liabilities (Net)	3	10.01	50.96	60.97
Other non-current liabilities		5.39	-	5.39
<b>Total non-current liabilities</b>		<b>25.27</b>	<b>59.00</b>	<b>84.26</b>
<b>Current liabilities</b>				
Financial Liabilities				
Deposits		1,663.57	-	1,663.57
Trade Payables	7,8	53.52	2.75	56.27
Other financial liabilities	4	2,301.42	1.19	2,302.61
Provisions	5,8	1,003.86	(462.12)	541.74
Income tax liabilities (net)	7	66.11	(14.38)	51.73
Other current liabilities		260.44	-	260.44
<b>Total current liabilities</b>		<b>5,348.92</b>	<b>(472.57)</b>	<b>4,876.36</b>
<b>TOTAL LIABILITIES</b>		<b>5,374.19</b>	<b>(413.57)</b>	<b>4,960.62</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,796.05</b>	<b>99.71</b>	<b>11,895.76</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

### A: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

#### Reconciliation of equity as at March 31, 2016

(₹ in Crores)

Particulars	Notes to first-time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		507.18	-	507.18
Capital work-in-progress		15.06	-	15.06
Goodwill		67.35	-	67.35
Other intangible assets		45.88	-	45.88
Intangible assets under development		23.31	-	23.31
Investment associates/ joint venture accounted for using the equity method	2	706.94	1.35	708.29
Financial assets		-		
Investments	2	3,098.74	110.90	3,209.64
Other financial assets		-		
Non-current bank balances		521.59	-	521.59
Others		54.73	-	54.73

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Crores)

Particulars	Notes to first-time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
Income tax assets (net)	7	272.10	12.02	284.12
Deferred tax assets (net)	3	3.87	(2.01)	1.86
Other non-current assets		14.24	-	14.24
<b>Total non-current assets</b>		<b>5,330.99</b>	<b>122.26</b>	<b>5,453.25</b>
<b>Current assets</b>				
Inventories		0.03	-	0.03
Financial assets		-	-	-
Investments	2	3,139.39	46.80	3,186.19
Trade receivables		278.51	-	278.51
Cash and cash equivalents		2,887.75	-	2,887.75
Bank balances other than cash and cash equivalents		1,619.41	-	1,619.41
Other financial assets		165.63	-	165.63
Other current assets	8	74.30	(24.11)	50.19
<b>Total current assets</b>		<b>8,165.02</b>	<b>22.69</b>	<b>8,187.71</b>
<b>TOTAL ASSETS</b>		<b>13,496.01</b>	<b>144.95</b>	<b>13,640.96</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital		45.00	-	45.00
Other equity	2,3,4,5,7,8	6,352.20	470.47	6,822.67
<b>TOTAL EQUITY</b>		<b>6,397.20</b>	<b>470.47</b>	<b>6,867.67</b>
<b>Core Settlement Guarantee Fund</b>				
Core Settlement Guarantee Fund paid		997.30	-	997.30
Core Settlement Guarantee Fund payable	2, 8	688.50	(2.69)	685.81
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Other financial liabilities	4	-	8.57	8.57
Provisions		11.26	-	11.26
Deferred tax liabilities (Net)	3	18.02	72.48	90.50
Other non-current liabilities		5.39	-	5.39
<b>Total non-current liabilities</b>		<b>34.67</b>	<b>81.05</b>	<b>115.72</b>
<b>Current liabilities</b>				
Financial Liabilities				
Deposits		1,675.15	-	1,675.15
Trade Payables	8	65.71	0.72	66.43
Other financial liabilities	4	2,864.79	1.12	2,865.91
Provisions	5, 8	444.40	(395.80)	48.60
Income tax liabilities (net)	7	28.18	(9.92)	18.26
Other current liabilities		300.11	-	300.11
<b>Total current liabilities</b>		<b>5,378.34</b>	<b>(403.88)</b>	<b>4,974.46</b>
<b>TOTAL LIABILITIES</b>		<b>5,413.01</b>	<b>(322.83)</b>	<b>5,090.18</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,496.01</b>	<b>144.95</b>	<b>13,640.96</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### B: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

#### Reconciliation of total comprehensive income for the year March 31, 2016

				(₹ in Crores)
Particulars	Notes to first-time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
<b>Income</b>				
Revenue from operations	2,9	1,854.50	9.04	1,863.54
Other income	2	499.44	(3.81)	495.63
<b>Total Income</b>		<b>2,353.94</b>	<b>5.23</b>	<b>2,359.17</b>
<b>Expenses</b>				
Employee benefits expense	6	220.78	(2.80)	217.98
Depreciation and amortisation expense		108.92	-	108.92
Other expenses	2,4,8,9	402.04	(8.06)	393.98
<b>Total expenses</b>		<b>731.74</b>	<b>(10.86)</b>	<b>720.88</b>
<b>Profit before prior period item, share of net profits of investments accounted for using equity method and tax</b>		<b>1622.20</b>	<b>16.09</b>	<b>1638.29</b>
Add/(Less) : Prior-period adjustments	7	(2.11)	2.11	-
<b>Profit before share of net profits of investments accounted for using equity method and tax</b>		<b>1620.09</b>	<b>18.20</b>	<b>1638.29</b>
Share of Net Profit of Associated and Joint Ventures accounted for using equity method	2	89.66	1.49	91.15
<b>Profit before contribution to Core Settlement Guarantee Fund and tax</b>		<b>1709.75</b>	<b>19.69</b>	<b>1729.44</b>
Less :Contribution to Core Settlement Guarantee Fund		(761.52)	-	(761.52)
<b>Profit before tax</b>		<b>948.23</b>	<b>19.69</b>	<b>967.92</b>
Less : Tax expenses				
Current tax	5	289.41	12.62	302.03
Deferred tax	3	4.68	30.40	35.08
<b>Total tax expenses</b>		<b>294.09</b>	<b>43.02</b>	<b>337.11</b>
<b>Profit after tax (A)</b>		<b>654.14</b>	<b>(23.33)</b>	<b>630.81</b>
<b>Total Other Comprehensive Income (B), net of tax</b>	11	-	10.17	10.17
<b>Total Comprehensive Income (A+B)</b>		<b>654.14</b>	<b>(13.16)</b>	<b>640.98</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Reconciliation of total equity as at 31 March 2016 and 1 April 2015

(₹ in Crores)

Particulars	Notes to first-time adoption	As at 31.03.2016	As at 01.04.2015
<b>Total equity (shareholder's fund) as per previous GAAP</b>		<b>6,397.20</b>	<b>5,726.70</b>
<b>Adjustments:</b>			
Proposed dividend including dividend distribution tax	5	395.78	438.09
Fair valuation of financial instruments through profit and loss account	2	47.73	35.04
Fair valuation of debt instruments through other comprehensive income	2	(12.19)	(4.23)
Maintenance charges recognised on straightline basis	8	(0.72)	(0.17)
Amortisation of debt instruments	2	1.45	(0.17)
Obligations under finance lease	4	(9.51)	(8.97)
Fair valuation of equity investments through other comprehensive income	2	100.74	79.17
Prior period adjustments	7	-	(2.10)
Reversal of excess provision of Income tax	7	21.95	21.95
Investment in associates and Joint venture	2	1.35	5.98
Tax effect of undistributed earnings of Associates and Joint ventures	3	(43.39)	(26.57)
Tax effects of above adjustments	3	(32.72)	(24.72)
<b>Total adjustments</b>		<b>470.47</b>	<b>513.30</b>
<b>Total equity as restated</b>		<b>6,867.67</b>	<b>6,239.99</b>

### Reconciliation of total comprehensive income

(₹ in Crores)

Particulars	Notes to first-time adoption	For the year ended March 31, 2016
<b>Profit after tax as per previous GAAP</b>		<b>654.14</b>
<b>Adjustments:</b>		
Fair valuation of financial instruments through profit and loss account	2	12.69
Amortisation of debt instruments	2	1.63
Re-measurement of the defined benefit obligation	6	2.79
Maintenance charges recognised on straightline basis	8	(0.55)
Obligations under Finance Lease	4	(0.53)
Prior period adjustments	7	2.10
Share of profit of associates	2	1.49
Dividend distribution tax charged as tax expense	5	(12.62)
Deffered tax on undistributing earning of associates and joint venture	3	(22.76)
Tax effects of adjustments	3	(7.56)
<b>Profit after tax as per Ind AS</b>		<b>630.81</b>
<b>Other Comprehensive Income</b>		
Total Other Comprehensive Income, net of tax	11	10.17
<b>Total Comprehensive Income as per Ind AS</b>		<b>640.98</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 42 :

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

### Note 43 :

- (i) Gross amount required to be spent by the Group on Corporate Social Responsibility activities for the year ended March 31, 2017 is ₹30.39 crores.(Previous year: ₹28.86 Crores)
- (ii) Amount spent during the years towards Primary Education, Elder Care, etc :

Particulars	31.03.2017		
	In cash	Yet to be paid in cash	Total
Construction / acquiring of any asset	-	-	-
On purposes other than above *	11.27	-	11.27
	(2.70)	-	(2.70)

(₹ in Crores)

Figure in brackets pertain to year ended March 31, 2016

\* excludes ₹0.20 crores (previous year ₹0.12 crores) on capacity building of personnel and implementing agencies etc., which is in excess of 5 % of total CSR expenditure.

Particulars	31.03.2017		31.03.2016
	(iii) Amount transferred from Retained Earnings to CSR Reserve	72.06	-

(₹ in Crores)

During the year, the Group has created CSR Reserve to undertake CSR activities and has transferred unspent amount from Retained earnings to CSR Reserve. The unspent amount is the shortfall in amount required to be spent by the group as per the Companies Act, 2013 and amount actually spent.

### Note 44 : Disclosure relating to Specified Bank Notes\* (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016.

Particulars	(Amount in ₹)		
	Specified Bank Notes (SBNs)	Others denominated Notes	Total
Closing cash in hand as on 08.11.2016	1,73,000.00	65,271.00	2,38,271.00
(+) Permitted receipts	24,500.00	16,63,702.00	16,88,202.00
(-) Permitted Payments	-	15,75,531.00	15,75,531.00
(-) Amount deposited in Banks	1,70,000.00	-	1,70,000.00
Amount exchanged with bank	27,500.00	27,500.00	-
Closing cash in hand as on 30.12.2016	-	1,80,942.00	1,80,942.00

\* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

### Note 45 :

C.I.F. value of import in respect of Capital goods : ₹8.94 Crores (Previous year : ₹2.37 crore).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 46 : Expenditure in foreign currency (accrual basis)

(₹ in Crores)

Particulars	31.03.2017	31.03.2016
Traveling expense	1.01	1.13
Professional and technical fees	26.99	45.15
Meeting & Conference Expenses	0.04	-
Fees & Subscription	0.15	0.06
Director Sitting fees	0.08	-
Business Promotion	0.24	-
Software Licenses	0.03	0.07
Other expenses	11.68	2.13

### Note 47 : Net dividend remitted in foreign exchange

Particulars	31.03.2017	31.03.2016
Period to which it relates	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Number of non-resident shareholders to whom dividend remitted in foreign currency	4	4
Number of equity shares held on which dividend was due	30,75,000.00	60,75,000.00
Amount remitted in INR equivalent USD (₹ in Crores)	22.45	48.30

### Note 46 : Earnings in foreign currency (accrual basis)

(₹ in Crores)

Particulars	31.03.2017	31.03.2016
Professional fees	0.49	0.98
Online Datafeed Service Fees	54.12	44.68
Index Licensing & Data Subscription Fees	64.66	62.49
Application Development and Maintenance Services	0.20	7.27
ITES - Assessment Services	0.30	0.27

### Note 49 : Other events after the reporting period

- (i) Dividend:  
The Board of Directors have recommended the payment of final dividend of ₹12.25 per fully paid equity shares (FV ₹1 each) (March 31, 2016 : ₹73/- per equity share (FV ₹10 each)). This proposed dividend is subject to approval of shareholders in the ensuing general meeting and if approved would result in cash outflow of approximately ₹729.82/- crores including Corporate Dividend Tax of ₹123.44 crores.
- (ii) The Board of Directors in its meeting held on April 06, 2017 has considered and approved the proposal of making further investments in 'NSE IFSC Limited' by subscribing to its equity shares upto a nominal amount not exceeding ₹25 crores.
- (iii) Sale of equity & preference share in Power Exchange India Limited  
The Board of Directors of NSE Strategic Investment Corporation Limited in their meeting dated April 25, 2017 approved the sale of equity shares and preference shares of Power Exchange India Limited which are carried at Nil value in the financial statements. The share purchase agreement is entered as of April 28, 2017 for a total consideration of ₹6 crores.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 50 :

SEBI has directed the Company to carry out an investigation including forensic examination by an independent external agency in respect of NSE's Colocation facility. In this regard, SEBI has directed that, pending completion of investigation to the satisfaction of SEBI, all revenues emanating from colocation facility including the transaction charges on the trades executed through colocation facility be placed in a separate bank account. Accordingly, the same is being transferred to a separate bank account. The amount so transferred for the period from September 2016 to March 2017 was ₹375.51 crores. (Refer also note 25)

### Note 51 :

The Group's pending litigations comprise of claims against the Group and proceedings pending with Statutory and Tax Authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, whenever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial position (Refer note no. 34 for details on contingent liabilities)

### Note 52 : Offsetting Financial assets and Financial Liabilities

(₹ in Crores)

31.03.2017	Effects of offsetting on the balance			Related amount not offset		
	Gross Amount	Gross Amt Set off in the balance sheet	Net Amount presented in Balance sheet	Amounts subject to master netting arrangements	Financial Instrument collateral	Net Amount
Financial Assets						
Trade Receivables	255.37	-	255.37	-	(1,034.23)	(778.86)
31.03.2016						
Financial Assets						
Trade Receivables	212.09	-	212.09	-	(1,029.79)	(817.70)
01.04.2015						
Financial Assets						
Trade Receivables	160.97	-	160.97	-	(1,037.06)	(876.09)

\*The Collateral includes Deposits from trading members.

### Note 53 :

In accordance with the relevant provisions of the Companies Act, 2013, the group has long term contracts for which there were no material foreseeable losses. The Group did not have any derivative contracts as at March 31, 2017.

### Note 54 :

For the year ended March 31, 2017 and March 31, 2016, the Group is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of the Companies Act, 2013.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 52 : Additional information required by Schedule III

(₹ in Crores)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent Company</b>								
<b>National Stock Exchange of India Limited</b>								
31st March, 2017	69.32%	4,997.66	82.58%	1,006.50	76.44%	(20.14)	82.72%	986.36
31st March, 2016	69.18%	4,750.81	66.75%	421.08	105.70%	10.75	67.37%	431.83
<b>Subsidiaries (group's share)</b>								
<b>National Securities Clearing Corporation Limited</b>								
31st March, 2017	9.57%	690.00	6.66%	81.17	1.51%	(0.40)	6.77%	80.77
31st March, 2016	11.24%	772.07	15.78%	99.52	-0.49%	(0.05)	15.52%	99.47
<b>India Index Services &amp; Products Limited</b>								
31st March, 2017	2.85%	205.43	3.99%	48.66	0.00%	-	4.08%	48.66
31st March, 2016	2.14%	147.23	7.09%	44.75	0.00%	-	6.98%	44.75
<b>DotEx International Limited</b>								
31st March, 2017	2.06%	148.33	3.48%	42.40	0.02%	(0.01)	3.56%	42.39
31st March, 2016	1.63%	112.07	5.39%	33.98	-0.10%	(0.01)	5.30%	33.97
<b>NSE Infotech Services Limited</b>								
31st March, 2017	-0.16%	(11.61)	-3.89%	(47.45)	6.93%	(1.83)	-4.13%	(49.28)
31st March, 2016	-0.04%	(2.91)	-6.94%	(43.77)	-3.15%	(0.32)	-6.88%	(44.09)
<b>NSEIT Limited</b>								
31st March, 2017	1.26%	91.10	-1.61%	(19.64)	-0.67%	0.18	-1.63%	(19.46)
31st March, 2016	1.13%	77.67	-3.64%	(22.99)	-0.29%	(0.03)	-3.59%	(23.02)
<b>NSE Academy Limited</b>								
31st March, 2017	0.05%	3.57	0.22%	2.69	0.00%	-	0.23%	2.69
31st March, 2016	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>NSE Strategic Investment Corporation Limited</b>								
31st March, 2017	3.35%	241.20	-0.21%	(2.52)	0.00%	-	-0.21%	(2.52)
31st March, 2016	4.35%	298.46	1.01%	6.34	0.00%	-	0.99%	6.34
<b>NSE IFSC Limited</b>								
31st March, 2017	0.29%	21.23	-0.25%	(3.02)	2.82%	(0.74)	-0.32%	(3.76)
31st March, 2016	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>NSE IFSC Clearing Corporation Limited</b>								
31st March, 2017	0.67%	48.54	-0.07%	(0.83)	6.29%	(1.66)	-0.21%	(2.49)
31st March, 2016	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Foreign Subsidiaries</b>								
<b>NSE.IT (US) Inc.</b>								
31st March, 2017	0.05%	3.84	-0.07%	(0.81)	0.00%	-	-0.07%	(0.81)
31st March, 2016	0.06%	3.98	0.12%	0.75	0.00%	-	0.12%	0.75
<b>Associates (Investment as per equity method)</b>								
<b>National Securities Depository Limited</b>								
31st March, 2017	1.62%	116.97	2.05%	24.94	1.02%	(0.27)	2.07%	24.67
31st March, 2016	1.50%	103.24	3.87%	24.40	0.79%	0.08	3.82%	24.48

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 52 : Additional information required by Schedule III (contd.)

(₹ in Crores)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>NSDL e-Governance Infrastructure Limited</b>								
31st March, 2017	2.32%	166.92	2.50%	30.52	1.25%	(0.33)	2.53%	30.19
31st March, 2016	2.11%	144.57	3.58%	22.61	0.00%	-	3.53%	22.61
<b>Computer Age Management Services Private Limited</b>								
31st March, 2017	6.60%	475.98	4.69%	57.18	4.39%	(1.16)	4.70%	56.03
31st March, 2016	6.59%	452.28	6.96%	43.90	-2.46%	(0.25)	6.81%	43.65
<b>Receivables Exchange Of India Limited</b>								
31st March, 2017	0.09%	6.53	-0.08%	(0.97)	0.00%	-	-0.08%	(0.97)
31st March, 2016	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>BFSI Skill Sector Council of India</b>								
31st March, 2017	0.01%	1.00	0.00%	-	0.00%	-	0.00%	-
31st March, 2016	0.01%	1.00	0.00%	-	0.00%	-	0.00%	-
<b>Joint Venture (Investment as per equity method)</b>								
<b>Market Simplified India Limited</b>								
31st March, 2017	0.04%	2.93	0.00%	-	0.00%	-	0.00%	-
31st March, 2016	0.10%	7.20	0.04%	0.24	0.00%	-	0.04%	0.24
<b>Total</b>								
31st March, 2017	100.00%	7,209.62	100.00%	1,218.82	100.00%	(26.35)	100.00%	1,192.47
31st March, 2016	100.00%	6,867.67	100.00%	630.81	100.00%	10.17	100.00%	640.98

#### For Khandelwal Jain & Co.

Chartered Accountants

Firm's Registration no : 105049W

#### Narendra Jain

Partner

Membership No.: 048725

#### For and on behalf of the Board of Directors

#### Ashok Chawla

Chairman

#### Ravi Narain

Vice Chairman

#### Dinesh Kanabar

Director

#### For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm's Registration no : 304026E / E-300009

#### Sumit Seth

Partner

Membership No.: 105869

#### J Ravichandran

CEO Incharge

#### Yatrik Vin

Chief Financial Officer

#### S. Madhavan

Company Secretary

Place : Mumbai

Date : May 5, 2017

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures Form AOC 1 (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A" Subsidiary

Name of Subsidiary	National Securities Clearing Corporation Limited	NSE Strategic Investment Corporation Limited	NSE IFSC Limited	Dotex International Limited (Note 1)	India Index Services & Products Limited (Note 1)	NSE.IT LTD (Note 1)	NSE Academy Limited (Note 1)	Nse Infotech Services Ltd (Note 1)	NSE.IT (US) INC. (Note 2)	NSE IFSC Clearing Corporation Limited (Note 3)
The date since when subsidiary was acquired	31-Aug-95	31-Jan-13	29-Nov-16	02-Jun-00	02-Aug-06	29-Oct-99	12-Mar-16	02-Aug-06	04-Dec-06	02-Dec-16
Reporting date	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017
Share Capital	45.00	825.99	25.00	9.00	1.30	10.00	0.25	0.05	5.34	50.00
Reserves and Surplus	662.84	158.51	-3.76	138.42	203.55	102.43	0.58	5.99	-5.16	-2.49
Total assets	10,739.70	993.74	29.59	172.50	218.41	147.13	5.71	25.66	4.01	49.26
Total liabilities	10,739.70	993.74	29.59	172.50	218.41	147.13	5.71	25.66	4.01	49.26
Investments	1,982.09	226.47	-	140.64	192.31	8.71	-	3.57	-	-
Turnover	352.43	52.08	-	103.77	96.21	158.15	8.42	51.56	6.08	-
Profit before taxation	228.10	26.38	-3.02	55.53	87.89	30.99	0.83	3.54	-0.75	-0.83
Provision for taxation	75.26	6.07	-	18.56	29.95	10.72	0.26	1.09	0.06	-
Profit after taxation	152.84	20.31	-3.02	36.96	57.95	20.27	0.58	2.46	-0.81	-0.83
Proposed dividend	144.00	-	-	1.80	28.60	1.00	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Notes:-

1. Dotex International Limited, India Index Services & Products Limited, NSE.IT Ltd, Nse Infotech Services Ltd and NSE Academy Limited are wholly owned subsidiaries of NSE Strategic Investment Corporation Limited.
2. NSE.IT (US) INC. is a wholly owned subsidiary of NSE.IT LTD. The reporting currency of the company is USD. The financial information of NSE.IT (US) INC. have been translated into INR at the closing rate at March 31, 2017 of 1 USD = Rs.64.84.
3. NSE IFSC Clearing Corporation Limited is a wholly owned subsidiary of National Securities Clearing Corporation Limited.

Part "B" Associates/Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	National Securities Depository Limited	Computer Age Management Private Limited	Nsdl E - Governance Infrastructure Limited	Market Simplified India Limited	Power Exchange India Limited	Receivables Exchange India Limited	BFSI Skill Sector Council of India
Latest audited Balance Sheet Date	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2016
Date on which the Associate or Joint Venture was associated or acquired	15-Feb-10	07-Jan-14	15-Feb-10	30-Nov-11	20-Feb-08	25-Feb-16	16-Sep-11
<b>Shares of Associate held by the group at the above mentioned reporting date</b>							
Number of Equity Shares	96,00,000.00	2,19,38,400.00	1,00,18,000.00	45,05,175.00	1,50,00,030.00	75,00,000.00	1,00,00,000.00
Amount of Investment in Associates	58.92	412.13	55.10	4.51	15.04	7.50	1.00
Extend of Holding %	24.00%	44.99%	25.05%	30.00%	30.95%	30.00%	49.00%
(25.05% upto February 23, 2017)							
Description of how there is significant influence	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
Reason why the associate is not consolidated	NA	NA	NA	NA	NA	NA	NA
Networth attributable to Shareholding as per latest audited Balance Sheet	550.18	322.31	465.57	8.87	-3.13	Note 3	5.73
Profit / Loss for the year							
i. Considered in Consolidation	24.94	57.18	30.52	-	-	-0.97	-
ii. Not considered in Consolidation	-	-	-	-	-	-	Note 2

Notes:-

1. The group has significant influence through holding more than 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.
2. BFSI Sector Skill Council of India is a company incorporated under section 8 of Companies Act, 2013, and has been set up with the aim of enhancing skill development across the BFSI sector leading to greater efficiency, productivity and sustained growth wherein the profits will be applied for promoting its objects. Therefore the same is not considered while consolidation.
3. The Company was incorporated on February 25, 2016 and the first accounts of the company were not audited as on May 05, 2017.



## INDEPENDENT AUDITORS' REPORT

To the Members of  
National Stock Exchange of India Limited

### Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone financial statements of National Stock Exchange of India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Standalone Ind AS Financial Statements").

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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to 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 accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Other Matter

9. The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies

(Accounting Standards) Rules, 2006 (as amended) which were audited by the Khandewal Jain & Co., Chartered Accountants who expressed an unmodified opinion vide reports dated May 12, 2016, and May 26, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by Khandelwal Jain & Co., Chartered Accountants. Price Waterhouse & Co Chartered Accountants LLP do not express any opinion on the comparative financial information.

Our opinion is not modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on

March 31, 2017 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.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone Ind AS financial statements – Refer Note 43 to the standalone Ind AS financial statements.
  - ii. The Company has long term contract for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2017 - Refer Note 50 to the standalone Ind AS financial statements.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017 - Refer Note 51 to the standalone Ind AS financial statements.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 34 to the standalone Ind AS financial statements.

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

**Narendra Jain**  
Partner  
Membership Number 048725

Place: Mumbai  
Date: May 5, 2017

**For Price Waterhouse & Co Chartered Accountants LLP**  
Firm Registration Number: 304026E / E- 300009

**Sumit Seth**  
Partner  
Membership Number 105869

Place: Mumbai  
Date: May 5, 2017

## Annexure A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of National Stock Exchange of India Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2017.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 2 on Property, Plant & Equipment to the financial statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, service tax, and other material statutory dues, as applicable, with the appropriate authorities. According to the records of the Company, there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service-tax, duty of custom, duty of excise, value added tax and other statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, the dues of sales-tax, income-tax, customs, wealth-tax, service tax, securities transaction tax, excise duty which have not been deposited on account of disputes and the forum where the dispute is pending are as under;

Sr. No	Name of the Statute	Nature of the Dues	Period to which amount relates (Financial year)	Amount (₹in Crores)	Forum where dispute is Pending
1.	Income Tax Act, 1961	Income Tax	1995-1996	0.08	High Court, Mumbai
			1999-2000	0.34	High Court, Mumbai
			2007-2008	0.002	Income Tax Appellate Tribunal, Mumbai
			2012-2013	2.14	Commissioner of Income Tax (Appeal)
2.	Wealth Tax Act, 1957	Wealth Tax	2000-2001	0.11	Income Tax Appellate Tribunal, Mumbai - Wealth Tax Bench
3.	Finance (No.2) Act, 2004-Chapter VII	Securities Transaction Tax	2006-2007	1.57	High Court Mumbai
			2007-2008	0.97	High Court, Mumbai
			2008-2009	0.48	High Court, Mumbai

Sr. No	Name of the Statute	Nature of the Dues	Period to which amount relates (Financial year)	Amount (₹ in Crores)	Forum where dispute is Pending
4.	Chapter V of Finance Act, 1994	Service Tax	2004-2005 to 2008-2009	28.10	Commissioner of Service tax, Mumbai
			2010-2011	0.001	Commissioner of Central Excise (Appeal), Mumbai
			2011-2012	0.001	Commissioner of Central Excise (Appeal), Mumbai
			2008-2009 to 2011-2012	11.09	Commissioner of Service tax, Mumbai
			April 2012 to June 2012	0.55	Commissioner of Service tax, Mumbai
5.	The Competition Act, 2002	Penalty	2007-2008 to 2009-2010	55.50	Supreme Court of India

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

**Narendra Jain**  
Partner  
Membership Number 048725

Place: Mumbai  
Date: May 5, 2017

**For Price Waterhouse & Co Chartered Accountants LLP**  
Firm Registration Number: 304026E / E- 300009

**Sumit Seth**  
Partner  
Membership Number 105869

Place: Mumbai  
Date: May 5, 2017



## Annexure B to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of National Stock Exchange of India Limited on the standalone Ind AS financial statements for the year ended March 31, 2107

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of National Stock Exchange of India Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

3. 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.

4. 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.
5. 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

6. 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

7. 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.

#### For Khandelwal Jain & Co.

Chartered Accountants  
Firm Registration Number:105049W

#### Narendra Jain

Partner  
Membership Number 048725

Place: Mumbai  
Date: May 5, 2017

### Opinion

8. 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E / E- 300009

#### Sumit Seth

Partner  
Membership Number 105869

Place: Mumbai  
Date: May 5, 2017

## BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Notes	(₹ in Crores)		
		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	2	473.33	498.50	487.42
Capital work-in-progress	2	74.77	14.43	5.15
Other intangible assets	3	36.56	42.59	31.70
Intangible assets under development	3	26.82	23.11	11.39
Investment in subsidiaries, associates and joint ventures	4	916.67	894.24	893.30
Financial assets				
- Investments	4	2,650.90	2,829.14	1,258.37
- Other financial assets				
- Non-current bank balances	5 (a)	32.64	280.86	548.22
- Others	5 (b)	15.63	23.15	17.13
Income tax assets (net)	17	291.39	258.37	67.64
Other non-current assets	6	15.84	13.89	23.83
<b>Total non-current assets</b>		<b>4,534.55</b>	<b>4,878.28</b>	<b>3,344.15</b>
<b>Current assets</b>				
Financial assets				
- Investments	7	2,349.84	1,598.01	2,130.10
- Trade receivables	8	266.52	224.95	170.98
- Cash and cash equivalents	9	94.60	50.65	32.70
- Bank balances other than cash and cash equivalents	10	693.90	1,140.97	1,429.17
- Other financial assets	5	61.10	99.90	131.94
Other current assets	6	82.83	72.82	52.72
<b>Total current assets</b>		<b>3,548.79</b>	<b>3,187.30</b>	<b>3,947.61</b>
<b>TOTAL ASSETS</b>		<b>8,083.34</b>	<b>8,065.58</b>	<b>7,291.76</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	11a	49.50	45.00	45.00
Other equity	11b	5,890.14	5,675.73	5,102.83
<b>TOTAL EQUITY</b>		<b>5,939.64</b>	<b>5,720.73</b>	<b>5,147.83</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Other financial liabilities	13	9.19	8.57	8.03
Provisions	14	14.13	10.25	9.31
Deferred tax liabilities (net)	15	40.09	32.66	24.98
Other non-current liabilities	18	5.39	5.39	5.39
<b>Total non-current liabilities</b>		<b>68.80</b>	<b>56.87</b>	<b>47.71</b>

## BALANCE SHEET AS AT MARCH 31, 2017 (contd.)

(₹ in Crores)

Particulars	Notes	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Current liabilities</b>				
Financial liabilities				
Deposits	19	1,115.68	1,098.45	1,093.47
Trade payables	12			
Total Outstanding dues of micro enterprises and small enterprises		0.07	0.11	0.06
Total Outstanding dues of creditors other than micro enterprises and small enterprises		90.89	66.70	48.13
Other financial liabilities	13	133.53	104.26	126.10
		<b>1,340.17</b>	<b>1,269.52</b>	<b>1,267.76</b>
Provisions	14	40.69	43.59	561.50
Income tax liabilities (net)	16	12.38	2.05	36.54
Other current liabilities	18	681.66	972.82	230.42
<b>Total current liabilities</b>		<b>2,074.90</b>	<b>2,287.98</b>	<b>2,096.22</b>
<b>TOTAL LIABILITIES</b>		<b>2,143.70</b>	<b>2,344.85</b>	<b>2,143.93</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,083.34</b>	<b>8,065.58</b>	<b>7,291.76</b>
Summary of significant accounting policies	1			
Notes refer to above form an integral part of the Balance sheet				

This is the Balance sheet referred to in our report of even date

**For Khandelwal Jain & Co.**  
Chartered Accountants  
Firm's Registration no : 105049W

**For and on behalf of the Board of Directors**

**Narendra Jain**  
Partner  
Membership No.: 048725

**Ashok Chawla**  
Chairman

**Ravi Narain**  
Vice Chairman

**Dinesh Kanabar**  
Director

**For Price Waterhouse & Co Chartered Accountants LLP**  
Chartered Accountants  
Firm's Registration no : 304026E / E-300009

**Sumit Seth**  
Partner  
Membership No.: 105869

**J Ravichandran**  
CEO Incharge

**Yatrik Vin**  
Chief Financial Officer

**S. Madhavan**  
Company Secretary

Place : Mumbai  
Date : May 5, 2017

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Notes	₹ in Crores)	
		For the year ended 31.03.2017	For the year ended 31.03.2016
<b>INCOME</b>			
Revenue from operations	20	1,690.50	1,472.97
Other income	21	627.91	557.37
<b>Total income</b>		<b>2,318.41</b>	<b>2,030.34</b>
<b>EXPENSES</b>			
Employee benefits expense	22	107.47	106.29
Clearing & settlement charges		100.05	98.54
Depreciation and amortisation expense	2, 3	111.70	103.09
Other expenses	23	442.20	373.20
<b>Total expenses (excluding contribution to Core Settlement Guarantee Fund)</b>		<b>761.42</b>	<b>681.12</b>
<b>Profit before contribution to Core SGF and tax</b>		<b>1,556.99</b>	<b>1,349.22</b>
Less : Contribution to Core Settlement guarantee fund (Core SGF)	40	(134.07)	(761.52)
<b>Profit before tax</b>		<b>1,422.92</b>	<b>587.70</b>
Less: Income tax expense			
Current tax	15	376.27	145.00
Deferred tax	15	13.72	7.03
<b>Total tax expenses</b>		<b>389.99</b>	<b>152.03</b>
<b>Profit for the year (A)</b>		<b>1,032.93</b>	<b>435.67</b>
<b>Other comprehensive income</b>			
Items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	11b	12.62	(7.97)
Income tax relating to items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	11b	(4.37)	2.75
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	11b	(7.35)	(2.10)
Changes in fair value of FVOCI equity instruments	11b	(31.68)	21.57
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	11b	2.54	0.73
Changes in fair value of FVOCI equity instruments	11b	8.10	(4.13)
<b>Total other comprehensive income for the year, net of taxes (B)</b>		<b>(20.14)</b>	<b>10.85</b>
<b>Total comprehensive income for the year (A)+(B)</b>		<b>1,012.79</b>	<b>446.52</b>

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017 (contd.)

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>Earnings per equity share ( Face value of ₹1 each)</b>			
- Basic and Diluted ( ₹)	24	20.87	8.80
<b>Before contribution to Core Settlement Guarantee Fund</b>			
- Basic and Diluted ( ₹)	24	22.64	18.86
Summary of significant accounting policies	1		

Notes refer to above form an integral part of the Statement of Profit & loss

This is the Statement of Profit & loss referred to in our report of even date

**For Khandelwal Jain & Co.**

Chartered Accountants  
Firm's Registration no : 105049W

**Narendra Jain**

Partner  
Membership No.: 048725

**For and on behalf of the Board of Directors**

**Ashok Chawla**  
Chairman

**Ravi Narain**  
Vice Chairman

**Dinesh Kanabar**  
Director

**For Price Waterhouse & Co Chartered Accountants LLP**

Chartered Accountants  
Firm's Registration no : 304026E / E-300009

**Sumit Seth**

Partner  
Membership No.: 105869

**J Ravichandran**  
CEO Incharge

**Yatrik Vin**  
Chief Financial Officer

**S. Madhavan**  
Company Secretary

Place : Mumbai  
Date : May 5, 2017

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

### (A) Equity share capital

(₹ in Crores)

Balance as at 01.04.2015	45.00
changes in equity share capital during the year	0.00
Balance as at 31.03.2016	45.00
Issue of bonus shares (Refer Note 11(b)(3))	4.50
Balance as at 31.03.2017	49.50

### (B) Other Equity

(₹ in Crores)

Particulars	Reserves and Surplus				Other Reserves				Total
	Securities premium reserve	Retained earnings *	CSR Reserve	Other reserves	Total Reserves and Surplus	FVOCI equity instruments	FVOCI debt instruments	Total other reserves	
Balance at the April 1, 2015	40.00	4,991.01	-	11.50	5,042.51	63.08	(2.76)	60.32	5,102.83
Profit for the year	-	435.67	-	-	435.67	-	-	-	435.67
Other Comprehensive Income	-	(1.37)	-	-	(1.37)	17.44	(5.22)	12.22	10.85
Reversal of Provisional transfer to NSCCL SGF	-	527.19	-	-	527.19	-	-	-	527.19
<b>Transaction with owners in their capacity as owners</b>									
Dividend paid (including dividend distribution tax)	-	(400.81)	-	-	(400.81)	-	-	-	(400.81)
Balance as at 01.04.2016	40.00	5,551.69	-	11.50	5,603.19	80.52	(7.98)	72.54	5,675.73
Profit for the period	-	1,032.93	-	-	1,032.93	-	-	-	1,032.93
Transfer to CSR Reserve [Refer note 33(c)]	-	(53.43)	53.43	-	-	-	-	-	-
Other Comprehensive Income	-	(4.81)	-	-	(4.81)	(23.58)	8.25	(15.33)	(20.14)
Issue of Bonus shares (Refer Note 11(b)(3))	(4.50)	-	-	-	(4.50)	-	-	-	(4.50)
<b>Transaction with owners in their capacity as owners</b>									
Dividend paid (including dividend distribution tax)	-	(793.88)	-	-	(793.88)	-	-	-	(793.88)
Balance as at 31.03.2017	35.50	5,732.50	53.43	11.50	5,832.93	56.94	0.27	57.21	5,890.14

This is the statement of changes in equity referred to in our report of even date

For Khandelwal Jain & Co.

Chartered Accountants

Firm's Registration no : 105049W

Narendra Jain

Partner

Membership No.: 048725

For and on behalf of the Board of Directors

Ashok Chawla

Chairman

Ravi Narain

Vice Chairman

Dinesh Kanabar

Director

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm's Registration no : 304026E / E-300009

Sumit Seth

Partner

Membership No.: 105869

J Ravichandran

CEO Incharge

Yatrik Vin

Chief Financial Officer

S. Madhavan

Company Secretary

Place : Mumbai

Date : May 5, 2017

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Crores)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
PROFIT BEFORE TAX	1,422.92	587.70
Adjustments for		
Depreciation and amortisation expense	111.70	103.09
Interest income from financial assets at amortised cost	(99.18)	(205.27)
Interest income from financial assets designated at fair value through other comprehensive income	(42.47)	(81.05)
Dividend income	(162.95)	(150.11)
Net fair value (gain) / loss on financial assets mandatorily measured at fair value through profit or loss	(107.13)	7.06
Net gain on sale of financial assets measured at fair value through other comprehensive income	(26.90)	(5.34)
Net gain on sale of investments mandatorily measured at fair value through profit or loss	(165.88)	(89.67)
Net gain on sale of investment in associate (i.e. National Securities Depository Limited)	(7.42)	-
Net gain on disposal of property, plant and equipment	(0.20)	(6.05)
Doubtful debts written off	0.52	0.21
Wealth Tax	-	(1.14)
<b>Change In operating assets and liabilities</b>		
(Increase)/Decrease in trade receivables	(42.09)	(54.18)
Increase/(Decrease) in trade payables	24.15	18.62
(Increase)/Decrease in other financial assets	(24.93)	20.34
(Increase)/Decrease in other assets	(13.04)	(18.28)
Increase/(Decrease) in other financial liabilities	9.35	(28.24)
Increase/(Decrease) in provisions	(6.37)	8.13
Refund / proceeds of deposits from trading member / applicant	17.23	4.98
Increase/(Decrease) in other liabilities	(291.16)	742.40
<b>CASH GENERATED / (USED) FROM OPERATIONS</b>	<b>596.15</b>	<b>853.20</b>
Income taxes paid	(398.96)	(369.08)
<b>NET CASH INFLOW / OUTFLOW FROM OPERATING ACTIVITIES - TOTAL (A)</b>	<b>197.19</b>	<b>484.12</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	(123.29)	(132.13)
Proceeds from property, plant and equipment	0.53	7.19
Payment for investment in subsidiaries, associates and joint ventures	(25.00)	(0.94)
Proceeds from investment in subsidiaries, associates and joint ventures	9.99	-
(Payment) / proceeds from investments (Net)	(315.05)	(936.93)
(Payment) / proceeds from fixed deposits / Bank balances other than cash & cash equivalents(Net)	695.29	555.56
Interest received	235.22	291.78
Dividend received	162.95	150.11
<b>NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES - TOTAL (B)</b>	<b>640.64</b>	<b>(65.36)</b>

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2017 (contd.)

Particulars	(₹ in Crores)	
	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid (including dividend distribution tax)	(793.88)	(400.81)
<b>NET CASH OUTFLOW FROM FINANCING ACTIVITIES - TOTAL (C)</b>	<b>(793.88)</b>	<b>(400.81)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>43.95</b>	<b>17.95</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>50.65</b>	<b>32.70</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>94.60</b>	<b>50.65</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>43.95</b>	<b>17.95</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>		
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents	94.60	50.65
Bank overdrafts	-	-
<b>Balances per statement of cash flows</b>	<b>94.60</b>	<b>50.65</b>

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

**For Khandelwal Jain & Co.**

Chartered Accountants  
Firm's Registration no : 105049W

**Narendra Jain**

Partner  
Membership No.: 048725

**For Price Waterhouse & Co Chartered Accountants LLP**

Chartered Accountants  
Firm's Registration no : 304026E / E-300009

**Sumit Seth**

Partner  
Membership No.: 105869

Place : Mumbai  
Date : May 5, 2017

**For and on behalf of the Board of Directors**

**Ashok Chawla**  
Chairman

**Ravi Narain**  
Vice Chairman

**Dinesh Kanabar**  
Director

**J Ravichandran**  
CEO Incharge

**Yatrik Vin**  
Chief Financial Officer

**S. Madhavan**  
Company Secretary

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Background and Significant Accounting Policies

#### Background

The National Stock Exchange of India Limited ("NSE" or "the Company") established in 1992 is the first demutualized electronic exchange in India. NSE was the first exchange in the country to provide a modern, fully automated screen-based electronic trading system which offered easy trading facility to the investors spread across the country. NSE offers trading in equity, equity derivatives, debt and currency derivatives segments.

#### Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements ("financial statements"). These policies have been consistently applied to all the years presented, unless otherwise stated.

##### (a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous year numbers in the financial statements have been restated to Ind AS. These financial statements are the first financial statements of the company which have been prepared in accordance with Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS in respect of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the comprehensive income for the year ended March 31, 2016 and of the cash flows for the year ended March 31, 2016.

##### (b) Basis of preparation

These financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act, 2013 and Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], Companies ( Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Companies Act 2013 (the Act).

The financial statements up to year ended 31 March 2016 were prepared in accordance with Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

##### i) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value, and
- defined benefit plans - plan assets measured at fair value.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 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 measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) 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 within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### (c) 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 the period end exchange rates are 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.

### (d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, incentives, service taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue is recognised in the period when the service is provided as per arrangements/agreements with the customers. The sources of revenue are:

- (i) Transaction charges – revenue is recognised on transactions in accordance with the Company's fee scales as and when the transaction occurs.
- (ii) Subscription and other fees – revenue is recognised on a straight-line basis over the period to which the fee relates.
- (iii) Book building fees – revenue is recognised at the time of completion of book building process.
- (iv) Others – all other revenue is recognised in the period in which the service is provided.

In respect of members who have been declared as defaulters by the Company all amounts (dues) remaining to be recovered from such defaulters, net of available security and insurance cover available if any, till the date of being declared as defaulters are written off as bad debts. All subsequent recoveries are accounted when received.

Penal charges in respect of shortages due from the respective member is recognised in profit and loss as part of other revenue to the extent such charges are recoverable in the period of declaration of default.

Insurance claims are accounted on accrual basis when the claims become due and payable.

### (e) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to statement of profit and loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity. The dividend distribution tax paid by the subsidiaries for which the set off has been availed by the Parent company has been recognized in equity.

### (f) Leases

#### As a lessee

Leases of property, plant and equipment and land where the Company, as lessee, has substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature

### (g) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### (h) Cash and cash equivalents

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked/restricted for specific purposes.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### (i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### j) Investments and other financial assets

#### (i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

#### (ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised under other income. Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the statement of profit and loss under other income in the period in which it arises. Interest or dividend income, if any from these financial assets is separately included in other income.

Equity investments (other than Investments in subsidiaries, associates and joint venture)

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

measured at FVOCI are not reported separately from other changes in fair value.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income in the statement of profit and loss.

Equity Investments (in subsidiaries, associates and joint venture)

Investments in subsidiaries, associates and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The accounting policy on impairment of non-financial assets is disclosed in Note g above. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Transition to Ind AS

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries, joint ventures and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2015.

### (iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### (iv) De-recognition of financial assets

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Purchase and sale of investment are accounted at trade date.

### (iv) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be reliably measured

## (k) Financial liabilities

### (i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### (ii) 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.

### (iii) 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.

### (iv) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### (l) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

### (m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### (n) Property, plant and equipment (including CWIP)

Freehold land is carried at historical cost of acquisition. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

#### Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Building	60 years
Furniture and fixture	5 to 10 years
Office equipment	4 to 5 years
Electrical equipment	10 years
Computer systems office automation	3 years
Computer systems – others	4 years
Computer software	4 years
Telecommunication systems	4 years
Trading systems	4 years

The property, plant and equipment including land acquired under finance leases is depreciated over the asset's useful life or the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

The useful lives for computer systems office automation, computer systems – others, computer software, telecommunication systems, trading systems and clearing & settlement systems have been determined based on technical evaluation done by the management's expert which are lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted on a prospective basis if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.

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

### (o) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is accounted as investment property. Investment property is measured initially at its cost, including related transaction costs.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost of investment properties.

### (p) Intangible assets

Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Computer software is amortised over a period of 4 years.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the Previous GAAP and use that carrying value the deemed cost of intangible assets.

### (q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### (r) Provisions

Provisions for legal claims and discounts/incentives are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

At the end of each reporting period, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at a future date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### (s) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not disclosed in case the possibility of an outflow of resources embodying economic benefits is remote.

### (t) Employee benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### (ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet since the company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, and
- (b) Defined contribution plans such as provident fund and superannuation

#### Gratuity obligations

The Company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to yields on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### (iv) Defined contribution plans

Provident fund

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

Superannuation

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

### (v) Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### (u) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### (v) Dividends

Provision is made for the amount of any dividend declared including dividend distribution tax, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### (w) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### (x) Core Settlement Guarantee Fund

The Company contributes to Settlement Guarantee Fund/ Core Settlement Guarantee Fund in accordance with Securities Exchange Board of India ('SEBI') (Stock Exchanges and Clearing Corporations) Regulation 2012. The Company contributes 25% of its annual profits and also contributes amounts pertaining to Minimum Required Contribution to the Core Settlement Guarantee Fund maintained by National Securities Clearing Corporation Limited (subsidiary of the Company), which is determined as per SEBI guidelines. The contribution to



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Settlement Guarantee Fund/ Core Settlement Guarantee Fund is recorded as an expense and such amounts are separately disclosed as other current liability in balance sheet. Effective August 29, 2016, SEBI has amended Regulation 33 of SECC Regulations, 2012 and the Company is now required to contribute only towards the MRC of Core SGF. (Refer Note 40).

### (y) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

### (z) Reclassification

Previous year's figures have been reclassified / regrouped wherever necessary.

### (aa) Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

#### The areas involving critical estimates or judgements are:

Estimation of fair value of unlisted securities Note 27

Estimation of useful life of intangible assets Note 3

Estimation of defined benefit obligation Note 25

Estimation of contingent liabilities refer Note 30

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

### (ab) Recent Accounting Pronouncements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

#### Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment including its effect on the financial statements.

#### Amendment to Ind AS 102

The amendment is not expected to have any impact on the Company's financial statements.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 2 : Property, plant and equipment

(₹ in Crores)

Particulars	Freehold land	Leasehold land	Owned building*	Office equipments	Electrical equipment & installations	Furniture & Fixtures	Furniture, fittings & Equipments	Trading systems	Computer systems office automation	Computer systems others	Tele-communication systems	Total	Capital work in progress
Deemed cost as at 01.04.2015	35.5	82.49	142.86	16.13	60.15	17.04	93.32	27.37	2.62	65.28	37.98	487.42	5.15
Gross carrying amount													
Cost as at 01.04.2015	35.50	107.61	174.92	57.59	87.55	39.34	184.48	188.57	13.17	149.83	146.41	1,000.49	5.15
Additions	-	-	-	11.00	15.34	3.95	30.29	2.15	0.94	42.72	18.49	94.59	103.87
Disposals	-	-	(1.31)	(0.02)	(0.04)	(1.27)	(1.33)	-	-	(0.15)	-	(2.79)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(94.59)
<b>Closing gross carrying amount</b>	<b>35.50</b>	<b>107.61</b>	<b>173.61</b>	<b>68.57</b>	<b>102.85</b>	<b>42.02</b>	<b>213.44</b>	<b>190.72</b>	<b>14.11</b>	<b>192.40</b>	<b>164.90</b>	<b>1,092.29</b>	<b>14.43</b>
<b>Accumulated depreciation</b>													
Accumulated depreciation as at 01.04.2015	-	25.12	32.06	41.46	27.40	22.30	91.16	161.20	10.55	84.55	108.43	513.07	-
Depreciation charge during the year	-	1.30	2.91	7.86	6.87	3.66	18.39	10.66	1.56	30.63	16.91	82.36	-
Disposals	-	-	(0.38)	(0.01)	(0.03)	(1.20)	(1.24)	-	-	(0.02)	-	(1.64)	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>26.42</b>	<b>34.59</b>	<b>49.31</b>	<b>34.24</b>	<b>24.76</b>	<b>108.31</b>	<b>171.86</b>	<b>12.11</b>	<b>115.16</b>	<b>125.34</b>	<b>593.79</b>	<b>-</b>
<b>Net carrying amount as at 31.03.2016</b>	<b>35.50</b>	<b>81.19</b>	<b>139.02</b>	<b>19.26</b>	<b>68.61</b>	<b>17.26</b>	<b>105.13</b>	<b>18.86</b>	<b>2.00</b>	<b>77.24</b>	<b>39.56</b>	<b>498.50</b>	<b>14.43</b>
Gross carrying amount													
Opening as at 01.04.2016	35.50	107.61	173.61	68.57	102.85	42.02	213.44	190.72	14.11	192.40	164.90	1,092.29	14.43
Additions	-	-	-	3.11	0.99	5.88	9.98	10.04	3.89	21.52	21.43	66.86	127.20
Disposals	-	-	-	(0.07)	(0.01)	(0.13)	(0.21)	-	(0.52)	(0.21)	(0.66)	(1.60)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(66.86)
<b>Closing gross carrying amount</b>	<b>35.50</b>	<b>107.61</b>	<b>173.61</b>	<b>71.61</b>	<b>103.83</b>	<b>47.77</b>	<b>223.21</b>	<b>200.76</b>	<b>17.48</b>	<b>213.71</b>	<b>185.67</b>	<b>1,157.55</b>	<b>74.77</b>
<b>Accumulated depreciation</b>													
Opening as at 01.04.2016	-	26.42	34.59	49.31	34.24	24.76	108.31	171.86	12.11	115.16	125.34	593.79	-
Depreciation charge during the year	-	1.30	2.91	7.67	8.09	3.92	19.68	10.52	2.39	35.26	19.66	91.72	-
Disposals	-	-	-	(0.04)	-	(0.13)	(0.21)	-	(0.53)	(0.21)	(0.38)	(1.29)	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>27.72</b>	<b>37.50</b>	<b>56.94</b>	<b>42.33</b>	<b>28.55</b>	<b>127.78</b>	<b>182.38</b>	<b>13.97</b>	<b>150.21</b>	<b>144.62</b>	<b>684.22</b>	<b>-</b>
<b>Net carrying amount as at 31.03.2017</b>	<b>35.50</b>	<b>79.89</b>	<b>136.11</b>	<b>14.67</b>	<b>61.50</b>	<b>19.22</b>	<b>95.43</b>	<b>18.38</b>	<b>3.51</b>	<b>63.50</b>	<b>41.05</b>	<b>473.33</b>	<b>74.77</b>

\* Includes investment property for which cost and fair value details are as follows:

Particulars	31.03.2017	31.03.2016	01.04.2015
Net carrying amount of investment property	4.87	8.21	23.09
Fair value of investment property	53.03	73.97	311.82
Depreciation	0.11	0.18	NA
Rental income	6.55	13.90	NA

### Estimation of fair value

The Company obtains independent valuations for its investment property. The best evidence of fair value is current prices in an active market for similar property.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 3 : Intangible assets

(₹ in Crores)

Particulars	Computer software	Computer software under development	Total
<b>Deemed cost as at 01.04.2015</b>	<b>31.70</b>	<b>11.39</b>	<b>43.09</b>
Gross carrying amount			
Cost as at 01.04.2015	165.48	11.39	176.87
Additions	31.62	43.34	74.96
Transfers	-	(31.62)	(31.62)
<b>Closing gross carrying amount</b>	<b>197.10</b>	<b>23.11</b>	<b>220.21</b>
<b>Accumulated amortisation</b>			
Accumulated amortisation as at 01.04.2015	133.78	-	133.78
Amortisation for the year	20.73	-	20.73
<b>Closing accumulated amortisation</b>	<b>154.51</b>	<b>-</b>	<b>154.51</b>
<b>Net carrying amount as at 31.03.2016</b>	<b>42.59</b>	<b>23.11</b>	<b>65.70</b>
Gross carrying amount			
Opening as at 01.04.2016	197.10	23.11	220.21
Additions	13.95	17.66	31.61
Deductions	(0.36)		(0.36)
Transfers		(13.95)	(13.95)
<b>Closing gross carrying amount</b>	<b>210.69</b>	<b>26.82</b>	<b>237.51</b>
<b>Accumulated amortisation</b>			
Opening as at 01.04.2016	154.51	-	154.51
Amortisation for the year	19.98	-	19.98
Deductions	(0.36)	-	(0.36)
<b>Closing accumulated amortisation</b>	<b>174.13</b>	<b>-</b>	<b>174.13</b>
<b>Net carrying amount as at 31.03.2017</b>	<b>36.56</b>	<b>26.82</b>	<b>63.38</b>

#### Significant estimate: Useful life of intangible assets under development

The Company has completed the development of software that is used in its various business processes. As at 31 March 2017, the net carrying amount of this software was ₹36.56 crores (31 March 2016: ₹42.59 crores, 01 April 2015: ₹31.70 crores). The Company estimates the useful life of the software to be 4 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 4 years, depending on technical innovations and competitor actions.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 4 : NON-CURRENT INVESTMENTS

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
<b>I Investment in equity instruments (fully paid up)</b>						
<b>A) Unquoted equity instruments at cost</b>						
<b>(i) In subsidiary companies</b>						
National Securities Clearing Corporation Limited	4,50,00,000	5.64	4,50,00,000	5.64	4,50,00,000	5.64
Nse Strategic Investment Coporation Limited	41,30,21,703	413.14	41,30,21,703	413.14	41,26,08,681	412.61
NSE International Financial Service Centre Limited	2,50,00,000	25.00	-	-		
<b>(ii) In associate companies</b>						
National Securities Depository Limited	96,00,000	58.92	1,00,18,000	61.49	1,00,18,000	61.49
BFSI Sector Skill Council Of India (Section 8 Company)	1,00,00,000	1.00	1,00,00,000	1.00	1,00,00,000	1.00
<b>Total equity instruments</b>		<b>503.70</b>		<b>481.26</b>		<b>480.74</b>
<b>II Investments in preference shares (fully paid up)</b>						
<b>A) Unquoted preference shares at cost</b>						
<b>In subsidiary company</b>						
6% Non-Cumulative Compulsorily Convertible Preference Shares of						
NSE Strategic Investment Coporation Limited - 19-Feb-2023	21,15,47,703	211.55	21,15,47,703	211.55	21,13,36,155	211.34
NSE Strategic Investment Coporation Limited - 01-Jan-2023	5,75,64,000	57.56	5,75,64,000	57.56	5,75,06,436	57.51
NSE Strategic Investment Coporation Limited - 01-Sep-2022	5,41,20,000	54.12	5,41,20,000	54.12	5,40,65,880	54.07
NSE Strategic Investment Coporation Limited - 27-Jun-2022	3,15,70,000	31.57	3,15,70,000	31.57	3,15,38,430	31.54
NSE Strategic Investment Coporation Limited - 30-Sep-2022	2,66,50,000	26.65	2,66,50,000	26.65	2,66,23,350	26.62
NSE Strategic Investment Coporation Limited - 27-Mar-2022	2,25,00,000	22.50	2,25,00,000	22.50	2,24,77,500	22.48
NSE Strategic Investment Coporation Limited - 21-Jul-2022	90,20,000	9.02	90,20,000	9.02	90,10,980	9.01
<b>Total preference shares</b>		<b>412.97</b>		<b>412.97</b>		<b>412.56</b>
<b>Total Investment in subsidiaries, associates and joint ventures</b>		<b>916.67</b>		<b>894.24</b>		<b>893.30</b>
<b>III Investment in equity instruments (fully paid up)</b>						
<b>A) Quoted equity instruments at FVOCI</b>						
<b>In other companies other than subsidiaries</b>						
MCX Limited	5,000	0.60	5,000	0.42	5,000	0.56
<b>Total quoted equity instruments at FVOCI</b>		<b>0.60</b>		<b>0.42</b>		<b>0.56</b>
<b>B) Unquoted equity instruments</b>						
<b>In other companies at FVOCI</b>						
National Commodity & Derivative Exchange Limited	76,01,377	128.00	76,01,377	159.86	76,01,377	138.15
<b>Total unquoted equity instruments</b>		<b>128.00</b>		<b>159.86</b>		<b>138.15</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 4 : NON-CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
<b>IV Investment in exchange traded funds</b>						
<b>Quoted exchange traded funds at FVPL</b>						
CPSE ETF	2,54,70,000	71.85	4,05,20,000	79.70	65,00,000	15.74
SBI-ETF Nifty 50	24,13,000	22.33	48,50,000	38.02	-	-
ICICI Prudential Nifty iWIN ETF	23,26,000	21.75	33,90,000	26.99	-	-
Kotak Mahindra MF - Kotak Banking ETF	6,45,000	14.05	14,40,000	23.46	-	-
R Shares Nifty Bees	4,47,500	41.99	10,26,000	81.18	2,80,000	23.82
R Shares Bank Bees	2,37,000	51.40	74,500	13.09	-	-
Goldman Sachs Mutual Fund Bank Bees	-	-	4,98,000	80.94	1,60,000	29.02
<b>Total exchange traded funds</b>		<b>223.37</b>		<b>343.39</b>		<b>68.58</b>
<b>V Investment in bonds</b>						
<b>Quoted bonds at amortised cost</b>						
<b>(i) Tax free bonds</b>						
7.35% Nabard 23 Mar 2031	5,00,000	52.10	2,50,000	25.95	-	-
7.64% Nabard 23 Mar 2031	4,00,000	42.35	-	-	-	-
8.67% National Hydroelectric Power Corp Limited - 02 Nov 2033	3,00,000	39.21	-	-	-	-
6.86% India Infrastructure Finance Company Limited - 26 Mar 2023	2,50,000	24.57	2,50,000	24.51	-	-
7.51% HUDCO Taxfree Bonds - 16 Feb 2028	2,50,000	25.99	2,50,000	26.03	-	-
8.46% Rural Electrification Corporation Limited - 24 Sep 2028	2,50,000	27.89	2,50,000	28.01	-	-
8.67% Power Finance Corporation Limited - 16 Nov 2033	2,50,000	31.38	-	-	-	-
7.39% Housing & Urban Development Corp Limited. 15 Mar 2031	2,00,000	22.03	-	-	-	-
8.20% HUDCO - 05 Mar 2027	2,00,000	22.78	-	-	-	-
7.18 % Indian Railway Finance Corpn Limited - Tranche 1 - Series 1 - 19 Feb 2023	1,50,000	15.50	1,50,000	15.50	1,50,000	15.50
8.20% Power Finance Corporation Limited - Tranche 1 - Series 1 - 01 Feb 2022	1,35,436	14.44	92,718	9.67	92,718	9.67
7.43% Rural Electrification Corporation Limited 05 Nov 2035	1,00,000	10.76	-	-	-	-
7.19% Housing & Urban Development Corporation Limited 28 March 2028	1,00,000	10.09	1,00,000	10.10	-	-
7.19% India Infrastructure Finance Company Limited 22 Jan 2023	1,00,000	10.25	1,00,000	10.17	-	-
7.34% Indian Railway Finance Corporation Limited 19 Feb 2028	1,00,000	10.50	1,00,000	10.51	-	-
7.36% India Infrastructure Finance Company Limited - 22 Jan 2028	1,00,000	10.33	1,00,000	10.34	-	-
8.40% IRFC-Taxfree-18 Feb 2029	1,00,000	11.82	1,00,000	11.87	-	-
8.66% India Infrastructure Finance Company Limited - 22 Jan 2034	1,00,000	11.89	-	-	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 4 : NON-CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
7.27% PFC - 17 Oct 2030	1,00,000	11.19	-	-		
8.41% NTPC Limited - 16 Dec 2033	1,29,162	14.72				
7.93 % Rural Electrification Corpn Limited - Tranche 1 - Series 1 - 27 Mar 2022	61,238	6.93				
8.63% National Housing Bank - 13 Jan 2029	60,000	36.06	-	-	-	-
7.40% India Infrastructure Finance Co. Limited. 22 Jan 2033	50,000	5.50	-	-	-	-
8.54% Power Finance Corp Limited - 16 Nov 2028	50,000	5.99	-	-	-	-
8.66% NTPC Limited - 16 Dec 2033	50,000	6.24	-	-	-	-
8.20% National Highways Authority of India - Tranche 1 - Series 1 - 25 Jan 2022	37,086	3.86	37,086	3.86	37,086	3.86
8.00% Indian Railway Finance Corp. Limited - Tranche 1 - Series 1 - 23 Feb 2022	32,626	3.38	32,626	3.38	32,626	3.38
8.68% National Housing Bank - 24 Mar 2029	10,000	6.01	-	-	-	-
7.28% National Highways Authority of India - 18 Sep 2030	950	102.01	950	98.82	-	-
8.09% - Power Finance Corporation - Series 80 A - 25 Nov 2021	500	5.52	-	-	-	-
7.19% Indian Railway Finance Corporation Limited - 31 Jul 2025	450	48.21	450	47.28	-	-
6.89% National Housing Bank 22 Mar 2023	350	36.23	-	-	-	-
8.46% National Housing Bank - Series V - 30 Aug 2028	300	34.12	250	28.12	50	5.25
7.15% NTPC Limited - 21 Aug 2025	200	21.16	150	15.68	-	-
8.46% India Infrastructure Finance Company Limited - 30 Aug 2028	200	22.98	200	23.09	-	-
8.63% Ntpc Limited - 04 Mar 2029	200	23.89	-	-	-	-
8.46% - Rural Electrification Corporation Limited - 29 Aug 2028	200	23.61	50	5.25	50	5.25
8.35% Indian Railway Finance Corporation Limited - 21 Nov 2023	150	16.21	150	16.21	150	16.71
8.48% India Infrastructure Finance Company Limited 05 Sep 2028	150	17.13	150	17.21	-	-
7.00% HUDCO 09 Oct 25	100	10.33	100	10.34	-	-
7.07% HUDCO 01 Oct 25	100	10.35	100	10.35	-	-
7.21% Rural Electrification Corporation Limited 21 Nov 2022	100	10.47	-	-	-	-
<b>Total tax free bonds</b>		<b>875.98</b>		<b>462.25</b>		<b>59.62</b>
(ii) <b>Taxable bonds</b>						
8.80% Power Grid Corporation of India Limited - 13 Mar 2023	500	50.54	500	50.58	400	40.43
8.39% Power Finance Corporation Limited - 19 Apr 2025	250	24.87	250	24.86	-	-
8.82% Rural Electrification Corporation Limited - Sr 114 - 12 Apr 2023	150	16.39	150	16.41	150	16.42
11.25% Power Finance Corporation Limited - 28 Nov 2018	100	10.69	100	10.88	100	11.06

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 4 : NON-CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
8.40% Power Grid Corporation of India Limited - 27 May 2024	50	5.31	50	5.30	-	-
8.70% Power Grid Corporation of India Limited 15 Jul 2023	50	5.50	-	-	-	-
8.95% Nabard 01 Jan 2018	-	-	2,500	4.29	2,500	3.91
7.87% Export Import Bank Of India - 16 May 2016	-	-	-	-	250	26.57
8.33% Union Bank 19 May 2016	-	-	-	-	100	10.30
8.78% Power Finance Corporation Limited - 11 Dec 2016	-	-	-	-	5	0.51
<b>Total taxable bonds</b>		<b>113.30</b>		<b>112.32</b>		<b>109.22</b>
<b>Unquoted bonds at amortised cost</b>						
(iii) <b>Taxable bonds</b>						
6% National Highways Authority Of India - 31 Mar 2017	-	-	-	-	500	0.53
<b>Total taxable bonds</b>		<b>-</b>		<b>-</b>		<b>0.53</b>
<b>Total bonds</b>		<b>989.28</b>		<b>574.57</b>		<b>169.37</b>
VI <b>Investment in debentures</b>						
<b>Quoted at amortised cost</b>						
8.58% Infrastructure Leasing & Financial Services Limited - 01 Dec 2018	2,50,000	25.72	2,50,000	25.72	-	-
8.70% IIFs Financial Services Limited 30 Sep 2018	2,50,000	26.09	2,50,000	26.09	-	-
8.74% Infrastructure Leasing & Financial Services Limited - 10 Aug 2018	2,50,000	26.40	2,50,000	26.40	-	-
8.90% IIFs Financial Services Limited 21 Mar 2019	2,50,000	25.07	2,50,000	25.07	-	-
0% Infrastructure Leasing & Financial Services Limited - 10 Apr 2018	1,50,000	17.69	1,50,000	16.22	-	-
8.77% IICI Home Finance Company Limited 21 Dec 2018	500	25.05	500	25.05	-	-
8.80% Kotak Mahindra Prime Limited - 26 Jun 2018	450	47.86	450	46.26	-	-
8.71% Can Fin Homes Limited - 07 Aug 2018	350	36.98	350	36.98	-	-
7.65% Bajaj Finance Limited - 10 Feb 2020	300	30.31	-	-	-	-
9.90% Tata Sons Limited 20 Mar 2019	250	26.74	-	-	-	-
7.90% Tata Sons Limited - 03 Mar 2020	250	25.12	-	-	-	-
8.48% Hdb Financial Services Limited 13 May 2019	250	26.77	-	-	-	-
9.25% Tata Sons Limited 19 Jun 2019	250	26.13	-	-	-	-
0% Hdb Financial Services Limited 16 Dec 2019	250	26.23	-	-	-	-
8.79% Bajaj Finance Ltd 10 May 19	250	25.84	-	-	-	-
8.80% Kotak Mahindra Prime Limited 10 Jul 2018	150	15.96	150	17.56	-	-
8.41% Can Fin Home Finance 30 Jan 2019	100	10.44	-	-	-	-
8.71% Hdb Financial Services Limited 20 Oct 2018	100	10.55	100	10.56	-	-
8.80% Can Fin Homes Limited 02 Jul 2018	100	10.66	100	10.66	-	-
7.90% Bajaj Finance Limited 27 Sep 2019	100	10.44	-	-	-	-
8.90% HDB Financial Services Limited 28 Feb 2019	100	10.30	-	-	-	-
8.25% Bajaj Finance Limited 19 Aug 2019	100	10.63	-	-	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 4 : NON-CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
10.25% Mahindra & Mahindra Financial Services Limited 08 Oct 2018	50	5.35	50	5.42	-	-
8.45% Can Fin Home Finance 22 Feb 2019	50	5.20	-	-	-	-
9.05% Fullerton India Credit Comapny Limited 30 Apr 2018 - Series 33-A	50	5.41	50	5.42	-	-
8.72% Lic Housing Finance 28 Nov 2019	50	5.25	-	-	-	-
7.95% HDFC 2019 - 23 Sep 2019	50	52.56	-	-	-	-
7.80% HDFC 2019 - 11 Nov 2019	25	25.75	-	-	-	-
8.74% Infrastructure Leasing & Financial Services Limited 10 Aug 2017	-	-	1,00,000	10.59	-	-
8.75% Mahindra & Mahindra Financial Services Limited 31 Jul 2017	-	-	400	42.35	-	-
9.65% IIFFS Financial Services Limited 18 Sep 2017	-	-	250	26.29	250	26.29
8.90% Kotak Mahindra Investment Ltd 11 Sep 2017	-	-	250	26.23	-	-
9.00% Reliance Capital Limited 28 July 2017	-	-	250	26.51	-	-
8.70% Kotak Mahindra Investment Limited 11 Aug 2017	-	-	250	26.38	-	-
8.8075% Mahindra & Mahindra Financial Services Limited 15 May 2017	-	-	250	26.82	-	-
8.80% Kotak Mahindra Prime Limited 15 Mar 2018	-	-	150	15.91	-	-
8.75% Mahindra & Mahindra Financial Services Limited 04 Aug 2017	-	-	50	5.28	-	-
10.60% Lic Housing Finance 06 Sep 2016	-	-	-	-	750	80.48
10.17% Hdb Financial Services Limited 11 Nov 2016	-	-	-	-	350	36.36
0% HDFC 16 Jan 2017	-	-	-	-	250	33.57
8.54% HDB Financial Services Limited 03 Jun 2016	-	-	-	-	250	26.54
9.71% Tata Sons Limited 13 Dec 2016	-	-	-	-	250	25.81
10.05% HDB Financial Services Limited 10 Feb 2017	-	-	-	-	50	5.08
<b>Total debentures</b>		<b>596.50</b>		<b>483.78</b>		<b>234.13</b>
<b>VII Investment in government securities</b>						
<b>Quoted investment in government securities at FVOCI</b>						
7.61% Government of India - 09 May 2030	1,50,000	159.86	-	-	-	-
8.60% Government of India - 02 Jun 2028	45,000	50.65	2,20,000	239.46	1,70,000	186.66
9.20% Government of India - 30 Sep 2030	55,000	63.46	1,30,000	143.79	1,30,000	145.40
8.15% Government of India - 24 Nov 2026	15,000	16.45	15,000	15.84	15,000	15.91
8.67% Maharashtra SDL - 24 Feb 2026	5,000	5.59	5,000	5.25	-	-
7.72% Government of India - 25 May 2025	-	-	5,25,000	540.68	-	-
9.23% Government of India - 23 Dec 2043	-	-	1,60,000	186.04	1,60,000	188.60
8.40% Government of India - 28 Jul 2024	-	-	80,000	84.40	80,000	84.68
8.72% AP SDL - 06 Feb 2023	-	-	25,000	26.48	25,000	26.32
7.88% Government of India - 19 Mar 2030	-	-	25,000	25.18	-	-
<b>Total government securities</b>		<b>296.01</b>		<b>1,267.13</b>		<b>647.57</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 4 : NON-CURRENT INVESTMENTS (contd.)

Particulars		31.03.2017		31.03.2016		01.04.2015	
		Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
VIII	<b>Mutual Funds</b>						
	<b>Quoted investments in mutual funds at FVPL</b>						
	Reliance Fixed Horizon Fund - XXXIII - Series 4 - 1208 Days	2,50,00,000	25.16	-	-	-	-
	Reliance Fixed Horizon Fund XXXIII Series 3 – 1215 Days – Direct - Growth	2,50,00,000	25.19	-	-	-	-
	Reliance Fixed Horizon Fund - XXXIII - Series 6 - 1201 Days - Direct - Growth	2,50,00,000	25.06	-	-	-	-
	Kotak Fmp Series 199 - 1147 Days	2,00,00,000	20.15	-	-	-	-
	Reliance Fixed Horizon Fund XXXII Series 9 - 1285 Days	2,00,00,000	20.13	-	-	-	-
	Birla Sun Life Fixed Term Plan - Series OI (1120 Days)	2,00,00,000	20.12	-	-	-	-
	Kotak FMP Series 202 - 1144 Days - Direct - Growth	2,00,00,000	20.04	-	-	-	-
	Reliance Fixed Horizon Fund - XXXIII - Series 7 - 1197 Days - Direct - Growth	2,00,00,000	20.02	-	-	-	-
	Reliance Fixed Horizon Fund XXXIII Series 1 - 1222 Days	2,00,00,000	20.15	-	-	-	-
	ICICI Prudential Fixed Maturity Plan - Series 80 - 1187 Days Plan G - Direct-Growth	1,50,00,000	15.05	-	-	-	-
	ICICI Prudential Fixed Maturity Plan - Series 80 - 1253 Days Plan J	1,50,00,000	15.12	-	-	-	-
	DSP Blackrock FMP Series 204 - 37M - Direct - Growth	1,50,00,000	15.10	-	-	-	-
	Kotak FMP Series 200 - 1158 Days	1,50,00,000	15.09	-	-	-	-
	IDFC Fixed Maturity Plan - Series 131 - 1139 Days - Direct - Growth	1,50,00,000	15.02	-	-	-	-
	Birla Sun Life Fixed Term Plan - Series Oe - 1153 Days	1,00,00,000	10.06	-	-	-	-
	Birla Sun Life Fixed Term Plan - Series Og - 1146 Days	1,00,00,000	10.05	-	-	-	-
	Birla Sun Life Fixed Term Plan - Series Oh - 1120 Days	1,00,00,000	10.09	-	-	-	-
	Icici Prudential Fixed Maturity Plan - Series 80 - 1233 Days Plan O	1,00,00,000	10.07	-	-	-	-
	IDFC Fixed Maturity Plan - Series 129 - 1147 Days	1,00,00,000	10.08	-	-	-	-
	UTI-FTIF-XXVI-VI (1146 Days)	1,00,00,000	10.05	-	-	-	-
	DSP Blackrock FMP Series 205 - 37M - Direct - Growth	1,00,00,000	10.06	-	-	-	-
	ICICI Prudential Fixed Maturity Plan - Series 80 - 1227 Days Plan Q	1,00,00,000	10.06	-	-	-	-
	ICICI Prudential Fixed Maturity Plan - Series 80 - 1231 Days Plan P	1,00,00,000	10.06	-	-	-	-
	Invesco India Fixed Maturity Plan – Series 29 - Plan B (1150 Days) - Direct - Growth	1,00,00,000	10.03	-	-	-	-
	Birla Sun Life Fixed Term Plan - Series OK (1135 Days) - Direct - Growth	1,00,00,000	10.03	-	-	-	-
	ICICI Prudential Fixed Maturity Plan - Series 80 - 1225 Days Plan T - Direct - Growth	1,00,00,000	10.02	-	-	-	-
	UTI Fixed Term Income Fund Series XXVI-VIII (1154 Days) - Direct - Growth	1,00,00,000	10.01	-	-	-	-
	DHFL Pramerica Fixed Duration Fund Series AE	1,50,000	15.07	-	-	-	-
			<b>417.14</b>		-		-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 4 : NON-CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
Total Investment other than in subsidiaries and associates		2,650.90		2,829.14		1,258.37
<b>Total non-current investments</b>		<b>3,567.57</b>		<b>3,723.38</b>		<b>2,151.67</b>
Aggregate book value - quoted investments		2,522.90		2,669.28		1,119.69
Aggregate market value of quoted investments		2,563.85		2,673.59		1,127.90
Aggregate book value - unquoted investments		1,044.67		1,054.10		1,031.98

### Note 5 : Other financial assets

(₹ in Crores)

Particulars	Non-current	Current	Non-current	Current	Non-current	Current
	31.03.2017	31.03.2017	31.03.2016	31.03.2016	01.04.2015	01.04.2015
<b>Non-current bank balances</b>						
Fixed deposits with maturity for more than 12 months	10.32	-	226.88	-	512.34	-
Earmarked fixed deposits with maturity for more than 12 months *	22.32	-	53.98	-	35.88	-
<b>Total (a)</b>	<b>32.64</b>	<b>-</b>	<b>280.86</b>	<b>-</b>	<b>548.22</b>	<b>-</b>
<b>Others</b>						
Security deposit for utilities and premises	2.35	-	2.16	-	1.83	-
Interest accrued on Bank deposits	13.28	36.28	20.99	94.83	15.30	129.83
Other receivables	-	24.82	-	5.07	-	2.11
<b>Total (b)</b>	<b>15.63</b>	<b>61.10</b>	<b>23.15</b>	<b>99.90</b>	<b>17.13</b>	<b>131.94</b>

\* Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.

### Note 6 : Other assets

(₹ in Crores)

Particulars	Non-current	Current	Non-current	Current	Non-current	Current
	31.03.2017	31.03.2017	31.03.2016	31.03.2016	01.04.2015	01.04.2015
Capital advances	0.18	-	1.25	-	9.37	-
Advance recoverable in cash or kind	-	5.53	-	4.64	-	6.28
Balances with service tax authorities	-	10.84	-	7.82	-	8.91
Prepaid expenses	5.07	23.53	2.05	25.60	3.87	12.43
Receivable from related parties (refer note no.28)	-	42.93	-	34.76	-	25.10
Securities Transaction Tax paid *	10.59	-	10.59	-	10.59	-
	<b>15.84</b>	<b>82.83</b>	<b>13.89</b>	<b>72.82</b>	<b>23.83</b>	<b>52.72</b>

\*Securities Transaction Tax ("STT") paid represents amounts recovered by tax authorities towards STT, interest and penalty thereon recoverable from few members and ad-hoc STT, interest and penalty thereon which is disputed by the Company. The Company has recovered an amount of ₹5.39 crores against the STT paid to tax authorities from the respective members and which is held as deposit and disclosed under other non current liabilities. (refer note no. 18). The contingent liability of ₹6.76 Crore net of recoveries from members amounting to ₹5.39 Crore disclosed under contingent liability (Refer note: 30 (v))

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 7 : CURRENT INVESTMENTS

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
<b>A) Investment in bonds</b>						
<b>Quoted bonds at amortised cost</b>						
<b>(i) Taxable bonds</b>						
8.95% Nabard - 01 Jan 2018	2,500	4.74	-	-	-	-
7.87% Export Import Bank of India - 16 May 2016	-	-	250	26.71	-	-
6 % National Highways Authority of India - 31 Mar 2017	-	-	500	0.53	-	-
8.78% Power Finance Corporation Limited - 11 Dec 2016	-	-	5	0.51	-	-
8.33% Union Bank - 19 May 2016	-	-	100	10.30	-	-
8.88% National Bank For Agricultural Rural Developent Sr-Xiii O 25 Sep 2015	-	-	-	-	100	10.45
9% Mahindra & Mahindra Financial Services Limited - 04 May 2015	-	-	-	-	150	17.57
9.14% Infrastructure Development Finance Company Limited - 15 Jan 2016	-	-	-	-	100	10.11
<b>Total taxable bonds</b>		<b>4.74</b>		<b>38.05</b>		<b>38.14</b>
<b>(ii) Taxfree bonds</b>						
6.05% Indian Railway Finance Corporation Limited - Series 73 - 20 Dec 2015	-	-	-	-	500	5.14
<b>Total taxfree bonds</b>		<b>-</b>		<b>-</b>		<b>5.14</b>
<b>Total bonds</b>		<b>4.74</b>		<b>38.05</b>		<b>43.28</b>
<b>B) Investment in debentures</b>						
<b>Quoted debentures at amortised cost</b>						
9.65% I&FS Financial Services Limited - Deb - 18 Sep 2017	2,50,000	26.28	-	-	-	-
8.74% Infrastructure Leasing & Financial Services Limited - 10 Aug 2017	1,00,000	10.57	-	-	-	-
9.10% Tata Motors Finance Ltd - Deb - 20-Nov-2017	600	62.38	-	-	-	-
8.33% ICICI Home Finance -09-June-2017	500	25.83	-	-	-	-
9.35 Piramal Enterpirses Ltd - 24 July 2017	500	53.31	-	-	-	-
8.80% ICICI Home Finance - 15th Nov 2017	500	25.87	-	-	-	-
8.90% - Tata Cleantech Capital Limited - 03-August-2017	500	53.06	-	-	-	-
8.75% Mahindra & Mahindra Financial Services Limited - 31 Jul 2017	400	42.34	-	-	-	-
9% Tata Capital Financial Ser. Ltd - 24-May-2017	350	37.68	-	-	-	-
8.95% - L&T Infrastructure Finance Company Limited - 17-July-2017	300	79.85	-	-	-	-
9.15 Piramal Enterprises Limited 10-Apr-2017	250	27.06	-	-	-	-
8.8075% Mahindra & Mahindra Financial Services Limited - 15 May 2017	250	26.87	-	-	-	-
8.70% Kotak Mahindra Investment Ltd 11 Aug 2017	250	26.36	-	-	-	-
8.90% Kotak Mahindra Investment Ltd Ncd - 11 Sep 2017	250	26.23	-	-	-	-
9.15% - Tata Cleantech Capital Limited - 17-May-2017	250	26.98	-	-	-	-
10.95% Dewan Housing Finance Limited - 27-Apr-2017	200	21.71	-	-	-	-
9.74% Dewan Housing Finance Corp.Ltd. - 09-Jun-2017	200	21.96	-	-	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 7 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
8.80% Kotak Mahindra Prime Limited - 15 Mar 2018	150	15.91				
8.75% Mahindra & Mahindra Financial Services Limited - 04-Aug-2017	50	5.29	-	-	-	-
9.60% Dewan Housing Finance Limited - 18-Nov-2017	50	5.21	-	-	-	-
9% Fullerton India Credit Company Limited - 07-Aug-2017	50	5.31	-	-	-	-
9.65% Sundaram Finance Limited - 25-Aug-2017	50	5.32				
0% Dewan Housing Finance Corp. Ltd - 26-Apr-2017	40	5.40	-	-	-	-
9.65% Shriram Transport Finance Company Limited - 31 Jul 2016	-	-	250	25.05	-	-
11.60% Shriram Transport Finance Company Limited - 11 July 2016	-	-	150	15.10	-	-
10.95% Fullerton India Credit Comapny Limited - 07-Oct-2016	-	-	1,200	63.65	-	-
10.60% LIC Housing Finance - Deb - 06-Sept-2016	-	-	750	79.81	-	-
9.45% Ashok Leyland Ltd - Deb - 2016	-	-	750	80.20	-	-
5% Dewan Housing Finance Corporation Ltd - 06 May 2016	-	-	600	69.52	-	-
9.40% Tata Motors Finance Limited - 10 Jun 2016	-	-	400	43.00	-	-
9.68% Tata Sons Limited - Deb - 10-Jan-2017	-	-	400	41.00	-	-
10.17% HDB Financial Services Limited - 11 Nov 2016	-	-	350	36.23	-	-
9.80% Bajaj Finance Limited - 17 Oct 2016	-	-	300	31.47	-	-
9.40% Tata Motors Finance Limited - 05 Jun 2016	-	-	300	32.29	-	-
9% Shriram Transport Finance Company Limited - Deb - 17 Jun 2016	-	-	250	25.62	-	-
9.75% HDFC - Deb - 10-Oct-2016	-	-	250	26.19	-	-
9.25% HDFC Ltd - Deb - 21Oct2016	-	-	250	26.01	-	-
9.71% Tata Sons Limited - 13 Dec 2016	-	-	250	25.76	-	-
0% HDFC - Deb - 16-Jan-2017	-	-	250	36.86	-	-
8.80% Kotak Mahindra Investment Ltd - 28 Feb 2017	-	-	250	26.29	-	-
9.65% Tata Capital Financial Services Limited - 26 May 2016	-	-	250	29.52	-	-
8.54% HDB Financial Services Limited - 03 Jun 2016	-	-	250	26.76	-	-
9.4623% Tata Capital Financial Services Limited - 08 Jul 2016	-	-	200	23.35	-	-
9.90% Dewan Housing -Debenture - 06May2016	-	-	150	15.00	-	-
8.90% L&T Finance Company Limited - 20 May 2016	-	-	150	19.06	-	-
9.3450% L&T Finance Company Limited - 13 May 2016	-	-	100	26.84	-	-
9.58% Sundaram Bnp Paribas Home Finance Limited 10 Oct 2016	-	-	50	5.23	-	-
10.05% HDB Financial Services Limited - Ncd 10-Feb-2017	-	-	50	5.08	-	-
0% Shriram Transport Finance Co Ltd - 24 May 2016	-	-	50	6.34	-	-
9.15% Shriram Transport Finance Company Limited - 02 Jun 2016	-	-	50	5.38	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 7 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
8.80% Sundaram Finance Limited - Deb - 03 Jun 2016	-	-	50	5.36	-	-
9.55% Bajaj Finance Limited - 10 Aug 2016	-	-	50	5.31	-	-
9.60% Sundaram Finance Limited - 23 Sep 2016	-	-	50	5.26	-	-
9.95% L&T Finance Company Limited - 28 Oct 2016	-	-	40	10.47	-	-
9.15% Tata Motors Limited - 03 Jun 2015	-	-	-	-	750	75.12
10.59% Aditya Birla Finance Limited - Deb - 18 May 2015	-	-	-	-	600	79.22
10.80 Dewan Housing Finance Corporation Ltd - Deb - 05 Dec 2015	-	-	-	-	500	52.01
9.99% Sundaram Finance Ltd - 04 May 2015	-	-	-	-	450	49.04
10.52% Sundaram Bnp Paribas Home Finance Limited - Deb - 03 Apr 2015	-	-	-	-	400	42.06
8.95% L&T Infrastructure Finance Company Limited - 15 Jun 2015	-	-	-	-	400	43.09
10.50% Fullerton India Credit Comapny Limited - 11 Dec 2015	-	-	-	-	350	36.40
9.85% Tata Capital Financial Services Limited - 15 Apr 2015	-	-	-	-	250	26.13
8.95% L&T Infrastructure Finance Company Limited - 04 May 2015	-	-	-	-	250	27.03
9.60% Tata Motors Finance Limited - Deb - 13 May 2015	-	-	-	-	250	27.11
10.40% Tata Motors Finance Limited - Deb - 12 Jun 2015	-	-	-	-	250	27.07
9.90% Dewan Housing Finance Corporation Ltd - Deb - 17 Jun 2015	-	-	-	-	250	25.02
9.89% Tata Motors Finance Limited - 26-Jun-2015	-	-	-	-	250	25.67
9.78% Tata Sons Limited - Ncd - 23 Jul 2015	-	-	-	-	250	26.73
11.50% Fullerton India Credit Comapny Limited - 21-Aug-2015	-	-	-	-	250	26.90
9.20% Mahindra & Mahindra Financial Services Limited - Deb - 22 Apr 2015	-	-	-	-	200	23.66
0% Sundaram Bnp Paribas Home Finance Limited - 28 May 2015	-	-	-	-	200	22.81
9.60% Hdfc Limited - Deb - 26 Jun 2015	-	-	-	-	200	20.06
9.60% Housing Development Finance Corporation Ltd	-	-	-	-	200	21.36
8.85% Infrastructure Development Finance Company Limited -Ncd-27Jan16	-	-	-	-	200	20.39
10.20% Sundaram Finance Limited - Deb - 14 May 2015	-	-	-	-	150	16.35
9.90 % Tata Sons Limited 2016	-	-	-	-	150	15.19
10.57035% Aditya Birla Finance Limited 09 Apr 2015	-	-	-	-	130	17.13
8.91% L&T Infrastructure Finance Company Limited - Deb - 16 Apr 2015	-	-	-	-	100	10.84
9.83% Tata Capital Financial Services Limited - 30 Apr 2015	-	-	-	-	100	10.89
10.10% Sundaram Finance Limited - 11 Jul 2015	-	-	-	-	100	10.75
9.93% Tata Capital Financial Services Limited 31 Jul 2015	-	-	-	-	100	10.67

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 7 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
9.5553% Hdb Financial Services Limited - Ncd - 25 Sep 2015	-	-	-	-	100	11.98
9.30% Tata Sons Limited - Deb - 24 Dec 2015	-	-	-	-	100	10.26
10% Fullerton India Credit Comapny Limited - Deb - 15 Jan 2016	-	-	-	-	100	10.25
9.85% Hdfc Limited - 28 May 2015	-	-	-	-	50	5.42
0% Tata Capital Financial Services Limited - Ncd - 30 Jun 2015	-	-	-	-	50	6.58
9.99% Sundaram Finance Limited - Deb - 03 Aug 2015	-	-	-	-	50	5.33
9.55% Housing Development Finance Coropration Ltd 07-Sep-2016	-	-	-	-	50	5.27
8.70% Bajaj Finance Limited - 22 Jul 2015	-	-	-	-	250	26.44
<b>Total quoted debentures</b>		<b>636.78</b>		<b>873.01</b>		<b>870.21</b>
<b>C) Investment in mutual funds</b>						
<b>Unquoted investments in mutual funds at FVPL</b>						
DSP Blackrock Ultra Short Term Fund - Direct - Growth	14,58,23,969	173.64	8,64,08,347	94.92	-	-
L&T Ultra Short Term Fund - Direct - Growth	7,83,59,243	210.80	-	-	-	-
LIC MF Savings Plus Fund - Direct - Growth	7,38,75,122	190.24	-	-	-	-
HDFC Floating Rate Income Fund - STP - Direct - Growth	5,80,02,154	164.49	96,32,501	25.14	-	-
DHFL Pramerica Short Term FRF - Direct - Growth	5,32,77,022	96.81	-	-	-	-
IDFC Money Manager - Treasury Plan - Direct - Growth	96,91,048	25.38	-	-	4,38,35,864	97.26
Birla Sun Life Floating Rate Fund - LTP - Direct - Growth	61,54,843	123.50	13,66,686	25.05	-	-
Kotak Treasury Advantage Fund - Direct - Growth	37,93,756	10.00	-	-	-	-
ICICI Prudential Flexible Income Plan - Growth - Direct	34,66,957	108.37	1,57,11,768	119.40	-	-
ICICI Prudential Liquid - Direct Plan - Growth	10,44,263	25.14	1,77,811	3.99	14,18,705	29.38
SBI Treasury Advantage Fund - Direct - Growth	10,42,361	192.55	-	-	-	-
UTI Treasury Advantage Fund - Direct - Growth	8,06,453	181.89	-	-	-	-
Invesco India Ultra Short Term Fund - Direct - Growth	5,47,863	125.27	-	-	-	-
Reliance Money Manager Fund - Growth - Direct	2,44,814	55.73	1,44,076	30.25	-	-
Birla Sun Life Floating Rate Fund - LTP - Direct - Growth Lien Marked	1,57,986	3.17	-	-	-	-
Axis Banking Debt Fund - Direct - Growth	99,451	15.00	-	-	-	-
SBI SHDF - Ultra Short Term - Direct - Growth Lien Marked	12,391	2.61	12,391	2.42	-	-
UTI Floating Rate Fund - Stp - Direct - Growth Lien Marked	10,127	2.75	10,127	2.52	-	-
HDFC Liquid Fund - Direct - Growth	3,041	0.97	-	-	-	-
ICICI Prudential Ultra Short Term Plan - Direct - Growth	-	-	1,73,58,544	27.09	-	-
Sundaram Ultra Short Term - Direct Plan - Growth	-	-	66,73,276	14.00	-	-
JM High Liquidity Fund - Direct Growth	-	-	27,02,478	11.20	-	-
Axis Treasury Advantage Fund - Growth - Direct Plan	-	-	9,42,364	160.73	-	-
Religare Invesco Ultra Short Term Fund - Direct - Growth	-	-	5,67,888	119.70	-	-
Reliance Liquid Fund - Cash Plan - Direct - Growth	-	-	1,85,805	45.44	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 7 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
HDFC Cash Mgmt Fund - Savings Plan - Direct - Growth	-	-	16,098	5.09	-	-
Templeton India TMA - Direct - Growth	-	-	-	-	3,77,85,764	70.15
Birla Sun Life Cash Plus - Direct - Growth	-	-	-	-	87,43,216	196.37
HDFC Banking & PSU Debt Fund	-	-	-	-	45,39,471	5.01
Sundaram Money Fund - Direct Plan - Growth	-	-	-	-	16,94,772	5.00
Jpmorgan India Treasury Fund - Direct - Growth	-	-	-	-	6,46,175	1.19
Sbi Magnum Insta Cash Fund - Direct - Growth	-	-	-	-	6,37,576	197.35
Baroda Pioneer Liquid Fund - Plan B - Direct - Growth	-	-	-	-	5,92,907	95.18
L&T Liquid Fund - Direct - Growth	-	-	-	-	4,96,031	95.17
Principal Cash Management - Direct Plan - Growth	-	-	-	-	3,31,240	45.09
Reliance Liquid Fund - TP - Direct - Growth	-	-	-	-	66,939	22.83
IDBI Liquid Fund - Direct - Growth	-	-	-	-	33,356	5.00
BNP Paribas Overnight Fund - Direct - Growth	-	-	-	-	23,227	5.00
Tata Liquid Fund Direct Plan - Growth	-	-	-	-	19,367	5.00
		1,708.31		686.94		875.00
<b>D) Investment in commercial paper</b>						
<b>Unquoted investments in commercial paper at amortised cost</b>						
Reliance Capital Limited	-	-	-	-	1,000	47.45
Sundaram Finance Limited	-	-	-	-	1,000	49.73
Fullerton India Credit Comapny Limited	-	-	-	-	1,000	48.40
Tata Capital Financial Services Limited	-	-	-	-	600	29.12
Sundaram Bnp Paribas Home Finance Limited	-	-	-	-	500	24.59
Tata Capital Limited	-	-	-	-	500	24.58
Tata Capital Limited	-	-	-	-	500	24.27
Fullerton India Credit Comapny Limited	-	-	-	-	500	24.23
Bajaj Finance Limited	-	-	-	-	400	19.63
Bajaj Finance Limited	-	-	-	-	400	19.98
L&T Finance Company Limited	-	-	-	-	200	9.92
Tata Capital Limited	-	-	-	-	100	4.92
L&T Finance Company Limited	-	-	-	-	100	4.96
Sundaram Finance Limited	-	-	-	-	100	4.92
Tata Capital Financial Services Limited	-	-	-	-	100	4.92
<b>Total commercial paper</b>		-		-		341.61
<b>Total current investments</b>		2,349.84		1,598.01		2,130.10
Aggregate book value - quoted investments		641.53		911.07		913.49
Aggregate market value of quoted investments		644.51		915.95		914.65
Aggregate book value - unquoted investments		1,708.31		686.94		1,216.62

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 8 : Trade receivables

(₹ in Crores)

Particulars	Current	Current	Current
	31.03.2017	31.03.2016	01.04.2015
Outstanding for a period of over six months from the date they are due for payment			
Secured, considered good*	4.74	2.32	2.52
Unsecured, considered good	8.71	8.11	3.84
	13.45	10.43	6.36
<b>Other receivables</b>			
Secured, considered good*	250.63	209.77	158.45
Unsecured, considered good	2.44	4.75	6.17
Doubtful	0.04	0.04	0.04
	253.11	214.56	164.66
Less : Allowance for doubtful debts	0.04	0.04	0.04
	253.07	214.52	164.62
<b>Total</b>	<b>266.52</b>	<b>224.95</b>	<b>170.98</b>

\* Trade receivables are secured against deposits received from members (refer note: 19)

### Note 9 : Cash and cash equivalents

(₹ in Crores)

Particulars	Current	Current	Current
	31.03.2017	31.03.2016	01.04.2015
Balances with banks : in current accounts	94.59	50.64	32.69
Cash on hand	0.01	0.01	0.01
	<b>94.60</b>	<b>50.65</b>	<b>32.70</b>

### Note 10 : Bank balances other than cash and cash equivalents

(₹ in Crores)

Particulars	Current	Current	Current
	31.03.2017	31.03.2016	01.04.2015
Fixed deposits			
- with original maturity for more than 3 months but less than 12 months	10.10	438.81	421.15
- with maturity of less than 12 months at the balance sheet date	217.97	637.52	935.22
Earmarked fixed deposits *			
- with original maturity for more than 3 months but less than 12 months	37.00	18.25	32.64
- with maturity of less than 12 months at the balance sheet date	108.44	46.39	40.16
Restricted Balances with banks : in current accounts**	320.39	-	-
	<b>693.90</b>	<b>1,140.97</b>	<b>1,429.17</b>

\* Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.

\*\* During the year, the company has transferred ₹320.39 Crore in separate bank account towards transaction charges and colocation services based on SEBI directives. (Refer Note 44)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 11 a : Equity share capital

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Authorised			
50,00,00,000 Equity Shares of ₹1 each.			
(Previous years: 5,00,00,000 equity shares of ₹10 each)	50.00	50.00	50.00
Issued, subscribed and paid-up			
49,50,00,000 equity shares of ₹1 each, fully paid up	49.50	45.00	45.00
(Previous years: 4,50,00,000 equity shares of ₹10 each, fully paid up)			
<b>Total</b>	<b>49.50</b>	<b>45.00</b>	<b>45.00</b>

### Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1 per share. They entitle the holder to participate in dividends. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### A reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period

Name of the Company	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	(Numbers in Crores)	(₹ in Crores)	(Numbers in Crores)	(₹ in Crores)	(Numbers in Crores)	(₹ in Crores)
At the beginning of the year (Face value of ₹10 each)	4.50	45.00	4.50	45.00	4.50	45.00
Add: Bonus Shares Issued during the year [Note 3 of 11 (b)]	0.45	4.50	-	-	-	-
	4.95	49.50	4.50	45.00	4.50	45.00
Sub-division of equity shares of ₹10 each, into equity shares having a face value of ₹1 [Note 3 of 11 (b)]	49.50	-	-	-	-	-
At the end of the year	49.50	49.50	4.50	45.00	4.50	45.00

### Details of shareholders holding more than 5% share in the Company

Name of the Company	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	No.	% holding	No.	% holding	No.	% holding
Life Insurance Corporation of India	6,19,13,500	12.51%	56,28,500	12.51%	47,28,500	10.51%
State Bank of India	2,57,12,500	5.19%	45,87,500	10.19%	45,87,500	10.19%
IFCI Limited	1,51,00,250	3.05%	17,47,750	3.88%	24,97,750	5.55%

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 11 b : Other Equity

Particulars	Reserves and Surplus					Other Reserves			Total other Equity
	Securities premium reserve	Retained earnings *	CSR Reserve	Other reserves	Total Reserves and Surplus	FVOCI equity instruments	FVOCI debt instruments	Total other reserves	
Balance at the April 1, 2015	40.00	4,991.01	-	11.50	5,042.51	63.08	(2.76)	60.32	5,102.83
Profit for the year	-	435.67	-	-	435.67	-	-	-	435.67
Reversal of Provisional transfer to NSCCL SGF (Refer note 40)	-	527.19	-	-	527.19	-	-	-	527.19
Dividend paid (including dividend distribution tax) (Note 1 below)	-	(400.81)	-	-	(400.81)	-	-	-	(400.81)
<b>Items of Other Comprehensive Income</b>									
Remeasurements of post-employment benefit obligations, net of tax	-	(1.37)	-	-	(1.37)	-	-	-	(1.37)
Changes in fair value of FVOCI equity instruments, net of tax	-	-	-	-	-	17.44	-	17.44	17.44
Changes in fair value of FVOCI debt instruments, net of tax	-	-	-	-	-	-	(5.22)	(5.22)	(5.22)
<b>Balance as at 01.04.2016</b>	<b>40.00</b>	<b>5,551.69</b>	<b>-</b>	<b>11.50</b>	<b>5,603.19</b>	<b>80.52</b>	<b>(7.98)</b>	<b>72.54</b>	<b>5,675.73</b>
Profit for the year	-	1,032.93	-	-	1,032.93	-	-	-	1,032.93
Transfer to CSR Reserve [Refer note 33(c)]	-	(53.43)	53.43	-	-	-	-	-	-
Issue of Bonus shares (Note 3 below)	(4.50)	-	-	-	(4.50)	-	-	-	(4.50)
Dividend paid (including dividend distribution tax) (Note 2 below)	-	(793.88)	-	-	(793.88)	-	-	-	(793.88)
<b>Items of Other Comprehensive Income</b>									
Remeasurements of post-employment benefit obligations, net of tax	-	(4.81)	-	-	(4.81)	-	-	-	(4.81)
Changes in fair value of FVOCI equity instruments, net of tax	-	-	-	-	-	(23.58)	-	(23.58)	(23.58)
Changes in fair value of FVOCI debt instruments, net of tax	-	-	-	-	-	-	8.25	8.25	8.25
<b>Balance as at 31.03.2017</b>	<b>35.50</b>	<b>5,732.50</b>	<b>53.43</b>	<b>11.50</b>	<b>5,832.93</b>	<b>56.94</b>	<b>0.27</b>	<b>57.21</b>	<b>5,890.14</b>

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
* Includes General Reserves	3,690.00	3,690.00	3,690.00

#### Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

#### CSR Reserves

The company has created CSR Reserve to undertake CSR activities and has transferred unspent amount from Retained earnings to CSR Reserve.

#### Other Reserves

The Company has in the past created Other Reserves for investor compensation activities and staff welfare activities. .

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 11 b : Other Equity (contd.)

#### FVOCI equity investments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

#### Debt Instruments through Other Comprehensive Income

The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in debt instruments through other comprehensive income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.

Note 1: During the year ended March 31, 2016, the amount of interim dividend recognized as distribution to equity shareholders was ₹72/- per equity share and a special one time dividend of ₹7.50 per equity share. The total dividend paid during the year ended March 31, 2016 amounts to ₹357.75 crores excluding dividend distribution tax ₹43.06 crores.

Note 2 : The Board of Directors, in their meeting on May 12, 2016, proposed a dividend of ₹ 73 /- per equity share which has been approved by the shareholders at the Annual General Meeting held on September 16, 2016 and on October 4, 2016 declared an interim dividend of ₹79.50 (795%) per equity share of ₹10/- each of the Company. The total dividend paid during the year ended March 31, 2017 amounts to ₹ 686.25 crores excluding dividend distribution tax ₹107.63 crores.

Note 3 : The Board of directors of the company in their meeting held on October 4, 2016 recommended issue of Bonus equity shares in the proportion of 1 (one) bonus share of ₹10/- (Rupees Ten each) for every existing 10 (Ten) fully paid up equity shares of ₹10 each, which was approved by the shareholders in the general meeting held on November 10, 2016. The record date for issue of bonus shares was November 23, 2016. The board of directors also recommended the sub-division of equity shares of ₹10 each, into equity shares having a face value of ₹1 each. The same was approved by the shareholders in the general meeting held on November 10, 2016, approved by SEBI on November 27, 2016 and has been notified in the gazette on December 10, 2016. The record date for sub division of equity shares was December 13, 2016.

### Note 12 : Trade payables

(₹ in Crores)

Particulars	Current	Current	Current
	31.03.2017	31.03.2016	01.04.2015
Trade payables	67.19	54.56	46.18
Trade payables to MSME (Refer Note 31)	0.07	0.11	0.06
Trade payables to related parties (Refer note 28)	23.70	12.14	1.94
<b>Total</b>	<b>90.96</b>	<b>66.81</b>	<b>48.19</b>

### Note 13 : Other financial liabilities

(₹ in Crores)

Particulars	Non-current	Current	Non-current	Current	Non-current	Current
	31.03.2017	31.03.2017	31.03.2016	31.03.2016	01.04.2015	01.04.2015
Deposits - Premises	-	5.24	-	5.73	-	33.00
Creditors for capital expenditure	-	41.26	-	20.72	-	13.77
Defaulters fund pending claims	-	76.27	-	67.88	-	63.98
Obligations under finance lease (Refer Note 35)	9.19	0.93	8.57	0.93	8.03	0.93
Other liabilities	-	9.83	-	9.00	-	14.42
<b>Total</b>	<b>9.19</b>	<b>133.53</b>	<b>8.57</b>	<b>104.26</b>	<b>8.03</b>	<b>126.10</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 14 : Provisions

(₹ in Crores)

Particulars	Non-current	Current	Non-current	Current	Non-current	Current
	31.03.2017	31.03.2017	31.03.2016	31.03.2016	01.04.2015	01.04.2015
<b>Employee benefits obligation</b>						
Provision for gratuity	7.40	2.22	2.67	2.34	2.16	2.05
Provision for variable pay and other allowances	6.73	25.57	7.58	28.96	7.15	21.14
Provision for leave encashment	-	12.90	-	12.29	-	11.12
	<b>14.13</b>	<b>40.69</b>	<b>10.25</b>	<b>43.59</b>	<b>9.31</b>	<b>34.31</b>
<b>Other Provisions</b>						
Provisional appropriation towards contribution to Settlement Guarantee Fund ("SGF") (Refer note 40)						
Opening balance	-	-	-	527.19	-	527.19
Add : Provisional appropriation towards contribution to SGF	-	-	-	(527.19)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>527.19</b>
<b>Total</b>	<b>14.13</b>	<b>40.69</b>	<b>10.25</b>	<b>43.59</b>	<b>9.31</b>	<b>561.50</b>

### Note 15 : Income taxes

#### (a) Income tax expense

(₹ in Crores)

Particulars	31.03.2017	31.03.2016
<b>Current Tax</b>		
Current tax expense	376.27	145.00
<b>Deferred Tax</b>		
Decrease (increase) in deferred tax assets	1.74	(2.50)
Increase in deferred tax liabilities	11.98	9.53
<b>Total deferred tax expense (benefit)</b>	<b>13.72</b>	<b>7.03</b>
<b>Total Income tax expenses*</b>	<b>389.99</b>	<b>152.03</b>

\*This excludes deferred tax benefit on other comprehensive income of ₹6.27 crores for the year ended March 31, 2017 and deferred tax expense of ₹0.65 Crores for the year ended March 31, 2016.

#### (b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Crores)

Particulars	31.03.2017	31.03.2016
Profit before income tax expense	1,422.92	587.70
Tax rate (%)	34.608%	34.608%
Tax at the Indian Tax Rate of 34.608%	492.44	203.39
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Dividend income	(56.39)	(51.95)
Interest on tax free bonds	(17.27)	(5.84)
Expenditure related to exempt income	7.31	2.46
Net (gain)/loss on financial assets mandatorily measured at fair value through profit or loss	(20.36)	3.84
Profit on sale of investments taxed at other than statutory rate	(17.47)	-
Specific Tax deductions	(1.39)	(2.08)
Others	3.12	2.21
<b>Income Tax Expense</b>	<b>389.99</b>	<b>152.03</b>

The applicable Indian statutory tax rate for year ended March 31, 2017 is 34.608% and year ended March 31, 2016 is 34.608%.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 15 : Income taxes

#### (c) Income tax assets / (liability)

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Opening balance	256.32	31.10	22.52
Income tax paid	398.96	370.22	316.63
Current income tax payable for the period / year	(376.27)	(145.00)	(330.00)
Excess Provision Written Back and adjusted against Retained Earnings	-	-	21.95
<b>Net current income tax asset/ (liability) at the end of year/period</b>	<b>279.01</b>	<b>256.32</b>	<b>31.10</b>

#### (d) Deferred Tax Liabilities (net)

The balance comprises temporary differences attributable to:

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
<b>Deferred income tax assets</b>			
Provision for leave encashment	2.27	4.40	3.85
Financial Assets at Fair Value through OCI	12.31	4.21	1.46
Others	15.32	12.38	9.70
<b>Total deferred tax assets</b>	<b>29.90</b>	<b>20.99</b>	<b>15.01</b>
<b>Deferred income tax liabilities</b>			
Property, plant and equipment and investment property	24.09	30.16	22.73
Financial Assets at Fair Value through OCI	24.60	20.23	16.10
Financial Assets at Fair Value through profit and Loss	19.12	2.44	1.05
Others	2.18	0.82	0.11
Total deferred tax liabilities	69.99	53.65	39.99
<b>Net Deferred tax liabilities</b>	<b>40.09</b>	<b>32.66</b>	<b>24.98</b>

#### (e) Deferred tax assets

Movements in deferred tax assets

(₹ in Crores)

Particulars	Provision for Leave Encashment	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	Others	Total
At 1 April 2015	3.85	-	1.46	9.70	15.01
Charged/(credited)					
- to profit or loss	0.55	-	-	1.95	2.50
- to other comprehensive income	-	-	2.75	0.73	3.48
At 31 March 2016	4.40	-	4.21	12.38	20.99
Charged/(credited)					
- to profit or loss	(2.13)	-	-	0.40	(1.73)
- to other comprehensive income	-	-	8.10	2.54	10.64
At 31 March 2017	2.27	-	12.31	15.32	29.90

Note : Deferred tax asset on indexation benefit of investment in subsidiaries of ₹6.74 crores for the year ended March 31, 2017 (March 31, 2016 : ₹20.81 crores, April 1, 2015 : ₹1.69 crores) not provided as the company does not have any intention to sale investments in subsidiaries in near future.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 15 : Income taxes

#### (f) Movements in deferred tax liabilities

(₹ in Crores)

Particulars	Property, plant and equipment	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	Others	Total
At 1 April 2015	22.73	1.05	16.10	0.11	39.99
Charged/(credited)					
- to profit or loss	7.43	1.39	-	0.71	9.53
- to other comprehensive income	-	-	4.13	-	4.13
At 31 March 2016	30.16	2.44	20.23	0.82	53.65
Charged/(credited)					
- to profit or loss	(6.07)	16.68	-	1.36	11.97
- to other comprehensive income	-	-	4.37	-	4.37
At 31 March 2017	24.09	19.12	24.60	2.18	69.99

### Note 16 : Income tax liabilities (net) - Current

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Fringe Benefit Tax (Net of Advances)	-	-	-
Wealth tax (net of advances)	0.29	0.29	1.81
Income tax (net of advances)	12.09	1.77	34.73
<b>Total</b>	<b>12.38</b>	<b>2.05</b>	<b>36.54</b>

### Note 17 : Income tax assets (net) - Non-current

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Income tax paid including TDS (Net of provisions)	289.16	256.14	65.41
Wealth tax (net of provisions)	0.02	0.02	0.02
Fringe benefit tax (net of provisions)	2.21	2.21	2.21
<b>Total</b>	<b>291.39</b>	<b>258.37</b>	<b>67.64</b>

### Note 18 : Other liabilities

(₹ in Crores)

Particulars	Non-current	Current	Non-current	Current	Non-current	Current
	31.03.2017	31.03.2017	31.03.2016	31.03.2016	01.04.2015	01.04.2015
Deposit - STT (Refer note 6)	5.39	-	5.39	-	5.39	-
Securities Transaction Tax payable	-	267.68	-	166.35	-	126.86
Statutory dues payable	-	36.66	-	31.38	-	24.44
Contribution payable to Core SGF (Refer note 40)	-	284.39	-	690.52	-	-
Advance from customers	-	20.64	-	18.59	-	14.27
Income received in advance	-	43.32	-	32.62	-	32.52
Others	-	28.97	-	33.36	-	32.33
<b>Total</b>	<b>5.39</b>	<b>681.66</b>	<b>5.39</b>	<b>972.82</b>	<b>5.39</b>	<b>230.42</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 19 : Deposits - Current

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Deposits from trading members	1,034.23	1,029.79	1,037.06
Deposits from applicants for membership	0.82	0.59	0.84
Deposits from mutual fund distributors	3.21	2.19	0.67
Deposits towards equipments	21.32	19.39	18.03
Deposit - listing & book building	56.10	46.49	36.87
<b>Total</b>	<b>1,115.68</b>	<b>1,098.45</b>	<b>1,093.47</b>

### Note 20 : Revenue from operations

(₹ in Crores)

Particulars	For the year ended 31.03.2017		For the year ended 31.03.2016	
<b>Operating revenues</b>				
<b>Revenue from services :</b>				
<i>Trading services</i>				
Transaction charges #	1,335.30		1,167.56	
<i>Listing services</i>				
Listing fees	63.43		50.36	
Book building Fees	13.83	1,412.56	8.50	1,226.42
<b>Other operating revenues</b>				
<i>Listing services</i>				
Processing fees		21.97		17.37
<i>Data centre charges #</i>		80.36		70.84
<i>Others</i>				
Registration & test enrolment fees	10.99		19.01	
Income on investments *	110.83		94.50	
Others	53.79	175.61	44.83	158.34
<b>Total</b>		<b>1,690.50</b>		<b>1,472.97</b>

\* Represent income generated from sources of fund related to operating activity of the company.

# Includes revenue from Transaction charges amounting to ₹325.25 crores and colocation services amounting to ₹50.26 crores for the period September 2016 to March 2017 and kept in separate bank account based on SEBI directive. (Refer Note 44)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 21 : Other income

(₹ in Crores)

Particulars	For the year ended		For the year ended	
	31.03.2017		31.03.2016	
<b>Dividend income</b>				
- from equity investments designated at FVOCI	1.90		1.33	
- from subsidiary companies	157.50		146.25	
- from other investments	3.55	162.95	2.53	150.11
Interest income from financial assets at amortised cost		99.18		205.27
Interest income from financial assets designated at FVOCI		42.47		81.05
Rental income		14.04		20.64
Miscellaneous income		1.68		6.30
		320.32		463.37
<b>Other gains/(losses)</b>				
Net gain/(loss) on financial assets mandatorily measured at Fair Value through Profit or Loss	107.13		(7.06)	
Net gain on sale of financial assets measured at FVOCI *	26.90		5.34	
Net gain on sale of investment in associate (i.e. National Securities Depository Limited)	7.42		-	
Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	165.88		89.67	
Net foreign exchange gains	0.06		-	
Net gain on disposal of property, plant and equipment	0.20	307.59	6.05	94.00
<b>Total other income</b>		<b>627.91</b>		<b>557.37</b>

\* This includes amount of ₹(10.02) crores reclassified from other comprehensive income on account of sale of investments for the year ended March 31, 2017 (March 31, 2016 : nil).

### Note 22 : Employee benefits expenses

(₹ in Crores)

Particulars	For the year ended		For the year ended	
	31.03.2017		31.03.2016	
Salaries, wages and bonus		95.10		94.81
Contribution to provident and other fund (Refer note 25)		4.36		4.68
Gratuity (Refer note 25)		1.83		1.60
Staff welfare expenses		6.18		5.20
<b>Total</b>		<b>107.47</b>		<b>106.29</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 23 : Other expenses

(₹ in Crores)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Repairs & maintenance		
- To computers, trading & telecommunication systems	120.53	107.54
- To buildings	3.13	2.55
- To others	8.49	9.17
SEBI regulatory fees	26.34	25.04
License fees for index	9.66	10.07
IT management and consultancy charges	31.59	30.50
Software expenses	43.80	25.17
Web trading related expenses	16.65	17.13
Network infrastructure management charges	5.36	7.07
Lease line charges	9.37	8.47
Telephone charges	1.65	1.28
Water and electricity charges	19.41	17.05
Rental charges	5.59	4.68
Rates and taxes	7.80	5.57
Directors' sitting fees	1.18	0.40
Legal and professional fees	29.04	26.63
Advertisement and publicity	31.43	17.97
Travel and conveyance	8.34	7.75
Insurance	1.33	0.95
Printing and stationery	3.89	4.40
Corporate social responsibility expenditure	8.33	2.07
Contribution to Investor protection fund trust*	5.60	4.57
Investor education expenses	2.19	4.38
Payment to auditors (Refer note below)	0.97	1.02
Doubtful debts written off	0.52	0.21
Loss on foreign currency transaction (net)	-	0.19
Other expenses	40.03	31.36
<b>Total</b>	<b>442.20</b>	<b>373.20</b>
<b>Note :</b>		
<b>Payment to auditors</b>		
<b>As auditors :</b>		
Audit fees	0.36	0.26
Tax audit fee	0.11	0.11
Limited review	0.16	0.17
<b>In other capacities</b>		
Taxation matters	0.18	0.18
Certification matters	0.07	0.14
Other services	0.09	0.16
<b>Total</b>	<b>0.97</b>	<b>1.02</b>

\* It represents contribution to National Stock Exchange Investor Protection fund trust formed as required under SEBI regulation.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 24 : Earnings per share

(₹ in Crores)

Particulars	31.03.2017	31.03.2016
<b>Profit attributable to the equity holders of the company used in calculating basic earnings per share and diluted earnings per share</b>		
Profit for the year	1,032.93	435.67
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (No. in Crores)*	49.50	49.50
<b>Earnings per equity share (basic and diluted)</b>	<b>20.87</b>	<b>8.80</b>
Profit before contribution to Core Settlement Guarantee Fund and tax	1,556.99	1,349.22
Income Tax effects on above	(436.38)	(415.57)
Profit before contribution to Core Settlement Guarantee Fund and after tax	1,120.61	933.65
<b>Earnings per equity share (basic and diluted)</b>	<b>22.64</b>	<b>18.86</b>

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

\* The Board of directors of the company in their meeting held on October 4, 2016 recommended issue of Bonus equity shares in the proportion of 1 (one) bonus share of ₹10/- (Rupees Ten each) for every existing 10 (Ten) fully paid up equity shares of ₹10 each, which was approved by the shareholders in the general meeting held on November 10, 2016. The record date for issue of bonus shares was November 23, 2016. Accordingly, the weighted average number of equity shares has been restated for all periods presented. The board of directors also recommended the sub-division of equity shares of ₹10 each, into equity shares having a face value of ₹1 each. The same was approved by the shareholders in the general meeting held on November 10, 2016, approved by SEBI on November 27, 2016 and has been notified in the gazette on December 10, 2016. The record date for stock split was December 13, 2016. Accordingly, basic and diluted earning per share figures for the current period and those of the prior periods have been restated and is based on the new weighted average number of shares after taking into account increase in the number of shares arising from bonus and subdivision of shares.

### Note 25 : Disclosure under Indian Accounting Standard 19 (Ind As 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016.

#### i) Defined Contribution Plan :

The Company's contribution towards superannuation fund during the year ended March 31, 2017 amounting to ₹1.81 Crore (31.03.2016: ₹1.85 Crore) has been charged to Statement of Profit & Loss (Reimbursement of cost charged to subsidiaries was - 31.03.2017: ₹0.36 crore, 31.03.2016: ₹0.12 crore).

#### ii) Defined Benefit Plan :

##### (a) Provident Fund :

Provident fund:

The Company has established National Stock Exchange of India Limited Employee Provident Fund Trust to which both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively. The Company's contribution to the provident fund for all employees is charged to Statement of Profit and Loss. In case of any liability arising due to short fall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. The actuary has provided an actuarial valuation and indicated that the interest shortfall liability as of and for the year ended March 31, 2017 and March 31, 2016 is NIL. The Company has contributed ₹3.53 Crore and ₹3.42 Crore towards Provident Fund during the year ended March 31, 2017 and year ended March 31, 2016, respectively. The contribution of ₹0.62 Crore during the year ended March 31, 2017 and ₹0.47 Crore during the year ended March 31, 2016 was reimbursed by the subsidiaries.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 25 : Disclosure under Indian Accounting Standard 19 (Ind As 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016. (contd.)

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

Particulars	(₹ in Crores)	
	31.03.2017	31.03.2016
a. Approach used	Deterministic	Deterministic
b. Increase in compensation levels	8.00%	5.00%
c. Discount Rate	7.09%	7.96%
d. Attrition Rate	12.00%	2.00%
e. Weighted Average Yield	9.14%	8.89%
f. Weighted Average YTM	9.27%	9.10%
g. Reinvestment Period on Maturity	5 years	5 years
h. Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
i. Total PF assets as on date of valuation (₹ in Crores)	59.17	54.59

#### (b) Gratuity :

The Company provides for gratuity for employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity, The amount of Gratuity is payable on retirement/termination of the employee's last drawn basic salary per month multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contribution to recognised funds with Life Insurance Corporation of India (LIC).

#### A Balance Sheet

(i) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the years are as follows:

Particulars	(₹ in Crores)		
	Present Value of Obligation	Fair Value of Plan Assets	Total
<b>At the beginning of the year</b>	18.21	(13.20)	5.01
Current service Cost	1.50	0.00	1.50
Interest cost / (income)	1.45	(1.05)	0.40
Expenses recognised in the Statement of Profit & Loss *	2.95	(1.05)	1.90
<b>Remeasurements</b>			
Expected return on plan assets	-	(0.02)	(0.02)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	2.47	0.00	2.47
Actuarial (gains)/losses on obligations - due to change in financial assumptions	3.66	0.00	3.66
Actuarial (gains)/losses on obligations - due to experience	2.00	0.00	2.00
Net (income)/expense for the period recognized in OCI #	8.13	(0.02)	8.11
Employer Contributions	-	(4.78)	(4.78)
Liability transferred out	(0.62)	0.00	(0.62)
Benefits paid	(8.00)	8.00	-
<b>At the end of the year</b>	<b>20.67</b>	<b>(11.05)</b>	<b>9.62</b>

\*Includes ₹0.17 Crores (Previous Year : ₹0.07 crores) charged to the subsidiaries and ₹0.10 crores charged from subsidiary.

# Includes ₹0.76 Crores (Previous Year : ₹0.08 crores) charged to the subsidiaries.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**Note 25 : Disclosure under Indian Accounting Standard 19 (Ind As 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016.** (contd.)

(₹ in Crores)

Particulars	31.03.2016		
	Present Value of Obligation	Fair Value of Plan Assets	Total
<b>At the beginning of the year</b>	14.93	(10.73)	4.20
Current service Cost	1.34	-	1.34
Interest cost / (income)	1.19	(0.85)	0.34
Expenses recognised in the Statement of Profit & Loss *	2.52	(0.85)	1.67
<b>Remeasurements</b>			
Expected return on plan assets	-	(0.32)	(0.32)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	-	-	-
Actuarial (gains)/losses on obligations - due to experience	2.50	-	2.50
Net (income)/expense for the period recognized in OCI #	2.50	(0.32)	2.18
Employer Contributions		(2.72)	(2.72)
Liability transferred out	(0.33)	-	(0.33)
Benefits paid	(1.42)	1.42	-
<b>At the end of the year</b>	<b>18.21</b>	<b>(13.20)</b>	<b>5.01</b>

\*Includes ₹0.07 Crores (Previous Year : ₹0.26 crores) charged to the subsidiaries.

# Includes ₹0.08 Crores (Previous Year : ₹0.43 crores) charged to the subsidiaries.

(₹ in Crores)

Particulars	01.04.2015		
	Present Value of Obligation	Fair Value of Plan Assets	Total
<b>At the beginning of the year</b>	12.33	(6.72)	5.61
Current service Cost	1.07	-	1.07
Interest cost / (income)	1.15	(0.62)	0.53
Expenses recognised in the Statement of Profit & Loss *	2.22	(0.62)	1.60
<b>Remeasurements</b>			
Expected return on plan assets	-	(0.29)	(0.29)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	0.00	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	1.55	-	1.55
Actuarial (gains)/losses on obligations - due to experience	1.37	-	1.37
Net (income)/expense for the period recognized in OCI #	2.92	(0.29)	2.63
Employer Contributions		(5.64)	(5.64)
Liability transferred out	0.00	-	-
Benefits paid	(2.54)	2.54	-
<b>At the end of the year</b>	<b>14.93</b>	<b>(10.73)</b>	<b>4.20</b>

\* Includes ₹0.26 Crores charged to the subsidiaries

# Includes ₹0.43 Crores charged to the subsidiaries

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 25 : Disclosure under Indian Accounting Standard 19 (Ind As 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016. (contd.)

(ii) The net liability disclosed above relates to funded plans are as follows:

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Fair value of plan assets as at the end of the year/period	11.05	13.20	10.73
Liability as at the end of the year/period	(20.67)	(18.21)	(14.93)
<b>Net (liability) / asset</b>	<b>(9.62)</b>	<b>(5.01)</b>	<b>(4.20)</b>

(iii) Significant actuarial assumptions are as follows:

Particulars	31.03.2017	31.03.2016	01.04.2015
Discount rate	7.09%	7.96%	7.96%
Rate of return on plan assets	7.09%	7.96%	7.96%
Salary escalation	8.00%	5.00%	5.00%
Attrition rate	12.00%	2.00%	2.00%

(iv) Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Projected benefit obligation on current assumptions	20.67	18.21	14.93
Delta effect of +1% change in rate of discounting	(1.07)	(1.57)	(1.18)
Delta effect of -1% change in rate of discounting	1.20	1.83	1.35
Delta effect of +1% change in salary increase	1.18	1.86	1.38
Delta effect of -1% change in salary increase	(1.07)	(1.63)	(1.22)
Delta effect of +1% change in employee turnover	(0.09)	0.45	0.32
Delta effect of -1% change in employee turnover	0.10	(0.51)	(0.36)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(v) The expected maturity analysis of undiscounted gratuity defined benefits is as follows:

(₹ in Crores)

Particulars	31.03.2017	01.04.2015
1st Following Year	2.48	0.68
2nd Following Year	2.42	0.64
3rd Following Year	2.70	0.72
4th Following Year	3.14	1.04
5th Following Year	4.77	1.48
Sum of Years 6 to 10	14.76	18.30

(vi) Expected contribution to gratuity plan for the year ending March 31, 2018 are ₹2.23 Crores.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 26 :

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (“CODM”) of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company. The Company operates only in one Business Segment i.e. facilitating trading in securities and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 “Operating Segments”. The Company while presenting the consolidated financial statements has disclosed the segment information to the extent applicable as required under Indian Accounting Standard 108 “Operating Segments”.

### Note 27 : Fair Value Measurements

#### (i) Fair Value Hierarchy and valuation technique used to determine fair value :

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value and are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three level prescribed under the accounting standard. An explanation of each level follows underneath the table.

#### Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements at 31.03.2017 (₹ in Crores)

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investments at FVPL</b>					
Mutual Fund - Growth Plan	7	1,708.31	-	-	1,708.31
Mutual Fund - Fixed Maturity Plan	4	-	417.14	-	417.14
Exchange Traded Funds	4	223.37	-	-	223.37
<b>Financial Investments at FVOCI</b>					
Debt Instrument at FVOCI - Government Securities	4	-	296.01	-	296.01
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd. (NCDEX)	4	-	-	128.00	128.00
Quoted Equity Investments - MCX Limited	4	0.60	-	-	0.60
<b>Total Financial Assets</b>		<b>1,932.28</b>	<b>713.15</b>	<b>128.00</b>	<b>2,773.43</b>

#### Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At 31.03.2016 (₹ in Crores)

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investments at FVPL</b>					
Mutual Fund - Growth Plan	7	686.94	-	-	686.94
Exchange Traded Funds	4	343.39	-	-	343.39
<b>Financial Investments at FVOCI</b>					
Debt Instrument at FVOCI - Government Securities	4	-	1,267.13	-	1,267.13
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd.	4	-	159.86	-	159.86
Quoted Equity Investments - MCX Limited	4	0.42	-	-	0.42
<b>Total Financial Assets</b>		<b>1,030.75</b>	<b>1,426.99</b>	<b>-</b>	<b>2,457.74</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 27 : Fair Value Measurements

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At 01.04.2015

(₹ in Crores)

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investments at FVPL</b>					
Mutual Fund - Growth Plan	7	875.00	-	-	875.00
Exchange Traded Funds	4	68.58	-	-	68.58
<b>Financial Investments at FVOCI</b>					
Debt Instrument at FVOCI - Government Securities	4	-	647.57	-	647.57
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd.	4	-	138.15		138.15
Quoted Equity Investments - MCX Limited	4	0.56	-	-	0.56
<b>Total Financial Assets</b>		<b>944.14</b>	<b>785.72</b>	-	<b>1,729.86</b>

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

#### - Level 1:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

#### - Level 2:

If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of financial instruments that are not traded in an active market (for example, government securities) is determined using FIMMDA valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Mutual fund - fixed maturity plan though listed, however since there is low trading activity, they have been classified within level - 2 hierarchy. The fair value of investments in unlisted equity shares of NCDEX has been classified within Level 2 of the fair value hierarchy as at March 31, 2016 and April 01, 2015. Such valuation of Level 2 instrument can be verified to recent trading activity for identical or similar instruments, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. Consideration is given to the nature of the quotations (e.g., indicative or firm) and the relationship of recent market activity to the prices provided from alternative pricing sources. The Management has considered Price to Book (P/B) multiple under the Market Approach to arrive at the fair value of investment in NCDEX at the above reporting dates. The P/B is computed based on the price of recent investment transaction available in market and applied to the book value of NCDEX to arrive at the fair value of Company's investment in NCDEX at the above reporting dates.

- There were no transfers between levels 1 and 2 during the year ended March 31, 2017 and March 31, 2016.

#### - Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

During the year ended March 31, 2017, the Company has transferred investment in unquoted equity shares of NCDEX between levels 2 to 3 as there were no observable market data available as at March 31, 2017.

- The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 27 : Fair Value Measurements

#### (ii) Valuation technique used to determine fair value :

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices and NAV.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

#### (iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended 31 March, 2017.

Particulars	Unlisted Equity security (₹ Crs)
As at 1 April 2015	78.61
Gains (losses) recognised in Other Comprehensive Income	21.71
As at 31 March 2016	100.32
Gains (losses) recognised in Other Comprehensive Income	(31.86)
As at 31 March 2017	68.46

#### (iv) Valuation inputs and relationships to fair value :

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted.

Particulars	Fair Value 31/03/17	Significant Unobservable inputs*	Fair Value 31/03/17
Unquoted Equity Shares - NCDEX	128.00	P/B Multiple	5.0x
		Business Risk Discount	60%
		Liquidity Discount	30%
		Net P/B Multiple	1.4x
		P/Bmultiple based on recent transactions	2.4x
		Average P/B multiple arrived at	1.9x
		Book value as on 31.03.2017 (₹ In Crores)	449.20
		Equity valuation of NCDEX (₹ In Crores)	853.50
		Valuation of 15% stake (₹ In Crores)	128.00

\* There were no significant inter relationship between unobservable inputs that materially affect fair value

For equity instruments, a 10% increase in average P/B multiple would have led to approximately ₹12.82 crores gain in the other comprehensive income (2015-16: nil and 2014-15: nil). A 10% decrease in average P/B multiple would have led to an equal but opposite effect.

#### (v) Valuation processes :

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every three months, in line with the reporting periods.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 27 : Fair Value Measurements (contd.)

#### vi) Fair value of financial assets and liabilities measured at amortised cost :

(₹ in Crores)

Particulars	31/03/17		31/03/16		01/04/15	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>						
Debentures	1,233.28	1,242.84	1,356.79	1,363.56	1,104.34	1,108.52
Taxable Bonds	118.04	123.33	150.37	152.85	147.89	150.08
Taxfree Bonds	875.98	905.05	462.25	462.18	64.76	67.77
Commercial Paper	-	-	-	-	341.61	341.61
Fixed Deposits	455.71	458.15	1,537.65	1,548.66	2,122.52	2,125.03
Security Deposit	2.35	2.35	2.16	2.16	1.83	1.83
<b>Total Financial Assets</b>	<b>2,685.36</b>	<b>2,731.72</b>	<b>3,509.21</b>	<b>3,529.42</b>	<b>3,782.96</b>	<b>3,794.85</b>
<b>Financial Liabilities</b>						
Obligations under Finance Lease	10.12	18.31	9.50	17.35	8.96	15.61
<b>Total Financial Liabilities</b>	<b>10.12</b>	<b>18.31</b>	<b>9.50</b>	<b>17.35</b>	<b>8.96</b>	<b>15.61</b>

- The carrying amounts of trade receivables, trade payables, deposits, other receivables, cash and cash equivalent including other current bank balances and other liabilities including deposits, creditors for capital expenditure, etc are considered to be the same as their fair values, due to current and short term nature of such balances.
- The fair value of finance lease obligation, debentures, taxable bonds, taxfree bonds, commercial paper, fixed deposits and security deposit are based on discounted cash flow.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

#### Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

**Note 28 : In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below:**

#### (a) Names of the related parties and related party relationships

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
1	National Securities Clearing Corporation Limited*	Subsidiary Company	Clearing and Settlement	100%
2	NSE Strategic Investment Corporation Limited*	Subsidiary Company	Investment Entity	100%
3	NSE IFSC Limited*	Subsidiary Company (w.e.f 29.11.2016)	Trading Facility	100%
4	NSE IFSC Clearing Corporation Limited*	Subsidiary's Subsidiary Company (w.e.f 02.12.2016)	Clearing and Settlement	100%

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**Note 28 : In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below: (contd.)**

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
5	NSEIT Limited (Formerly known as NSE.IT Limited)*	Subsidiary's Subsidiary Company	IT Services	100%
6	DotEx International Limited*	Subsidiary's Subsidiary Company	Data Vending	100%
7	India Index Services & Products Limited*	Subsidiary's Subsidiary Company	Index Services	100%
8	NSE Infotech Services Limited*	Subsidiary's Subsidiary Company	IT Services	100%
9	NSE.IT (US) Inc.*	Subsidiary's Subsidiary's Subsidiary Company	IT Services	100%
10	NSE Academy Limited (Formerly known as NSE Education Facilities Limited)*	Subsidiary's Subsidiary Company (w.e.f. 12.03.2016)	Financial Literacy Programme	100%
11	National Securities Depository Limited*	Associate Company	Depository Services	25.05% upto 23.02.2017 & 24% w.e.f. 24.02.2017
12	BFSI Sector Skill Council of India*	Associate Company	Skill Council	49%
13	Power Exchange India Limited*	Subsidiary's Associate	Trading Facility in power	30.95%
14	NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited)*	Subsidiary's Associate	E-Governance Solutions	25.05%
15	Market Simplified India Limited (formerly known as INXS Technologies Limited)*	Subsidiary's Associate	Software Industry	30%
16	Computer Age Management Services Private Limited*	Subsidiary's Associate	Mutual Fund Transfer Agency	44.99%
17	Receivables Exchange Of India Limited*	Subsidiary's Associate (w.e.f. 29.06.2016) Subsidiary's Joint Venture (25.02.2016 to 28.06.2016)	Online Platform for financing receivables (TReDS)	50% from 25.02.2016 to 28.06.2016 and 30% w.e.f. 29.06.2016
18	Ms. Chitra Ramkrishna - Managing Director & CEO (upto 02-Dec-2016)	Key Management Personnel		
19	Mr. J. Ravichandran - CEO - Incharge (w.e.f. 02-Dec-2016)	Key Management Personnel		
20	Mr. Ashok Chawla (w.e.f. 28-Mar-2016)	Key Management Personnel		
21	Mr. Ravi Narain (w.e.f. 1-Apr-2013)	Key Management Personnel		
22	Mr. Abhay Havaladar (w.e.f. 13-Jun-2012)	Key Management Personnel		
23	Mr. Dinesh Kanabar (w.e.f. 13-Jul-2016)	Key Management Personnel		
24	Mr. Naved Masood (w.e.f. 13-Jul-2016)	Key Management Personnel		
25	Mr. T. V. Mohandas Pai (w.e.f. 13-Jul-2016)	Key Management Personnel		
26	Mr. Prakash Parthasarathy (w.e.f. 30-May-2012)	Key Management Personnel		

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**Note 28 : In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below: (contd.)**

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
27	Ms. Dharmishta Raval (w.e.f. 5-Feb-2016)	Key Management Personnel		
28	LIC (Ms. Sunita Sharma) (w.e.f. 19-Oct-2016)	Key Management Personnel		
29	State Bank Of India (Ms. Anshula Kant) (w.e.f. 19-Oct-2016)	Key Management Personnel		
30	Mr. S. B. Mathur (Upto 28-Mar-2016)	Key Management Personnel		
31	LIC (Mr. S. B. Mainak) (Upto 25-Aug-2015)	Key Management Personnel		
32	Mr. Y. H. Malegam (Upto 28-Mar-2016)	Key Management Personnel		
33	Dr. K. R. S. Murthy (Upto 28-Mar-2016)	Key Management Personnel		
34	Dr. S. Sadagopan (Upto 28-Mar-2016)	Key Management Personnel		
35	Mr. Justice B. N. Srikrishna (Retd.) (upto 2-Aug-2016)	Key Management Personnel		
36	Mrs. Pratima M. Umarji (Upto 11-Aug-2015)	Key Management Personnel		

\* The principal place of business for all subsidiaries / associates / joint venture are in India except of NSEIT (US) Inc which is located in US.

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

### National Securities Clearing Corporation Ltd.

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Usage charges received	17.83	16.25	NA
Space and Infrastructure usage charges received	4.95	4.23	NA
Reimbursement received for expenses on staff on deputation	11.91	12.05	NA
Reimbursement received for other expenses incurred	48.09	41.19	NA
Reimbursement paid for IPO Expenses	0.15	-	NA
Dividend received	157.50	146.25	NA
Clearing and Settlement charges paid	114.45	112.04	NA
Contribution to NSCCL Core SGF expenses	134.07	761.52	NA
Purchase of Investment	-	0.93	-
Contribution to NSCCL Core SGF liability (Closing Balance)	(284.39)	(690.52)	-
Closing balance (Credit)/Debit	31.54	33.31	24.65
Investment in Equity Share Capital	5.64	5.64	5.64

### NSE IFSC Limited

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Reimbursement received for expenses on staff on deputation	0.19	-	-
Subscription of Equity share capital	25.00		
Reimbursement received for other expenses incurred	2.89	-	-
Purchase of assets	0.57	-	-
Investment in Equity Share Capital	25.00	-	-
Closing balance (Credit)/Debit	3.54	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**Note 28 : In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below:** (contd.)

### NSE IFSC Clearing Corporation Limited

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Reimbursement received for expenses on staff on deputation	0.25	-	-
Reimbursement received for other expenses incurred	0.20	-	-
Closing balance (Credit)/Debit	0.43	-	-

### NSEIT Ltd. (Formerly known as NSE.IT Limited)

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Reimbursement received for other expenses incurred	0.20	0.04	NA
Software Development Charges paid	1.88	1.68	NA
Software Expenses	0.44	-	NA
Repairs and maintenance – Computer, Trading and Telecommunication systems	30.49	34.26	NA
STP Charges Received	0.04	0.04	NA
Test expenses paid	4.34	7.28	NA
Empanelment charges received	0.09	0.09	NA
IT management and consultancy charges paid	5.86	5.38	NA
Closing balance (Credit)/Debit	(8.33)	(4.83)	(1.05)

### DotEx International Ltd.

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Space and Infrastructure usage charges received	0.85	0.85	NA
Reimbursement received for expenses on staff on deputation	2.57	2.35	NA
Reimbursement for expenses incurred	0.43	4.40	NA
Reimbursement paid for IPO Expenses	0.05	-	NA
Empanelment charges received	0.06	0.06	NA
Amount received towards revenue sharing on account of info feed services	21.09	16.26	NA
Recovery towards web trading facility provided to members	1.29	0.99	NA
Web trading related expenses	19.05	19.51	NA
Closing balance (Credit)/Debit	0.01	0.15	(0.89)

### India Index Services & Products Ltd.

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
License fees paid	11.04	11.46	NA
Usage Charges received	0.86	0.84	NA
Space and Infrastructure usage charges received	0.79	0.56	NA
Reimbursement received for expenses on staff on deputation	2.45	1.87	NA
Reimbursement paid for IPO Expenses	0.03	-	NA
Reimbursement received for other expenses incurred	1.56	7.85	NA
Closing balance (Credit)/Debit	0.70	(0.08)	0.23

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**Note 28 : In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below: (contd.)**

### NSE Infotech Services Ltd.

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
IT management and consultancy charges paid	29.76	26.52	NA
Repairs and maintenance – Computer, Trading and Telecommunication systems	20.68	17.91	NA
Rent received	0.53	0.45	NA
Reimbursement received for expenses incurred	0.59	13.77	NA
Reimbursement paid for IPO Expenses	0.05	-	NA
Reimbursement paid for expenses incurred	0.70	-	NA
Closing balance (Credit)/Debit	(15.11)	(7.23)	0.21

### NSE Strategic Investment Corporation Limited

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Space and Infrastructure usage charges received	0.22	0.20	NA
Reimbursement received for expenses on staff on deputation	1.68	1.53	NA
Reimbursement received for expenses incurred	1.30	2.86	NA
Reimbursement paid for IPO Expenses	0.02	-	NA
Closing balance (Credit)/Debit	1.71	1.14	-
Deposit received	0.03	-	NA
Investment in Preference Share Capital	412.97	412.97	412.56
Investment in Equity Share Capital	413.13	413.13	412.61

### NSE Academy Limited (formerly known as NSE Education Facilities Limited)

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Assets transferred on slump sale	0.57	-	-
Reimbursement received for expenses on staff on deputation	2.21	-	-
Receivable towards income	1.44	-	-
Reimbursement received for expenses incurred	3.05	-	-
Space and Infrastructure usage charges received	0.67	-	-
Closing balance (Credit)/Debit	2.50	-	-

### National Securities Depository Limited

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Dividend received	2.50	2.50	NA
DP Validation Charges	0.62	-	NA
Closing balance (Credit)/Debit	0.01	0.01	0.01
Investment in Equity Share Capital	58.92	61.49	61.49

### BFSI Sector Skill Council of India

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Amount paid towards PMKVY centres	0.00	0.09	NA
Investment in Equity Share Capital	1.00	1.00	1.00
Closing balance (Credit)/Debit	0.01	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**Note 28 : In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below:** (contd.)

### Computer Age Management Services Private Limited

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Reimbursement received for expenses incurred	0.44	0.11	NA
Amount paid towards Rent	0.26	-	-
Closing balance (Credit)/Debit	(0.26)	-	-

### Market Simplified India Limited

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Consultancy Charges paid for software development	1.91	1.88	NA
Closing balance (Credit)/Debit	-	-	-

### Receivables Exchange Of India Limited

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Reimbursement received for expenses incurred	0.52	0.15	NA
Reimbursement received for expenses on staff on deputation	1.84	-	-
Closing balance (Credit)/Debit	2.49	0.15	-

### Key Management Personnel

#### Ms. Chitra Ramkrishna - Managing Director & CEO (Upto 02-Dec-16)

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Short-term employee benefits	14.65	7.05	NA
Post-employment benefits #	6.75	0.82	NA
Long-term employee benefits *	1.58	1.25	NA
Total Remuneration	22.98	9.12	NA

### Key Management Personnel

#### Mr. J. Ravichandran - CEO - Incharge (w.e.f. 02-Dec-16)

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Short-term employee benefits	1.66	NA	NA
Post-employment benefits #	0.12	NA	NA
Long-term employee benefits *	0.19	NA	NA
Total Remuneration	1.97	NA	NA

### Key Management Personnel

(₹ in Crores)

Nature of Transactions	31.03.2017	31.03.2016	01.04.2015
Sitting Fees Paid to Directors	4.32	2.25	1.21

\* includes 50% of the variable pay payable after 3 years subject to certain conditions,

# As the liabilities for define benefit plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

All related parties transaction entered during the year were in ordinary course of business. Outstanding balances as at the year end are unsecured and settlement occurs in cash. There have been no guarantee provided or received for any related parties receivables or payables as of March 31, 2017, March 31, 2016 and April 1, 2015. The Company has not recorded any impairment of receivables relating to amount owed by related parties.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 29 : Capital and other commitments

(₹ in Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided	19.73	71.14	35.70
Network Infrastructure Charges	38.00	3.79	10.86
Other Commitments (Primarily in respect of operating expenses and Investor education expenses)	46.95	30.93	-

### Note 30 : Contingent liabilities

- (i) Claims against the company not acknowledged as debts amounts to : ₹8.71 Crores (March 31, 2016 : ₹5.20 Crores and April 1, 2015 : ₹5.65 crores).
- (ii) (a) In a complaint filed by a competitor against the Company, the Competition Commission of India directed the Company to pay a penalty of ₹55.50 crores (March 31, 2016 : ₹55.50 crores and April 1, 2015: ₹55.50 crores). The Company had appealed against the order before the Hon'ble Competition Appellate Tribunal (COMPAT) which rejected the appeal. The Company has appealed against the said order and stay has been granted by the Hon'ble Supreme Court of India. In respect of the same subject matter, a compensation claim has been filed against the Company amounting to ₹856.99 crores (March 31, 2016 : ₹856.99 and April 1, 2015: ₹856.99) before the COMPAT by the competitor and the same is being disputed by the Company. Based on the legal advice, the Company is of the view that there are strong grounds that the Hon'ble Supreme Court of India will over turn the decision of the COMPAT. In view of the same no provision has been made in respect of penalty and compensation claimed.
- (b) A suit has been filed, jointly and severally against the Company and National Securities Clearing Corporation Limited for damages / compensation amounting to ₹152.57 crores (March 31, 2016 : ₹152.57 crores and April 1, 2015 : ₹152.57 crores ) along with interest thereon and has been disputed by the Company. As per the legal opinion received, the possibiity of the claim being awarded against the Company is remote. In view of the same no provision has been made in respect of damages / compensation claimed.
- (iii) On account of disputed demand of Income Tax: ₹41.32 Crores (March 31, 2016: ₹37.81 Crores and April 1, 2015: ₹45.99 crores ), disputed demand of Fringe Benefit Tax: ₹2.21 Crores (March 31, 2016 : ₹2.21 Crores and April 1, 2015: ₹2.21 crores) and disputed demand of Wealth Tax: ₹0.09 Crores (March 31, 2016 : ₹1.94 Crores and April 1, 2015: ₹1.94 crores). Wealth Tax liability includes ₹0.02 Crores (March 31, 2016 : ₹1.86 Crores and April 1, 2015: ₹1.86 crores) on account of Tax Department appeals pending disposal before the Bombay High Court. On account of disputed demand of Service Tax: ₹39.75 crores (March 31, 2016 : ₹39.20 crores and April 1, 2015: ₹39.20 crores) alongwith interest and penalty thereon
- (iv) On account of Bank guaranties ₹1 crore (March 31, 2016 : ₹4.01 crores and April 1, 2015 : ₹4.01 crores )
- (v) On account of disputed demand of Securities Transaction Tax : ₹6.76 Crores (March 31, 2016 : ₹5.20 Crores and April 1, 2015 : ₹5.20 crores).

### Note 31 : Details of dues to micro and small, medium enterprises as defined under the MSMED Act, 2006

Liability for expenses includes ₹0.07 Crore (March 31, 2016: ₹0.11 Crore and April 1, 2015 ₹0.06 crores) due to Micro, Small & Medium Enterprises. Total outstanding dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

### Note 32 :

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 33 :

- (a) Gross amount required to be spent by the Company on Corporate Social Responsibility activities during the financial year ended March 31, 2017 is ₹22.08 crores. (Previous year: ₹21.14 Crores)
- (b) Amount spent during the year towards Primary Education, Elder Care, etc :

(₹ in Crores)

Particulars	31.03.2017		
	In cash	Yet to be paid in cash	Total
Construction / acquiring of any asset	-	-	-
On purposes other than above *	8.13	-	8.13
	(1.95)	-	(1.95)

Figure in brackets pertain to year ended March 31, 2016

\* excludes ₹0.20 crores (previous year ₹0.12 crores) on capacity building of personnel and implementing agencies etc., which is in excess of 5 % of total CSR expenditure.

(₹ in Crores)

Particulars	31.03.2017	31.03.2016
(c) Amount transferred from Retained Earnings to CSR Reserve	53.43	-

During the year, the Company has created CSR Reserve to undertake CSR activities and has transferred the unspent amount from Retained earnings to CSR Reserve. The unspent amount is the shortfall in amount required to be spent by the Company as per the Companies Act, 2013 and amount actually spent.

### Note 34 : Disclosure relating to Specified Bank Notes\* (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016.

(Amount in ₹)

Description	Specified Bank Notes (SBNs)	Others denominated Notes	Total
Closing cash in hand as on 08.11.2016	89,500.00	29,997.00	1,19,497.00
(+) Permitted receipts	24,500.00	11,91,643.00	12,16,143.00
(-) Permitted Payments	-	11,11,346.00	11,11,346.00
(-) Amount deposited in Banks	1,05,500.00	-	1,05,500.00
Amount exchanged with bank	8,500.00	8,500.00	-
<b>Closing cash in hand as on 30.12.2016</b>	-	1,18,794.00	1,18,794.00

\* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 35 : Lease

The Company has taken land on finance lease. The following is the summary of future minimum lease rental payment under finance lease arrangement entered into by the Company.

(₹ in Crores)

Particulars	As at		As at		As at	
	31.03.2017	31.03.2017	31.03.2016	31.03.2016	01.04.2015	01.04.2015
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Obligations under finance lease						
- Not later than one year	0.93	0.93	0.93	0.93	0.93	0.93
- Later than one year and not later than five years	6.71	3.72	5.80	3.17	4.90	2.70
- Later than five years	130.26	5.47	132.10	5.40	133.93	5.33
<b>Total minimum lease commitments</b>	<b>137.90</b>	<b>10.12</b>	<b>138.83</b>	<b>9.50</b>	<b>139.76</b>	<b>8.96</b>
Less: future finance charges	127.78	-	129.33	-	130.80	-
<b>Present value of minimum lease premium</b>	<b>10.12</b>	<b>-</b>	<b>9.50</b>	<b>-</b>	<b>8.96</b>	<b>-</b>
Other financial liabilities - current	0.93	-	0.93	-	0.93	-
Other financial liabilities - non current	9.19	10.12	8.57	9.50	8.03	8.96

The lease has escalation clause and there is no right to renew or purchase option.

### Note 36 :

C.I.F. value of import in respect of Capital goods : ₹8.94 Crore (Previous year : ₹2.37 Crore).

### Note 37 : Expenditure in foreign currency (accrual basis)

(₹ in Crores)

Particulars	31.03.2017	31.03.2016
Travelling Expense	0.40	0.53
Professional and technical fees	10.31	24.84
Subscription of Equity shares of Subsidiary	25.00	-
Others	11.45	2.08

### Note 38 : Net dividend remitted in foreign exchange

Particulars	31.03.2017	31.03.2016
Period to which it relates	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Number of non-resident shareholders to whom dividend remitted in foreign currency	4	4
Number of equity shares held on which dividend was due	3075000	6075000
Amount remitted in INR equivalent USD (₹ in Crores)	22.45	48.3

### Note 39 : Earnings in foreign currency (accrual basis)

(₹ in Crores)

Particulars	31.03.2017	31.03.2016
Professional fees	0.49	0.98

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 40 :

On June 20, 2012, Securities Exchange Board of India ("SEBI") notified Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ("the Regulations") to regulate recognition, ownership and governance in stock exchanges and clearing corporations in India. In accordance with Regulation 33 of the Regulations, every recognized stock exchange was required to transfer twenty five percent (25%) of its annual profits every year to a Settlement Guarantee Fund ("SGF") of the recognized clearing corporation(s) which clears and settles trades executed on that stock exchange to guarantee settlement of trades. Subsequently, SEBI in its press release No.66/2012 dated June 21, 2012 made an announcement about expert committee being formed to inter-alia look into the norms for adequacy of the core corpus of the SGF and its sourcing, including transfer of profits by stock exchanges to SGF in the long run. As a matter of prudence, the Company had recorded the provisional appropriation from reserve at 25% of its annual profit after tax in its financial statements.

On August 27, 2014, SEBI vide its circular no. CIR/MRD/DRMNP/25/2014 issued norms relating to Core Settlement Guarantee Fund ("Core SGF") and contribution requirements by recognised stock exchange to Core SGF maintained by clearing corporations. As per the circular, stock exchange contribution to Core SGF shall be at least 25% of the Minimum Required Contribution ("MRC") determined by clearing corporation. The contribution towards Core SGF is eligible to be adjusted against twenty five percent transfer of profits by stock exchange under the Regulations. Accordingly, the Company had recorded a provisional appropriation of ₹527.19 crores as at March 31, 2015 (net of ₹170 crores for contribution to MRC of Core SGF for the year ended March 31, 2015) and the same had been disclosed as provision for Core Settlement Guarantee Fund in the Balance Sheet of the Company as on April 1, 2015.

On May 4, 2016, SEBI in its circular no. SEBI/HO/MRD/DRMNP/CIR/2016/54 notified that the provisions made by stock exchange towards the transfer of profits to SGF until March 31, 2015 shall be transferred to the Core SGF maintained by the clearing corporation within one month of the date of issuance of the notification. Further, as per the circular, SEBI will notify the amounts to be transferred by the stock exchange to the Core SGF maintained by the clearing corporation in respect of the period from April 01, 2015 till the date of amendment of the Regulations by SEBI. Accordingly, the provisional appropriations made out of reserve aggregating to ₹527.19 crores disclosed as provision in the Balance Sheet of the Company as on March 31, 2015 was reversed and an expense of ₹527.19 crores was recorded in the Statement of Profit and Loss for the year ended March 31, 2016. During the year ended March 31, 2016, the Company had also recorded an expense of ₹163.33 crores (net of ₹71 crores for contribution to MRC of Core SGF for the year ended March 31, 2016) in its Statement of Profit and Loss and other current liability of ₹690.52 crores in its balance sheet as of March 31, 2016.

Effective August 29, 2016, SEBI has amended Regulation 33 of SECC Regulations, 2012 and the Company is now required to contribute only towards the MRC of Core SGF. Accordingly, during the year ended March 31, 2017, the Company has recorded an expense of ₹121.07 crores (pro-rata based on profits till the date of amendment of the Regulation) (net of ₹13 crores for contribution to MRC of Core SGF for the year ended March 31, 2017) in its Statement of Profit and Loss and disclosed ₹284.39 crores as the amount payable to Core SGF as other current liability in its Balance Sheet as of March 31, 2017.

### Note 41 : Other events after the reporting period

(i) Dividend:

The Board of Directors have recommended the payment of final dividend of ₹12.25 per fully paid equity shares (FV ₹1 each) (March 31, 2016 : ₹73/- per equity share (FV ₹10 each)). This proposed dividend is subject to approval of shareholders in the ensuing general meeting and if approved would result in cash outflow of approximately ₹729.82/- Crores including Corporate Dividend Tax of ₹123.44 crores."

(ii) The Board of Directors in its meeting held on April 06, 2017 has considered and approved the proposal of making further investments in 'NSE IFSC Limited' by subscribing to its equity shares upto a nominal amount not exceeding ₹25 crores.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 42 :

NSE Academy Limited incorporated on March 12, 2016 as a wholly owned subsidiary of NSE Strategic Investment Corporation Limited acquired on July 1, 2016 the education business of the ultimate holding company National Stock Exchange of India Limited on a Slump sales basis for a total consideration of ₹0.57 crores. Details of Assets and Liabilities acquired are as under :

(₹ in Crores)	
Particulars	31.03.2016
Assets	
Trade receivables	1.17
Cash & Bank balances	0.76
Property, Plant and Equipment	0.10
<b>Total Assets (A)</b>	<b>2.03</b>
Liabilities	
<b>Other Current Liabilities (B)</b>	<b>1.46</b>
<b>Net Assets (A-B)</b>	<b>0.57</b>

### Note 43 :

The Company's pending litigations comprise of claims against the Company and proceedings pending with Statutory and Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position (Refer note no. 30 for details on contingent liabilities).

### Note 44 :

SEBI has directed the Company to carry out an investigation including forensic examination by an independent external agency in respect of NSE's Colocation facility. In this regard, SEBI has directed that, pending completion of investigation to the satisfaction of SEBI, all revenues emanating from colocation facility including the transaction charges on the trades executed through colocation facility be placed in a separate bank account. Accordingly, the same is being transferred to a separate bank account. The amount so transferred for the period from September 2016 to March 2017 was ₹375.51 crores. (Refer also note 20)

### Note 45 : Offsetting Financial assets and Financial Liabilities

(₹ in Crores)						
As at 31.03.2017	Effects of offsetting on the balance			Related amount not offset		
	Gross Amount	Gross Amt Set off in the balance sheet	Net Amount presented in Balance sheet	Amounts subject to master netting arrangements	Financial Instrument collateral	Net Amount
Financial Assets						
Trade Receivables	255.37	-	255.37	-	(1,034.23)	(778.87)
31.03.2016						
Financial Assets						
Trade Receivables	212.09	-	212.09	-	(1,029.79)	(817.70)
01.04.2015						
Financial Assets						
Trade Receivables	160.97	-	160.97	-	(1,037.06)	(876.09)

\* The Collateral includes Deposits from trading members.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 46 : Fair Value Measurements

#### Financial Instruments by category

(₹ in Crores)

Particulars	31-03-2017			31-03-2016			01-04-2015		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>									
Investments									
Equity Instruments	-	128.60	-	-	160.28	-	-	138.71	-
Debentures	-	-	1,233.28	-	-	1,356.79	-	-	1,104.34
Taxable Bonds	-	-	118.04	-	-	150.37	-	-	147.89
Taxfree Bonds	-	-	875.98	-	-	462.25	-	-	64.76
Commercial Paper	-	-	-	-	-	-	-	-	341.61
Certificate of Deposits	-	-	-	-	-	-	-	-	-
Fixed Deposits	-	-	455.71	-	-	1,537.65	-	-	2,122.52
Inter Corporate Deposits	-	-	-	-	-	-	-	-	-
Security Deposit	-	-	-	-	-	-	-	-	-
Government Securities	-	296.01	-	-	1,267.13	-	-	647.57	-
Mutual Funds	2,125.45	-	-	686.94	-	-	875.00	-	-
Exchange Traded Funds	223.37	-	-	343.39	-	-	68.58	-	-
Trade receivables	-	-	266.52	-	-	224.95	-	-	170.98
Cash and Cash equivalents	-	-	94.60	-	-	50.65	-	-	32.70
Bank balances other than cash and cash equivalents	-	-	320.39	-	-	-	-	-	-
Security deposits	-	-	2.35	-	-	2.16	-	-	1.83
Other receivables	-	-	24.82	-	-	5.07	-	-	2.11
<b>Total financial assets</b>	<b>2,348.82</b>	<b>424.61</b>	<b>3,391.69</b>	<b>1,030.33</b>	<b>1,427.41</b>	<b>3,789.89</b>	<b>943.58</b>	<b>786.28</b>	<b>3,988.74</b>
<b>Financial liabilities</b>									
Obligations under Finance Lease	-	-	10.12	-	-	9.50	-	-	8.96
Deposits	-	-	1,115.68	-	-	1,098.45	-	-	1,093.47
Trade payables	-	-	90.96	-	-	66.81	-	-	48.19
Other liabilities	-	-	132.60	-	-	103.33	-	-	125.17
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,349.36</b>	<b>-</b>	<b>-</b>	<b>1,278.09</b>	<b>-</b>	<b>-</b>	<b>1,275.79</b>

### Note 47 : FINANCIAL RISK MANAGEMENT

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Committee of the Company is supported by the Treasury department that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Treasury department activities are designed to:

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 47 : FINANCIAL RISK MANAGEMENT

- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

The Treasury department is responsible to maximise the return on companies internally generated funds.

#### A MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the Company's credit rating and impair investor confidence.

The Company maintained a cautious funding strategy, with a positive cash balance throughout the year ended 31st March, 2017 and 31st March, 2016. This was the result of cash delivery from the business. Cash flow from operating activities provides the funds to service the financing of financial liabilities on a day-to-day basis.

The Company's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments including the government securities with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

(₹ in Crores)

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2017</b>				
Trade payables	132.22	132.22	-	132.22
Deposits	1,120.92	1,120.92	-	1,120.92
Obligations under finance lease	10.12	0.93	9.19	10.12
Other liabilities	86.10	86.10	-	86.10
<b>As at March 31, 2016</b>				
Trade payables	87.53	87.53	-	87.53
Deposits	1,104.19	1,104.19	-	1,104.19
Obligations under finance lease	9.50	0.93	8.57	9.50
Other liabilities	76.88	76.88	-	76.88
<b>As at April 01, 2015</b>				
Trade payables	61.96	61.96	-	61.96
Deposits	1,126.47	1,126.47	-	1,126.47
Obligations under finance lease	8.96	0.93	8.03	8.96
Other liabilities	78.40	78.40	-	78.40

#### B MANAGEMENT OF MARKET RISK

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- price risk; and
- interest rate risk

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 47 : FINANCIAL RISK MANAGEMENT

The above risks may affect the Company's income or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of, these risks is explained below.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
<p><b>1. PRICE RISK</b></p> <p>The Company is mainly exposed to the price risk due to its investment in mutual funds, exchange traded funds and investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments.</p> <p>At 31st March 2017, the exposure to price risk due to investment in mutual funds amounted to ₹2125.45 crores (March 31, 2016: ₹686.94 crores and April 01, 2015 : ₹875 crores).</p> <p>At 31st March 2017, the exposure to price risk due to investment in exchange traded fund amounted to ₹223.37 crores (March 31, 2016: ₹343.39 crores and March 31, 2015 : ₹68.58 crores).</p> <p>At 31st March 2017, the exposure to price risk due to investment in equity instruments amounted to ₹128.60 crores (March 31, 2016: ₹160.28 crores and March 31, 2015 : ₹138.71 crores).</p>	<p>In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.</p> <p>The Treasury department maintains a list of approved financial instruments. The use of any new investment must be approved by the Chief Financial Officer.</p>	<p>As an estimation of the approximate impact of price risk, with respect to mutual funds, exchange traded funds and investments in equity instruments, the Company has calculated the impact as follows.</p> <p>For mutual funds, a 0.25% increase in prices would have led to approximately ₹5.31 crores gain in the Statement of Profit and Loss (2015-16: ₹1.72 crores and 2014-15: ₹2.19 crores). A 0.25% decrease in prices would have led to an equal but opposite effect.</p> <p>For exchange traded fund, a 10% increase in prices would have led to approximately ₹22.34 crores gain in the Statement of Profit and Loss (2015-16: ₹34.34 crores and 2014-15: ₹6.86 crores). A 10% decrease in prices would have led to an equal but opposite effect.</p> <p>For equity instruments, a 10% increase in prices would have led to approximately ₹12.86 crores gain in the other comprehensive income (2015-16: ₹16.03 crores and 2014-15: ₹13.87 crores). A 10% decrease in prices would have led to an equal but opposite effect.</p>
<p><b>2. INTEREST RATE RISK</b></p> <p>The Company is mainly exposed to the interest rate risk due to its investment in government securities measured at FVOCI. The interest rate risk arises due to uncertainties about the future market interest rate of these investments.</p> <p>As at 31st March, 2017, the exposure to interest rate risk due to investment in government securities amounted to ₹296.01 crores (March 31, 2016: ₹1,267.13 crores and March 31, 2015: ₹647.57 crores).</p>	<p>In order to manage its interest rate risk arising from investments in treasury bills and government securities, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.</p> <p>The Treasury department maintains a list of approved financial instruments. The use of any new investment must be approved by the Chief Financial Officer.</p>	<p>As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 0.25% change in interest rates.</p> <p>A 0.25% increase in interest rates would have led to approximately ₹5.46 crores loss in the other comprehensive income (2015-16: ₹22.62 crores and 2014-15 : ₹12.87 crores). A 0.25% decrease in interest rates would have led to an equal but opposite effect.</p>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 47 : FINANCIAL RISK MANAGEMENT

#### C MANAGEMENT OF CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

##### Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse and also on account of member's deposits kept by the company as collateral which can be utilised in case of member default. All trade receivables are reviewed and assessed for default on a quarterly basis. Based on historical experience of collecting receivables, supported by the level of default, our assessment of credit risk is low. Accordingly, our provision for expected credit loss on trade receivable is not material."

##### Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in commercial papers, government securities, investments in mutual funds and exchange traded funds. The Company has diversified portfolio of investment with various number of counter-parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Treasury department.

The Company's maximum exposure to credit risk as at March 31, 2017, 2016 and April 01, 2015 is the carrying value of each class of financial assets as disclosed in note 4, 5, 7, 8, 9 and 10."

### Note 48 : CAPITAL MANAGEMENT

The Company considers the following components of its Balance Sheet to be managed capital:

Total equity (as shown in the balance sheet, including retained profit, other reserves, share capital, share premium).

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. Company is not subject to financial covenants in any of its significant financing agreements.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods. Refer note 41 (i) & 11 (b) for the final and interim dividends declared and paid.

#### Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (regulation) (stock exchanges and clearing corporations) Regulations, 2012 the Company shall have a minimum networth of ₹100 crores at all times. The Company is in compliance with the said requirement.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 49 : First-time adoption of Ind AS

#### [Note 1: Transition to Ind AS](#)

These are the Company's first financial statement prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements as of and for the year ended March 31, 2016 in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

#### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

##### A.1 Ind AS optional exemptions

###### A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and Investment Property covered by Ind AS 40 Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

###### A.1.2 Investment in Subsidiaries, Associate and Joint Venture

Ind AS 101 permits a first time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost, The deemed cost of such investment shall be its fair value at the Company's date of transition to Ind AS, or previous GAAP carrying amount at that date.

The Company has elected to measure its investment in subsidiaries, associate and joint venture at the previous GAAP carrying amount as its deemed cost on the transition date.

###### A.1.3 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Company has elected to apply this exemption for its investment in equity instruments.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### A.1.4 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

### A.2 Ind AS mandatory exceptions

#### A.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made in for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were errors.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in mutual funds / ETFs carried at FVPL;
- Investment in equity instruments carried at FVOCI;
- Investment in debt instruments carried at FVOCI; and
- Fair value of the Investment property.

#### A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, classification and measurement of bonds, debentures, government securities, commercial papers, certificate of deposits has been based on the facts and circumstances that exist at the date of transition to Ind AS.

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- A. Reconciliation of Equity as at April 1, 2015 and as at March 31, 2016
- B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2016
- C. Reconciliation of Statement of Statement of Cash flow for the year ended 31st March, 2016

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### A: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

#### Reconciliation of equity as at date of transition (1 April, 2015)

(₹ in Crores)

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		487.42	-	487.42
Capital work-in-progress		5.15	-	5.15
Other intangible assets		31.70	-	31.70
Intangible assets under development		11.39	-	11.39
Investment in subsidiaries, associates and joint ventures		893.30	-	893.30
Financial assets				
- Investments	2	1,185.38	72.99	1,258.37
- Other financial assets				
- Non-current bank balances		548.22	-	548.22
- Others		17.13	-	17.13
Income tax assets (net)		67.64	-	67.64
Other non-current assets		23.83	-	23.83
<b>Total non-current assets</b>		<b>3,271.16</b>	<b>72.99</b>	<b>3,344.15</b>
<b>Current assets</b>				
Financial assets				
- Investments	2	2,127.32	2.78	2,130.10
- Trade receivables		170.98	-	170.98
- Cash and cash equivalents		32.70	-	32.70
- Bank balances other than cash and cash equivalents		1,429.17	-	1,429.17
- Other financial assets		131.94	-	131.94
Other current assets		52.72	-	52.72
<b>Total current assets</b>		<b>3,944.83</b>	<b>2.78</b>	<b>3,947.61</b>
<b>TOTAL ASSETS</b>		<b>7,215.99</b>	<b>75.77</b>	<b>7,291.76</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital		45.00	-	45.00
Other equity	2,3,4,5,7,8	4,628.53	474.30	5,102.83
<b>TOTAL EQUITY</b>		<b>4,673.53</b>	<b>474.30</b>	<b>5,147.83</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Other financial liabilities	4	-	8.03	8.03
Provisions		9.31	-	9.31

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Crores)

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Deferred tax liabilities (net)	3	12.47	12.51	24.98
Other non-current liabilities		5.39	-	5.39
<b>Total non-current liabilities</b>		<b>27.17</b>	<b>20.54</b>	<b>47.71</b>
<b>Current liabilities</b>				
Financial Liabilities				
Deposits		1,093.47	-	1,093.47
Trade payables	7,8	45.43	2.76	48.19
Other financial liabilities	4	125.17	0.93	126.10
Provisions	5	962.31	(400.81)	561.50
Income tax liabilities (net)	7	58.49	(21.95)	36.54
Other current liabilities		230.42	-	230.42
<b>Total current liabilities</b>		<b>2,515.29</b>	<b>(419.07)</b>	<b>2,096.22</b>
<b>TOTAL LIABILITIES</b>		<b>2,542.46</b>	<b>(398.53)</b>	<b>2,143.93</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,215.99</b>	<b>75.77</b>	<b>7,291.76</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### A: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

#### Reconciliation of equity as at March 31, 2016

(₹ in Crores)

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		498.50	-	498.50
Capital work-in-progress		14.43	-	14.43
Other intangible assets		42.59	-	42.59
Intangible assets under development		23.11	-	23.11
Investment in subsidiaries, associates and joint ventures		894.24		894.24
Financial assets				
- Investments	2	2,751.72	77.42	2,829.14
- Other financial assets				
- Non-current bank balances		280.86	-	280.86
- Others		23.15	-	23.15
Income tax assets (net)		258.37	-	258.37
Other non-current assets		13.89	-	13.89
<b>Total non-current assets</b>		<b>4,800.86</b>	<b>77.42</b>	<b>4,878.28</b>
<b>Current assets</b>				
Financial assets				
- Investments	2	1,591.56	6.45	1,598.01
- Trade receivables		224.95	-	224.95
- Cash and cash equivalents		50.65	-	50.65
- Bank balances other than cash and cash equivalents		1,140.97	-	1,140.97
- Other financial assets		99.90	-	99.90
Other current assets	-	72.82	-	72.82
<b>Total current assets</b>		<b>3,180.85</b>	<b>6.45</b>	<b>3,187.30</b>
<b>TOTAL ASSETS</b>		<b>7,981.71</b>	<b>83.87</b>	<b>8,065.58</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital		45.00	-	45.00
Other equity	2,3,4,5,7,8	5,231.71	444.02	5,675.73
<b>TOTAL EQUITY</b>		<b>5,276.71</b>	<b>444.02</b>	<b>5,720.73</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Other financial liabilities	4	-	8.57	8.57
Provisions		10.25	-	10.25

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Crores)

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Deferred tax liabilities (net)	3	17.74	14.92	32.66
Other non-current liabilities		5.39	-	5.39
<b>Total non-current liabilities</b>		<b>33.38</b>	<b>23.49</b>	<b>56.87</b>
<b>Current liabilities</b>				
Financial Liabilities				
Deposits		1,098.45	-	1,098.45
Trade payables	8	66.10	0.71	66.81
Other financial liabilities	4	103.34	0.92	104.26
Provisions	5	406.90	(363.31)	43.59
Income tax liabilities (net)	7	24.01	(21.95)	2.05
Other current liabilities		972.82	-	972.82
<b>Total current liabilities</b>		<b>2,671.62</b>	<b>(383.64)</b>	<b>2,287.98</b>
<b>TOTAL LIABILITIES</b>		<b>2,705.00</b>	<b>(360.15)</b>	<b>2,344.85</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,981.71</b>	<b>83.87</b>	<b>8,065.58</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### B: Reconciliation of total comprehensive income for the year March 31, 2016

(₹ in Crores)

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
<b>Income</b>				
Revenue from operations	9	1,480.42	(7.45)	1,472.97
Other income	2	564.12	(6.75)	557.37
<b>Total Income</b>		<b>2,044.54</b>	<b>(14.20)</b>	<b>2,030.34</b>
<b>Expenses</b>				
Employee benefits expense	6	108.39	(2.10)	106.29
Clearing & Settlement charge		98.54	-	98.54
Depreciation and amortisation expense		103.09	-	103.09
Other expenses	2,4,8,9	380.81	(7.62)	373.20
<b>Total expenses excluding contribution to Core Settlement Guarantee Fund (Core SGF)</b>		<b>690.84</b>	<b>(9.72)</b>	<b>681.12</b>
<b>Profit before prior period, contribution to Core SGF and tax</b>		<b>1,353.70</b>	<b>(4.48)</b>	<b>1,349.22</b>
Add/(Less) : Prior-period adjustments	7	(2.58)	2.58	-
<b>Profit before contribution to Core SGF and tax</b>		<b>1,351.12</b>	<b>(1.90)</b>	<b>1,349.22</b>
Less : Contribution to Core SGF		(761.52)	-	(761.52)
<b>Profit before tax</b>		<b>589.60</b>	<b>(1.90)</b>	<b>587.70</b>
Income tax expense				
Income tax		145.00	-	145.00
Deferred tax	3	5.28	1.75	7.03
<b>Total tax expenses</b>		<b>150.28</b>	<b>1.75</b>	<b>152.03</b>
<b>Profit for the year (A)</b>		<b>439.32</b>	<b>(3.65)</b>	<b>435.67</b>
<b>Total Other Comprehensive Income (B), net of tax</b>	11	-	<b>10.85</b>	<b>10.85</b>
<b>Total Comprehensive Income (A+B)</b>		<b>439.32</b>	<b>7.20</b>	<b>446.52</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

### C: Reconciliation of Cash Flow for the year ended March 31, 2016

(₹ in Crores)

Particulars	Previous GAAP	Adjustments*	Ind AS
Net cash flow from operating activities	472.99	11.13	484.12
Net cash flow from investing activities	(49.59)	(15.77)	(65.36)
Net cash flow from financing activities	<b>(405.45)</b>	<b>4.64</b>	<b>(400.81)</b>
Net increase / (decrease) in cash and cash equivalents	17.95		17.95
Cash and Cash equivalents as at April 1, 2015	32.70		32.70
Cash and Cash equivalents as at March 31, 2016	50.65		50.65

\* The Company has reclassified interest income related to operating activities of ₹15.77 crores and the proceeds / refund of deposits from trading members / applicants of ₹4.64 crores to operating activities, as the deposits are accepted in normal course of business.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Reconciliation of total equity as at 31 March 2016 and 1 April 2015

(₹ in Crores)

Particulars	Notes to first-time adoption	31.03.2016	01.04.2015
<b>Total equity (shareholder's fund) as per previous GAAP</b>		<b>5276.74</b>	<b>4673.53</b>
<b>Adjustments:</b>			
Proposed dividend	5	363.31	400.81
Fair valuation of investments through profit and loss account	2	(6.18)	0.88
Fair valuation of debt instruments through Other Comprehensive Income	2	(12.19)	(4.23)
Maintenance charges recognised on straightline basis	8	(0.72)	(0.17)
Amortisation of debt instruments	2	1.50	(0.06)
Obligations under finance lease	4	(9.50)	(8.97)
Fair valuation of equity investments through Other Comprehensive Income	2	100.74	79.17
Prior period adjustment	7	21.95	19.37
Tax effects of above adjustments	3	(14.93)	(12.50)
<b>Total adjustments</b>		<b>443.98</b>	<b>474.30</b>
<b>Total equity as per Ind AS</b>		<b>5720.73</b>	<b>5147.83</b>

### Reconciliation of total comprehensive income

(₹ in Crores)

Particulars	Notes to first-time adoption	For the year ended March 31, 2016
<b>Profit after tax as per previous GAAP</b>		<b>439.32</b>
<b>Adjustments:</b>		
Fair valuation of Investments through profit and loss account	2	(7.06)
Amortisation of debt instruments	2	1.56
Re-measurement of the defined benefit obligation	6	2.10
Maintenance charges recognised on straightline basis	8	(0.55)
Obligations under Finance Lease	4	(0.53)
Prior period adjustment	7	2.58
Tax effects of adjustments on Profit & Loss	3	(1.75)
<b>Total adjustments</b>		<b>(3.65)</b>
<b>Profit after tax as per Ind AS</b>		<b>435.67</b>
Total Other Comprehensive Income, net of tax		10.85
<b>Total Comprehensive Income as per Ind AS</b>		<b>446.52</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 2: Investments

#### Mutual funds and equity instruments (other than investments in subsidiaries, associates and joint venture):

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in other equity as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2016.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI equity instruments reserve as at the date of transition and subsequently in the other comprehensive income.

(₹ in Crores)

Mutual funds and equity instruments (other than investments in subsidiaries, associates and joint venture) :	Increase/(Decrease) Balance Sheet Impact		Increase/(Decrease) Total Comprehensive Income Impact
	As at April 1, 2015	As at March 31, 2016	For the year ended 31.03.2016
Investments (Current)	3.02	7.05	
Investments (Non - Current)	77.03	87.50	
Other Equity (Retained earnings)	0.88	(6.18)	
Other Equity instruments at FVOCI)	79.17	100.74	
Other income (Profit and loss)			(7.06)
Other comprehensive income (net of tax)			17.44
<b>Total</b>	<b>80.05</b>	<b>94.56</b>	<b>10.38</b>

#### Investments in Debt instruments

Under Previous GAAP, the investments in debentures, government securities (G-Sec), commercial papers and bond are measured at cost or market value, whichever is lower.

- Investments in Government Securities - Under Ind AS, the Company has designated Government Securities (G-Sec) as fair value through other comprehensive income (FVOCI). Accordingly, these investments are required to be measured at fair value. At the date of transition to Ind AS, difference between the instrument's fair value and Previous GAAP carrying amount has been recognised in other equity (Retained earnings for interest income component and Debt instruments through Other Comprehensive Income for fair value change). Interest income and fair value changes are recognised in the statement of profit and loss and other comprehensive income, respectively.
- Under Ind AS, the Company has designated debenture, commercial papers, certificate of deposits and bonds at amortised cost. Difference between the instrument's amortised value and Previous GAAP carrying amount has been recognised in other equity and subsequently in the statement of profit or loss.

(₹ in Crores)

Investments in Debt instruments	Increase/(Decrease) Balance Sheet Impact		Increase/(Decrease) Total Comprehensive Income Impact
	As at April 1, 2015	As at March 31, 2016	For the year ended 31.03.2016
Investments (Current)	(0.23)	(0.60)	
Investments (Non - Current)	(4.05)	(10.08)	
Other Equity (Retained earnings)	(0.06)	1.50	
Other Debt instrument at FVOCI	(4.22)	(12.19)	

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Crores)

Investments in Debt instruments	Increase/(Decrease) Balance Sheet Impact		Increase/(Decrease) Total Comprehensive Income Impact
	As at April 1, 2015	As at March 31, 2016	For the year ended 31.03.2016
Other income (amortization charge)			1.25
Other income (Profit and loss)			0.31
Other comprehensive income (net of tax)			(5.21)
<b>Total</b>	<b>(4.28)</b>	<b>(10.69)</b>	<b>(3.65)</b>

### Note 3: Deferred tax

Under Previous GAAP, deferred taxes are recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. Also deferred tax has been recognised on the adjustment made on transition to Ind AS.

### Note 4: Leasehold land

Under Previous GAAP, leasehold land is classified as property, plant and equipment. Under Ind AS, leasehold land is to be recognised as an operating or a finance lease as per the definition and classification criteria under Ind AS 17. Accordingly, leasehold land has been classified as finance lease and future rent payable has been recognised as finance lease obligation. Accordingly, deemed cost of the leasehold land has been disclosed as property plant and equipment and the annual leases payments has been disclosed as a lease obligation. Consequent to the above, the total equity as at March 31, 2016 decreased by ₹9.50 crs (April 1, 2015 - ₹8.97 crs) and profit for the year ended March 31, 2016 decreased by ₹0.53 crs.

### Note 5: Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend including dividend distribution tax was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend including dividend distribution tax of ₹363.31 crs as at 31 March 2016 (1 April 2015 ₹400.81 crs) included under provisions has been reversed with corresponding adjustment to other equity. Consequently, the total equity increased by an equivalent amount.

### Note 6: Re-measurement of post-employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increased by ₹2.10 crs.

### Note 7: Prior Period Items:

Under Indian GAAP changes in accounting policies, correction of errors and omissions are recorded through the current period income statements, under Ind AS changes in accounting policies and correction of errors and omissions are accounted whereas retrospectively by restating the comparative period. As a result of this change, the profit for the year ended March 31, 2016 decreased by ₹2.58 crs. The total equity as at April 1, 2015 increased by ₹19.37 crs. (On account of prior period item relating to reversal of excess tax provision for earlier years amounting to ₹21.95 crs and other adjustment of ₹2.58 crs.)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### Note 8: Other adjustments

Under Previous GAAP, the maintenance and operational charges paid to a service provider for generation of the electricity, has been charged to profit and loss accounts in the year in which it is contractually payable. Under Ind AS, such charges paid have been recognized on a straight line basis over the contractual term. As a result of this change, the profit for the year ended March 31, 2016 decreased by ₹0.55 crs. The total equity as at March 31, 2016 decreased by ₹0.72 crs (April 1, 2015 - ₹0.17 crs.).

### Note 9: Revenue

Under Previous GAAP, revenue is recognised net of discounts and rebates. Under Ind AS, revenue is recognised at the fair value of the consideration received or receivable, after the deduction of any incentive and any taxes or duties collected on behalf of the government such as services tax. Incentives given to customers have been reclassified from 'other expense' under Previous GAAP and accordingly netted from revenue under Ind AS amounting to ₹7.45 crs for the year ended March 31, 2016.

### Note 10: Retained Earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

### Note 11: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as part of other comprehensive income includes re-measurements of defined benefit plans, fair value gains or (losses) on FVOCI equity instruments and debt instruments. The concept of other comprehensive income did not exist under previous GAAP.

### Note 50 :

In accordance with the relevant provisions of the Companies Act, 2013, the Company has long term contracts as of March 31, 2017 and March 31, 2016 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2017 and March 31, 2016.

### Note 51 :

For the year ended March 31, 2017 and March 31, 2016, the Company is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of the Companies Act, 2013.

#### For Khandelwal Jain & Co.

Chartered Accountants  
Firm's Registration no : 105049W

#### Narendra Jain

Partner  
Membership No.: 048725

#### For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants  
Firm's Registration no : 304026E / E-300009

#### Sumit Seth

Partner  
Membership No.: 105869

Place : Mumbai  
Date : May 5, 2017

#### For and on behalf of the Board of Directors

#### Ashok Chawla

Chairman

#### Ravi Narain

Vice Chairman

#### Dinesh Kanabar

Director

#### J Ravichandran

CEO Incharge

#### Yatrik Vin

Chief Financial Officer

#### S. Madhavan

Company Secretary



---

**DISCLAIMER:**

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

---



*May prosperity  
always bloom*