

25 years of Building Indian Capital Markets

27th Annual Report
2018-19



Contents

002

MD & CEO's
overview

006

Corporate
snapshot

008

Milestones

014

Our growth in
the past four
years

018

NSE:
Transforming
platforms

020

NSE:
Revitalising
its brand
identity

022

NSE:
Putting the
investor first

024

NSE: Focus
on safety and
integrity of
market

026

NSE:
Key role
in capital
formation

028

NSE:
Future-
facing

029

NSE:
A global
leader

030

Board of
Directors

032

Silver jubilee
celebrations

034

Management
discussion &
analysis

039

Corporate
information

040

Board's
report

156

Consolidated
financial
statements

243

Standalone
financial
statements





BOARD'S REPORT

To

The Members,

Your Directors have pleasure in presenting the Twenty Seventh Annual Report and Audited Financial Statements of the National Stock Exchange of India Limited ('referred herein as the 'NSE' or 'your Company' or 'the Exchange') for the year ended March 31, 2019.

1. OPERATIONS AND MAJOR DEVELOPMENTS DURING THE YEAR

1.1 GLOBAL RANKINGS - DERIVATIVES MARKET

1.1.1 All products

NSE was ranked 2nd across all the Derivatives exchanges in the world based on the volume of contracts traded during the calendar year 2018. The details of the top exchanges are given in Table 1 below:

Table 1

Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2018
1	CME Group	USA	4844.88
2	NSE	India	3790.09
3	B3 SA Brasil Bolsa Balco	Brazil	2574.07
4	Intercontinental Exchange	USA	2474.22
5	CBOE Holdings	USA	2050.88

Source: FIA rankings based on number of contracts traded and/ or cleared between Jan 18 -Dec 18
<https://fia.org/articles/fia-releases-annual-trading-statistics-showing-record-etd-volume-2018>

1.1.2 Single Stock Futures

During the calendar year 2018, NSE was ranked as the 2nd largest exchange in respect of contracts traded in single stock futures.

The details of the top 5 exchanges trading single stock futures are given in Table 2 below:

Table 2

Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2018
1	Korea Exchange	Korea	501.72
2	NSE	India	252.19
3	Moscow Exchange	Russia	235.94
4	EUREX	Germany	176.25
5	ICE Futures	EU	102.73

Source: WFE IOMA 2018 Derivatives Report
<https://www.world-exchanges.org/our-work/articles/wfe-ioma-2018-derivatives-report>

1.1.3 Index Options

During the calendar year 2018, NSE was ranked 1st in the world in respect of contracts traded in index options, amounting to a notional value of USD 27.39 trillion . The details of top 5 exchanges in index options are given in Table 3 below:

Table 3 Figure in Millions

Sr no	Exchange	Country	Contracts traded during 2018
1	NSE	India	2215
2	Korea Exchange	Korea	677
3	Chicago Board Options Exchange	USA	560
4	EUREX	Germany	419
5	CME Group	Taiwan	208

Source: WFE IOMA 2018 Derivatives Report

<https://www.world-exchanges.org/our-work/articles/wfe-ioma-2018-derivatives-report>

Nifty Index Global rankings

Nifty Index options ranked 1st across the top 20 Index options traded globally during the calendar year 2018.

(Source: www.futuresindustry.org rankings based on number of contracts traded or cleared between Jan 18 -Dec 18)

1.1.4 Currency Derivatives

During the calendar year 2018, NSE was ranked 1st in the world in terms of contracts traded in currency options & futures. The details of the top 5 exchanges in currency derivatives are given in Table 4 as under:

Table 4 Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2018
1	NSE	India	1090.13
2	BSE Limited	India	1020.75
3	Moscow Exchange	Russia	614.38
4	B3 SA Brasil Bolsa Balco	Brazil	380.56
5	CME Group	USA	237.39

Source: WFE IOMA 2018 Derivatives Report

<https://www.world-exchanges.org/our-work/articles/wfe-ioma-2018-derivatives-report>

1.1.5 Long Term Interest Rate Futures and Options

During the calendar year 2018, NSE was ranked as the 8th largest exchange in the world in contracts traded in Long Term Interest Rate Futures. The details of the top 10 exchanges in Long Term Interest Rate Futures are given in Table 5 as under:

Table 5 Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2018
1	CME Group	USA	1318.99
2	EUREX	Germany	628.38
3	Australian Securities Exchange	Australia	107.55
4	ICE Futures Europe	EU	65.51
5	B3 SA Brasil Bolsa Balco	Brazil	42.67
6	Korea Exchange	Korea	38.12



Table 5

Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2018
7	Montreal Exchange (TMX Group)	Canada	29.21
8	NSE	India	13.67
9	Japan Exchange Group	Japan	11.09
10	China Financial Futures Exchange	China	10.86

Source: WFE IOMA 2018 Derivatives Report

<https://www.world-exchanges.org/our-work/articles/wfe-ioma-2018-derivatives-report>

1.1.6 Index Futures

During the calendar year 2018, NSE was ranked as the 12th largest exchange in the world in contracts traded in index futures. The details of the top 12 exchanges in index futures are given in Table 6 as under:

Table 6

Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2018
1	B3 SA Brasil Bolsa Balcao	Brazil	732.88
2	CME Group	USA	696.74
3	Eurex	Germany	496.86
4	Japan Exchange Group	Japan	339.70
5	Singapore Exchange	Singapore	170.52
6	Moscow Exchange	Russia	138.99
7	Hong Kong Exchanges and Clearing	China	125.84
8	ICE Futures Europe	EU	102.67
9	Korea Exchange	Korea	99.04
10	TAIFEX	Taiwan	87.61
11	Chicago Board Options Exchange	USA	75.60
12	NSE	India	68.81

Source: WFE IOMA 2018 Derivatives Report

<https://www.world-exchanges.org/our-work/articles/wfe-ioma-2018-derivatives-report>

1.1.7 Single Stock Options

During the calendar year 2018, NSE was ranked as the 8th largest exchange in respect of contracts traded in stock options. The details of the top 10 exchanges in respect of trading stock options are given in Table 7 below:

Table 7

Figure in Millions

Sr no	Exchange	Country	Contracts traded during 2018
1	B3 SA Brasil Bolsa Balco	Brazil	1194.67
2	Nasdaq - US	USA	702.38
3	Chicago Board Options Exchange	USA	466.11
4	NYSE Derivatives	USA	444.94
5	International Securities Exchange	USA	326.93
6	BATS Global Markets	USA	314.50

Table 7

Figure in Millions

Sr no	Exchange	Country	Contracts traded during 2018
7	EUREX	Germany	188.89
8	NSE	India	169.40
9	Hong Kong Exchanges and Clearing	China	125.68
10	Miami International Securities Exchange	USA	122.53

Source: WFE IOMA 2018 Derivatives Report

<https://www.world-exchanges.org/our-work/articles/wfe-ioma-2018-derivatives-report>

1.2 GLOBAL RANKINGS-CAPITAL MARKET

In the Capital Market segment, NSE was ranked 2nd in the world based on the number of trades during the calendar year 2018. The details of the top 10 Exchanges are given in the table 8(a) below:

Table 8(a)

Sr no	Exchange	Country	No. of Trades (in Thousands)
1	Shenzhen Stock Exchange	China	30,45,087
2	NSE	India	28,29,023
3	BATS Global Markets	USA	24,92,016
4	Korea Exchange	Korea	24,00,383
5	Shanghai Stock Exchange	China	22,43,264
6	Nasdaq - US	USA	19,87,204
7	NYSE	USA	1,67,28,81
8	Japan Exchange Group	Japan	90,22,90
9	BATS Chi-x Europe	EU	5,84,921
10	LSE Group	UK	3,40,370

 Source: WFE <https://members.world-exchanges.org/index.php/statistics/monthly-reports-tool>



1.3 Global Rankings- Debt Market

During the calendar year 2018, NSE was ranked as the 9th largest exchange in the world in the number of listed bonds. The details of the top 10 exchanges in number of listed bonds are given in Table 8(b) as under:

Table 8(b)

Sr no	Exchange	Country	No. of listed bonds
1	Irish Stock Exchange	Ireland	34,738
2	Luxembourg Stock Exchange	Luxembourg	32,060
3	Deutsche Börse AG	Germany	30,310
4	LSE Group	UK	13,716
5	Korea Exchange	Korea	13,362
6	Shanghai Stock Exchange	China	12,089
7	BSE Limited	India	8,739
8	Nasdaq Nordic Exchanges	Sweden	7,767
9	NSE	India	7,415
10	Euronext	UK	5,704

Source WFE <https://members.world-exchanges.org/index.php/statistics/monthly-reports-tool>

1.4 Global Rankings - Alternative & SME Market

During the calendar year 2018, NSE SME Emerge (platform) ranked 5th, amongst the growing markets in the world. The details of the top 10 exchanges in showing the highest YoY change are given in Table 9 as under:

Table 9

Sr no	Exchange	Name of Market	% change 2018/17
1	Bursa Malaysia	LEAP Market	332.3%
2	Iran Fara Bourse	SME Market	62.4%
3	BME Spanish Exchanges	MAB Expansion	21.3%
4	Stock Exchange of Mauritius	Development & Enterprise Market	20.9%
5	NSE	SME Emerge	20.1%
6	Johannesburg Stock Exchange	Venture Capital Market	14.4%
7	Nasdaq Nordic Exchanges	First North	10.4%
8	Moscow Exchange	Innovations and Investments Market	4.9%
9	Athens Stock Exchange	ATHEX Alternative Market (EN.A)	2.8%
10	Johannesburg Stock Exchange	Alternative Exchange	-0.6%

Source: WFE <https://www.world-exchanges.org/our-work/articles/wfe-annual-statistics-guide-volume-4>

1.5. MEMBERSHIP AT NSE

40 new members (1 in CM, F&O, CD and Debt segments; 10 in CM, F&O and CD segments; 1 in CM, F&O and Debt segments; 12 in CM and F&O segments; 1 in F&O and CD segments; 7 in CM segment; 3 in F&O segment; 4 in CD segment and 1 in Debt segment) were registered during the Financial Year 2018-19.

NSE also granted additional segment membership to 14 members during the Financial Year 2018-19.

The following Table 10 shows the membership details for the Financial Year 2018-19:

Table 10

Category	CM Segment	F&O Segment	CD Segment	Debt Segment	Composite membership (CM, F&O, CDS and Debt)*	Total Members*
SEBI registered trading members	31	28	16	3	1301	1464
Members registered in additional segments	2	3	6	3		
Registered Sub-brokers#	Nil	Nil	Nil	Nil		
Authorised persons*	94014	76917	23676	Nil		
Surrender of membership	36	36	29	4		

#Sub-brokers have been discontinued after March 31, 2019

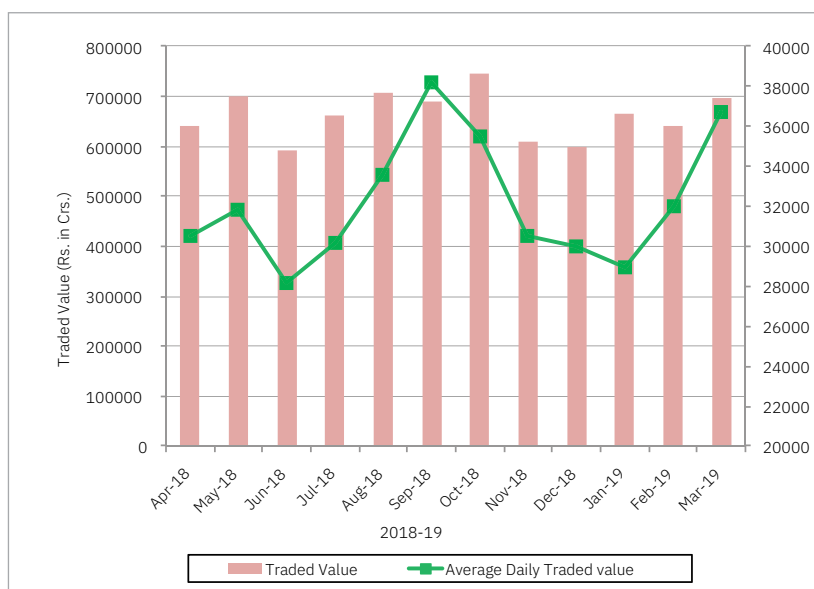
* Data as on March 31, 2019

1.6 CAPITAL MARKET (CM SEGMENT)

The total turnover of the CM segment in the year 2018-19 was ₹79,49,002 crores as compared to ₹72,34,827 crores in the year 2017-18, showing an increase of 9.87%. The average daily traded value in 2018-19 was ₹32,182 crores as compared to ₹20,906 crores in 2017-18.

As on March 31, 2019, the number of listed companies available for trading was 1884 compared to 1758 at the end of March 31, 2018.

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 11

Table 11

Turnover Statistics on CM segment

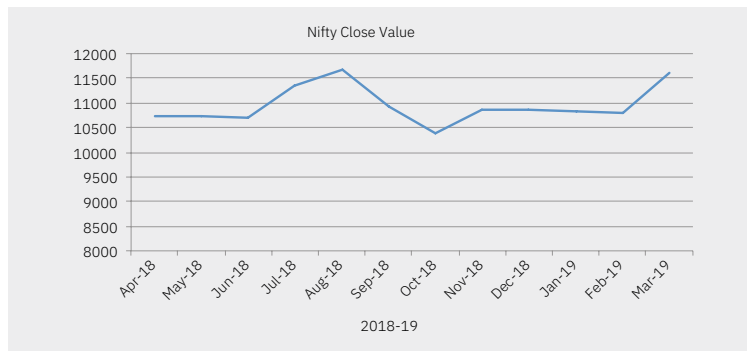
Sr. No.	Details	2018-19	2017-18	% Rise/ (Fall) in 2018-19
1	Total Number of trades (In lakhs)	28,532	24,912	14.53
2	Total number of shares traded (in lakhs)	37,49,977	37,71,836	-0.58
3	Total Turnover (Cr.)	79,49,002	72,34,827	9.87
4	Market Capitalization at the end of the year (Cr.)	1,49,34,227	1,40,44,152	6.34
5	Turnover of Nifty 50 Securities (Cr.)	38,31,129.74	26,84,358	42.72
6	Total number of listed companies for trading.	1,884	1,758	7.17

1.6.1 Index movement

Nifty 50 saw an upward movement of 14.50% moving from 10151.65 to 11623.9 over the financial year 2018-19. During the year 2018-19, the Nifty 50 touched a high of 11760.20 on August 28, 2018 and low of 10004.55 on October 26, 2018. Movement of Nifty 50 is shown in Figure 2.

The turnover of Nifty 50 securities was ₹38,31,129 crores in the year 2018-19 as compared to ₹26,84,358 crores in the previous year. The contribution of Nifty 50 securities turnover to total turnover during the year 2018-19 was 48.20% compared to 37.10% in the year 2017-18.

Figure 2 : Nifty movement



1.6.2 Market Capitalisation

The market capitalisation of securities available for trading on the CM segment has increased by 6.34% during 2018-19 from ₹1,40,44,152 crores as on March 28, 2018 to ₹1,49,34,227 crores as on March 29, 2019. Out of the total market capitalisation of ₹1,49,34,227 crores as on March 29, 2019, ₹1,05,921 crores were contributed by newly listed securities. The market capitalisation growth is shown in Figure 3.

Figure 3: Market Capitalisation during the year 2018-19

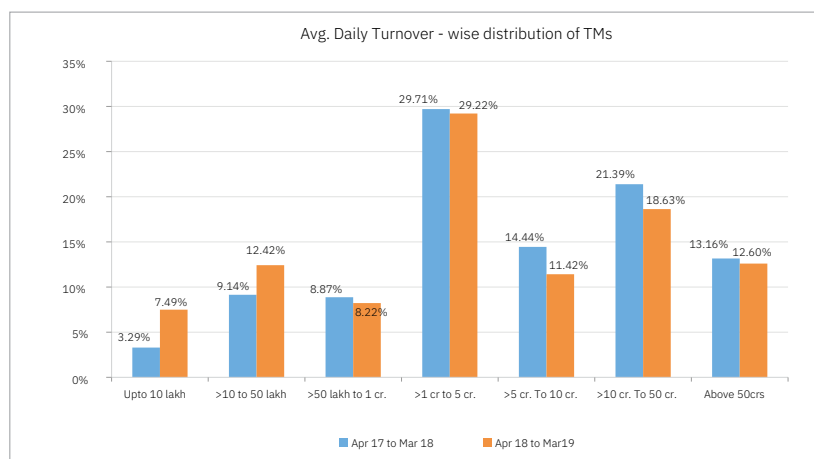


1.6.3 Distribution of Turnover

Turnover-wise distribution of trading members

About 72% of the trading members had an average daily turnover of ₹1 crore or more in 2018-19. In 2018-19, around 31% of the trading members had a daily turnover of more than ₹10 crores.

Figure 4 : Average Daily Turnover-wise distribution of TMs (In ₹)



1.6.4 New Developments during the year

In the year 2018-19, various new developments have been initiated by NSE. The details of the same are given below:-

April 2018 - Reference Price for Block Deal Window Mechanism

The Exchange had revised the computation of reference price for Afternoon Block Deal Window (Second session- 02:05 PM to 2:20 PM).

October 2018 - NEAT Corporate Manager Password reset and unlocking request through ENIT

The Exchange had issued a circular informing members to submit a request for unlocking along with password reset of NEAT Corporate Manager Id for CM, FO, CDS, SLB and CO Segment through ENIT for faster processing and online tracking.

December 2018 - Trading in Government Securities (G-SEC) in Capital Market

The Exchange had introduced trading in Government Securities (G-SEC) in Capital Market Segment w.ef. December 17, 2018.

January 2019 - Operating ranges applicable to No Price Band Securities

The Exchange had issued circular regarding review of mechanism for relaxation of the operating ranges applicable to securities for which derivative products are available.

March 2019 - Trading in Real Estate Investment Trusts (REITs).

The Exchange introduced units of Real Estate Investment Trusts (REITs) for trading in the Capital Market Segment.

NEW DEVELOPMENTS IN LISTING

I. Introduction of Robotics Process Automation

NSE had introduced Robotics Process Automation (RPA) in certain processes within the Regulatory function. This was done with an aim to automate various steps involved in certain processes to reduce the time involved and enhance the efficiency of these processes. RPA aids the processing by completing complex activities in minimal time and removing the possibility of manual errors.

II. E-filing and Online status update

NSE had introduced e-filing for entire IPO cycle viz. from filing of Draft Red Hearing Prospectus to availability of security for trading on Exchange platform. At each stage, the paperless filing is aimed to ease the process for the issuers. The process earlier required the presence of issuer, Merchant bankers and Registrar in the Exchange premises for completing the activity of Basis of allotment. With the system support now all these entities can access the Exchange system from their own locations.

The issuers also have a facility to track the status of their application online. A similar facility was already being



provided to the listed companies for tracking the status of their further issues applications with the Exchange.

III. Alerts to investors

As a proactive measure, NSE continues to send an email alert to the shareholders of the listed companies alerting them on non-compliance and impending suspension of the listed company in which they hold shares. The alert is sent to the email address of the shareholders registered in the Depository System. NSE is of the firm belief that

shareholders will find immense value in these alerts.

1.7 FUTURES AND OPTIONS SEGMENT

The financial year 2018-19 witnessed an increase of 44.01% in turnover and increase in a number of contracts traded by 65.49% vis-à-vis 2017-18 and the daily average open interest decreased by 1.56% over the previous year. The average contribution of proprietary category decreased to 25.64% in 2018-19 from 26.42% in 2017-18.

1.7.1 Records achieved in the F&O segment

Table 12

Category	Total	Date of Record
Index Futures Traded Value (₹ Crs.)	58,105.67	29-Sep-2016
Stock Futures Traded Value (₹ Crs.)	1,95,433.08	25-Jan-2018
Index Options Premium Traded Value (₹ Crs.)	6,443.05	06-Feb-2018
Stock Options Traded Value (₹ Crs.)	1,492.43	01-Feb-2019

It may be observed that during 2018-19, a new record was set in Stock options.

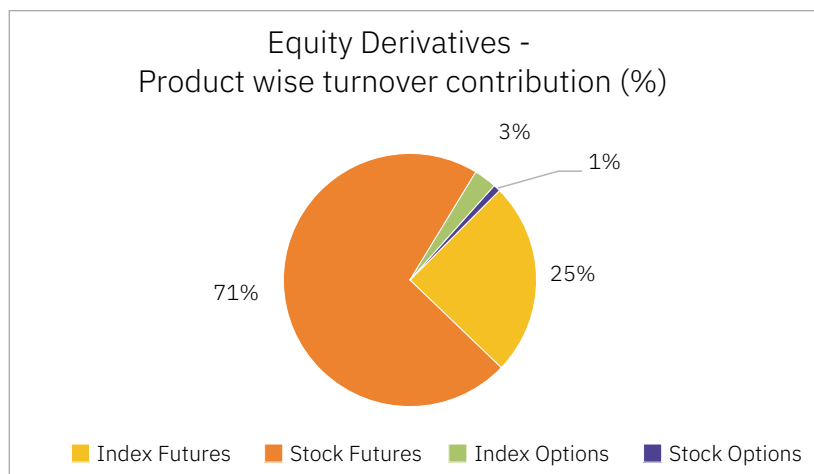
1.7.2 (a) Basic Statistics of the F&O segment:

Table 13

Particulars	Apr 18 to Jun 18	Jul 18 to Sep 18	Oct 18 to Dec 18	Jan 19 to Mar 19	2018-19	2017-18	% Change
Daily Average Traded Value (₹ in crores)	89,281	99,292	92,237	83,431	90,924	85,434	6.43
Daily Average Number of Contracts	91,69,279	1,03,54,902	1,51,84,681	1,64,52,484	1,27,61,300	77,79,994	64.03
Open Interest (₹ in crores) End of day averages	3,93,776.51	3,96,073.38	3,46,772.56	3,45,837.86	4,58,649.32	3,74,882.84	22.34

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

Figure 5



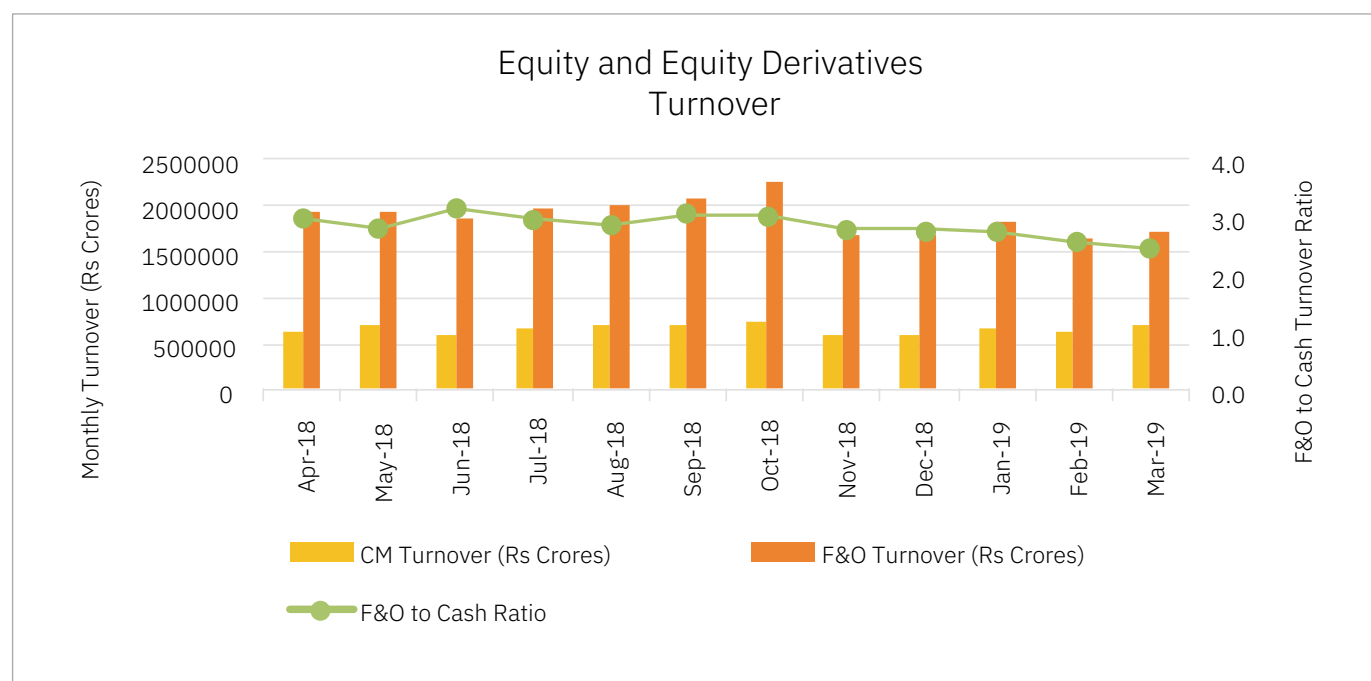
1.7.4 Institutional Retail & Proprietary Investors – Turnover Analysis:

Table 14

FY	Institutional	Non Institutional Non Proprietary	Proprietary
2017-2018	21%	53%	26%
2018-2019	26%	48%	26%

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

Figure 6



The ratio of F&O segment turnover (premium value is considered in case of Options) to cash segment turnover was 2.84 times for the year 2018-19 as compared to 2.90 times for the year 2017-18.



1.7.6 Product-wise Basic Statistics:

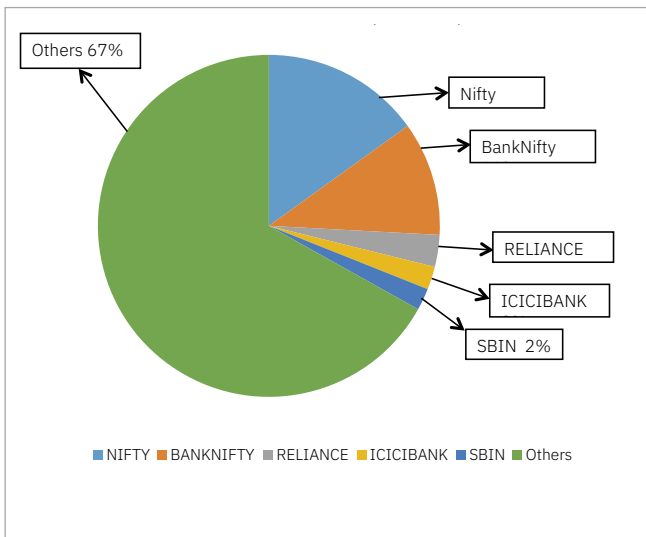
Table 15

Category	Product	Apr 18 to Jun 18	Jul 18 to Sep 18	Oct 18 to Dec 18	Jan 19 to Mar 19	2018-19	2017-18	% Change
Daily Average No. of Contracts	Stock Futures	9,65,902	10,66,208	10,93,756	9,99,327	10,30,379	8,73,001	18.03
	Index Futures	2,36,997	2,39,202	3,49,027	3,02,818	2,81,550	2,34,450	20.09
	Stock Options	6,51,983	7,92,654	7,32,057	8,42,778	7,53,978	5,13,867	46.73
	Index Options	73,14,397	82,56,837	1,30,09,840	1,43,07,560	1,06,95,393	61,58,676	73.66
Average OI Value (₹ in crores)	Stock Futures	1,28,448	1,28,045	1,07,591	1,12,720	1,19,287	1,13,187	5.39
	Index Futures	33,647	37,166	29,320	31,400	32,887	30,935	6.31
	Stock Options	35,179	39,807	31,252	33,703	34,982	33,557	4.25
	Index Options	1,80,246	1,74,031	1,62,676	1,52,483	1,67,455	1,82,534	-8.26
Average Number of OI (No. of contracts)	Stock Futures	19,23,805	18,61,364	18,57,576	18,93,999	18,84,705	16,43,287	14.69
	Index Futures	4,01,997	4,25,198	3,88,403	4,14,035	4,07,369	3,92,434	3.81
	Stock Options	5,26,418	5,72,204	5,53,387	5,86,774	5,59,402	4,70,939	18.78
	Index Options	21,30,329	19,37,209	22,21,269	20,87,035	20,94,373	23,07,118	-9.22
Number of trading days		64	61	61	62	248	246	

1.7.7 TOP 5 TRADED SYMBOLS

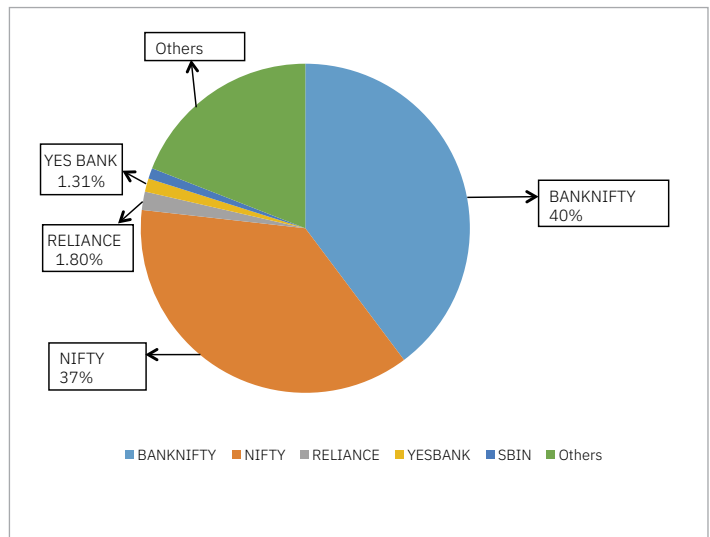
Futures:

Figure 7



Options:

Figure 8



1.7.8 New Developments during the year 2018-19

In the year 2018-19, various new developments have been initiated by the Exchange. The details of the same are given below:-

April 2018 – Levy of fair usage charges for multi-leg IOC orders

The Exchange has revised the charges for multi-leg IOC orders w.e.f May 02, 2018.

April 2018 - Prevention of Self-Trade Mechanism

The Exchange has introduced the Self-Trade Prevention (STP) mechanism.

July 2018 - Review of Adjustment of Corporate Actions for Stock Options

The Exchange has reviewed the adjustment of corporate actions as per the guidelines by SEBI.

October 2018 - NEAT Corporate Manager Password reset and unlocking request through ENIT

The Exchange has issued a circular informing members to submit request for unlocking along with password reset of NEAT Corporate Manager Id for CM, FO, CDS, SLB and CO Segment through ENIT for faster processing and online tracking.

January 2019 - Physical settlement of stock derivatives

The Exchange has reviewed the physical settlement mechanism as per the guidelines by SEBI.

January 2019 - Trade Execution Range in F&O Segment

The Exchange has revised the Trade Execution Range in F&O Segment which is applicable from January 14, 2019.

January 2019 - New ENIT - Pro Trading Module

The Exchange has revamped the existing ENIT Pro Trading module w.e.f. January 25, 2019.

February 2019 - Introduction of Weekly Options Contracts on NIFTY 50 Index

The Exchange has introduced Weekly options contracts on NIFTY 50 Index in Future & Options segment w.e.f. February 11, 2019.

March 2019 - Introduction of Weekly Options Contracts on NIFTY IT Index

The Exchange has introduced Weekly options contracts on NIFTY IT Index in Future & Options segment w.e.f. March 11, 2019.

1.8 CURRENCY DERIVATIVES SEGMENT

The financial year 2018-19 witnessed an increase in currency derivatives (Currency Futures and Options) turnover.

The average daily turnover in currency derivatives increased by 68.70% and stood at ₹35054.94 crores in 2018-19 compared to ₹20778.93 crores in 2017-18.

The daily average number of contracts increased by 52.87% in 2018-19 and stood at 4832194 contracts as compared to 3161007 contracts traded in 2017-18.

The daily average open interest increased by 10.33% in 2018-19 as compared to what was observed last year during 2017-18.

The total number of members enabled in the currency derivative segment has declined to 582 for the year 2018-19 as compared to 586 for the year 2017-18.

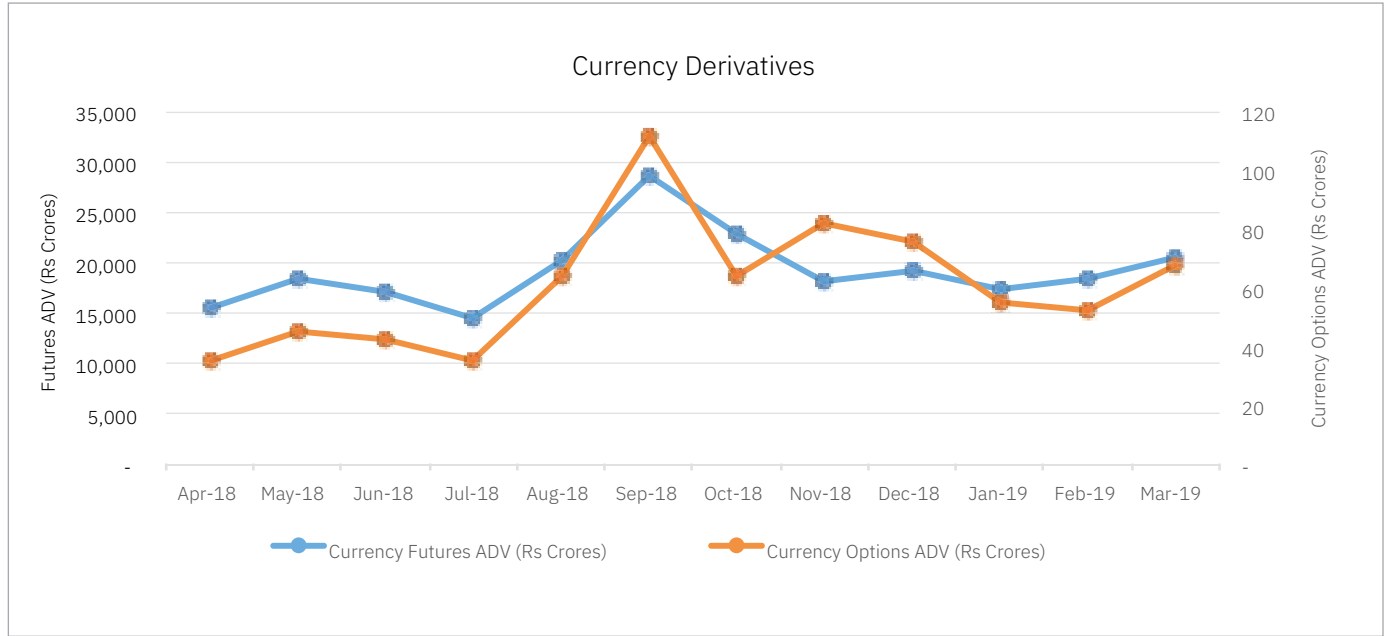
Currency Futures: Average daily turnover in Currency futures for the financial year 2018-19 increased by 74.99% and stood at ₹18769.87 crores as compared to ₹10725.97 crores seen in 2017-18. Futures trading constituted 54.65% of the total turnover in the segment. USD-INR currency pair was the most traded futures contracts. The average market share of NSE in currency futures stood at 59.21% in 2018-19.

Currency Options: Average daily turnover in currency options increased by 54.96% in 2018-19 at ₹15,578.32 crores compared to ₹10,052.96 crores observed during 2017-18. The average market share of NSE in currency options stood at 48.24% in 2018-19.

Interest Rate Futures: Average daily turnover in Interest Rate Futures for the financial year 2018-19 decreased by 25.45% and stood at ₹989.55 crores as compared to ₹1327.31 crores in 2017-18. The daily average open interest decreased by 30.67% and stood at 81670 contracts as compared to 1,17,799 contracts in the previous year.



Figure 9



NEW DEVELOPMENTS DURING THE YEAR

In the year 2018-19, various new developments have been initiated by NSE. The details of the same are given below:-

October 2018 - NEAT Corporate Manager Password reset and unlocking request through ENIT

The Exchange has issued a circular informing members to submit a request for unlocking along with password reset of NEAT Corporate Manager Id for CM, FO, CDS, SLB and CO Segment through ENIT for faster processing and online tracking.

December 2018 - Introduction of Weekly Options contracts on USDINR

The Exchange introduced Weekly Options contracts on USDINR in Currency Derivatives segment w.e.f. December 03, 2018.

1.9 DEBT MARKET SEGMENT

NSE launched the first dedicated Debt Platform on May 13, 2013. The Debt segment provided an opportunity for retail investors to invest in corporate bonds on a liquid and transparent exchange platform. The segment has helped Institutions who are holders

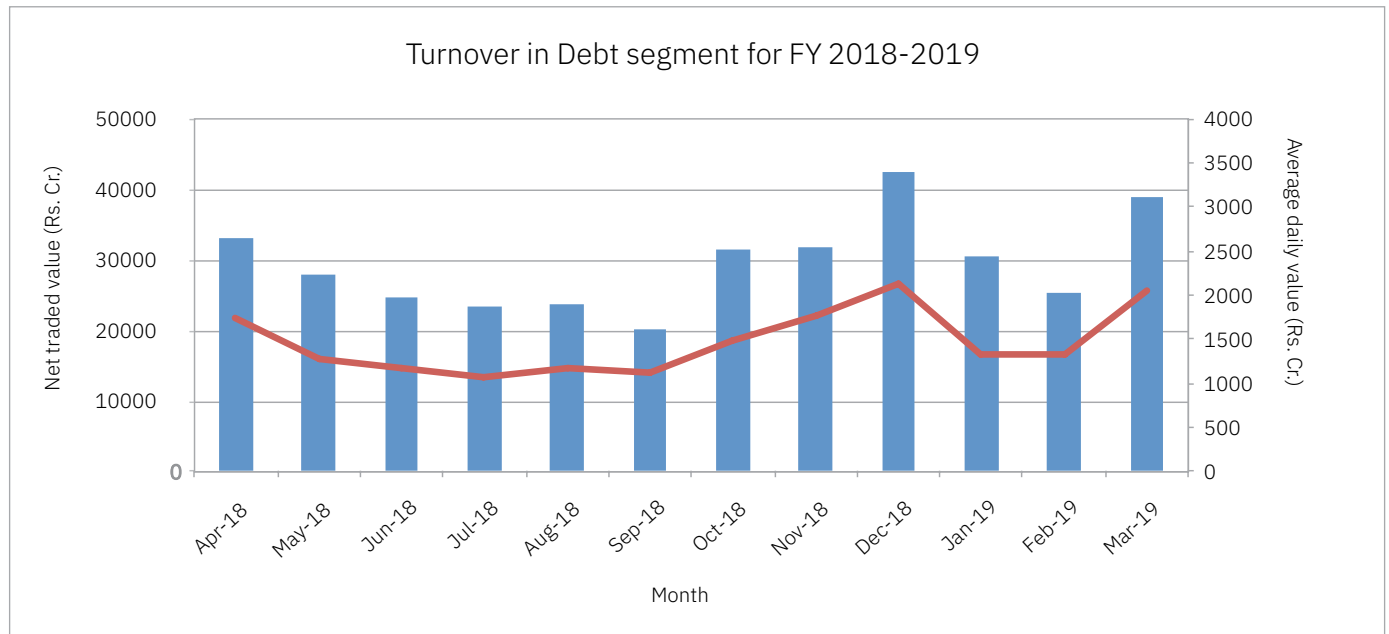
of corporate bonds an ideal platform to buy and sell at optimum prices and help Corporates to get adequate demand, when they are issuing the bonds.

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 to Web Based New Debt Market (NDM) platform.

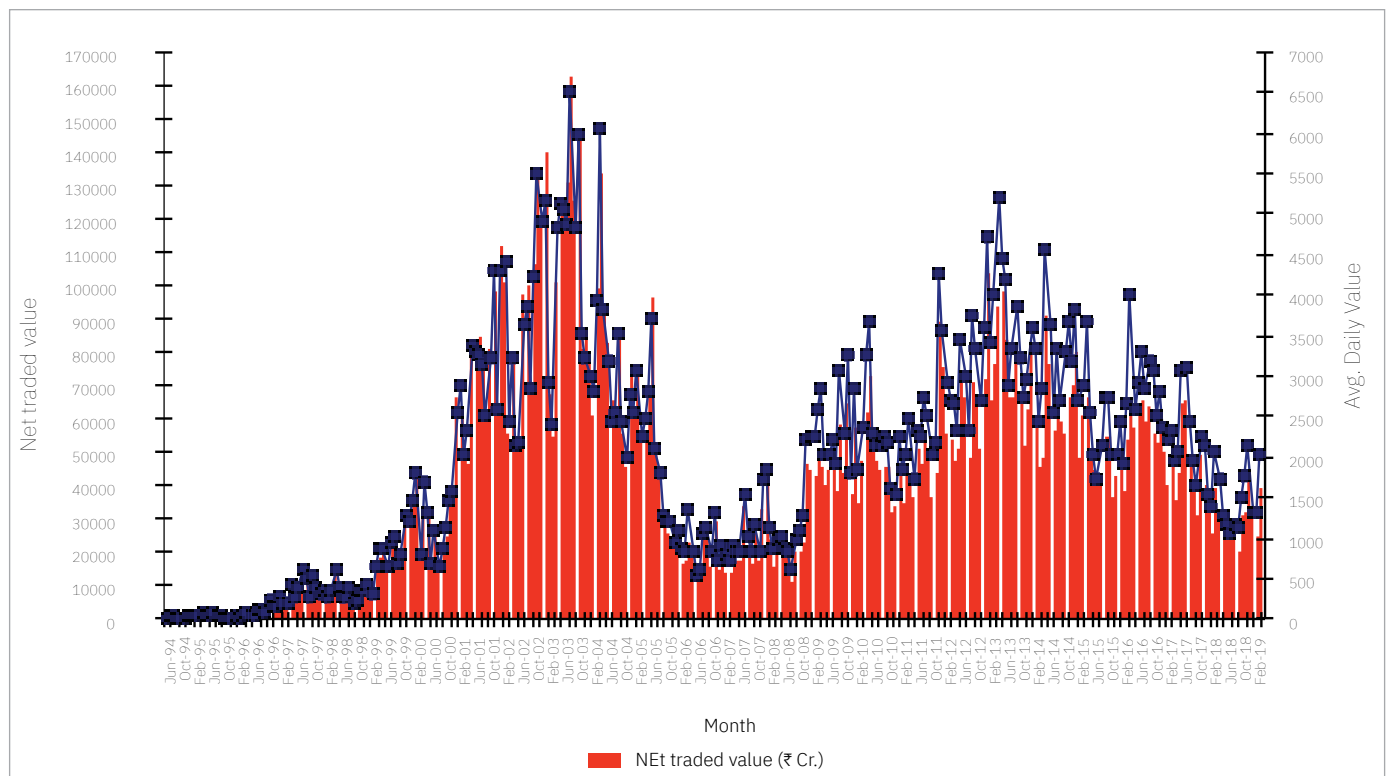
Debt segment consists of negotiated trade reporting platform and order matching platform.

The turnover on Debt segment decreased in the financial year 2018-2019. The turnover decreased to ₹3,53,684.35 crores in 2018-19 from ₹517,889.41crores in 2017-18 registering a decrease of 31.70%. The average daily turnover decreased to ₹1461.40 crores in 2018-19 from ₹2,148.92 crores in 2017-18.

Figure 10



The business growth on the Debt segment of NSE is presented in Figure 11.





The transactions in dated government securities account form a substantial share in the Debt segment with 72.31% in 2018-2019. The market capitalisation of the Debt segment has witnessed a constant increase in the number of securities available for trading on this segment. The total market capitalisation of the securities available for trading on Debt segment stood at ₹81,40,888 crores as on March 31, 2019.

Table 16: Trades in Debt segment

Particulars	2018-2019	2017-2018
Number of Trades	8341	12419
Average monthly number of trades	695	1035
Average daily number of trades	34	52
Average Trade Value (₹ in crores)	42.40	41.70
Average Daily Turnover (₹ in crores)	1461.51	2148.92
Turnover (₹ in crores)	3,53,684.35	517,889.41
Number of Active Scrips	1485	1823
Number of Active members	24	26

1.9.1 Securities Profile

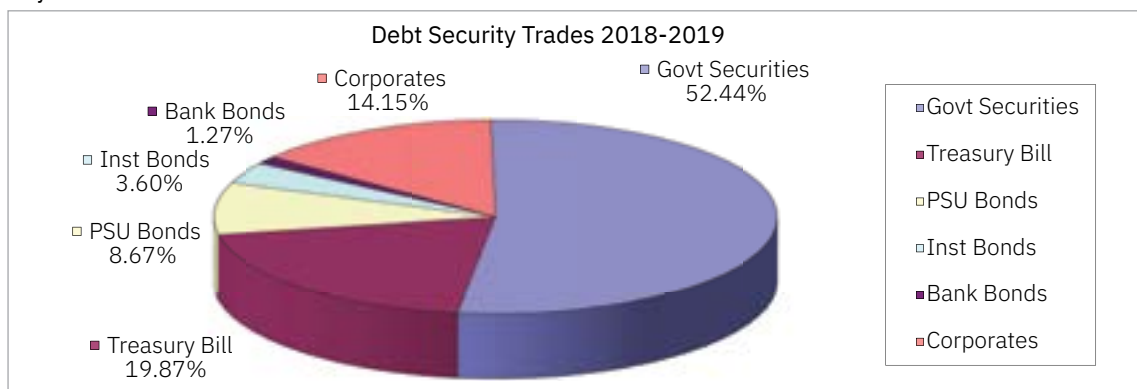
The turnover of Government securities in the Debt segment decreased by 26.15% during 2018-19. Its share in total turnover decreased from 56.42% in 2017-18 to 52.44% in 2018-19. The share of Treasury Bills increased from 10.44% in 2017-18 to 19.87% in 2018-19. The turnover of Non-Government securities in Debt segment decreased by 42.94% during 2018-19. During 2018-2019, the share of Non-Government Securities in total turnover decreased to 27.69% as compared to 33.14% in 2017-2018.

Table 17 and Figure 13 represent security-wise distribution of turnover.

Table 17: Security-wise Distribution of Turnover

Securities	2018-19		2017-18	
	Turnover (₹ in crores)	% of Turnover	Turnover (₹ in crores)	% of Turnover
Government Securities	1,85,445.94	52.44	2,92,197.88	56.42
T-Bills	70,285.56	19.87	54,063.72	10.44
PSU Bonds	30,645.15	8.67	67,195.88	12.97
Institutional Bonds	12,747.30	3.60	14,371.83	2.78
Bank Bonds	4,487.20	1.27	11,865.50	2.29
Corporate Bonds	50,048.19	14.15	78,194.60	15.10
Total	3,53,659.34	100.00	5,17,889.41	100.00

Figure 12: Security wise Distribution of Turnover



1.9.2 Issuances in Debt Segment

Total of 1150 securities were listed during the financial year 2018-19. As at end of March 2019, 7742 securities were available for trading on the Debt segment. Details of Issuance in Debt are provided in Table 18.

Table 18: 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
2017-18	1637	8111	72,67,229.57
2018-19	1150	7742	81,40,887.79

1.9.3 Market Capitalisation

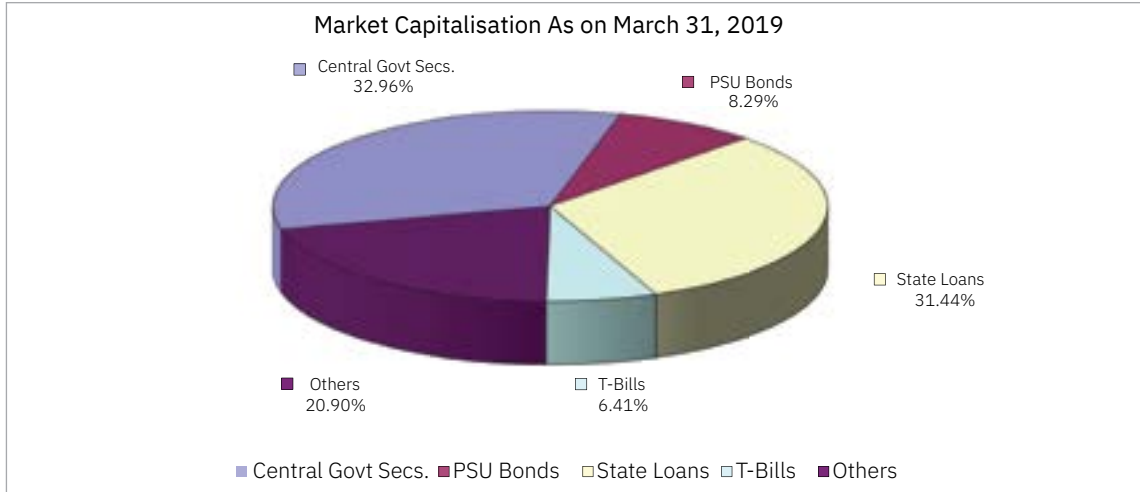
The total market capitalization of the securities available for trading in Debt segment increased to ₹81,40,887.79 crores in 2018-19 from ₹72,67,229.57 crores in the previous year registering a growth of 12.02%. Central Government securities accounted for the largest share of the market capitalization with 32.96% while Non Government Securities accounted for 29.19%. The composition of the market capitalization of various securities on Debt is presented in Table 19.

Table 19: Market Capitalisation of Debt segment

Securities	As on March 2019		As on March 2018	
	Market Cap. (₹ in crores)	% of Turnover	Market Cap. (₹ in crores)	% of Turnover
Central Government Secs.	26,83,552.37	32.96	27,57,010.74	37.94
PSU Bonds	6,75,224.44	8.29	6,59,264.37	9.07
State Loans	25,59,873.53	31.44	22,42,467.37	30.86
T-Bills	5,22,072.45	6.41	4,00,872.61	5.52
Others	17,00,165.01	20.90	12,07,614.47	16.61
Total	81,40,887.79	100.00	72,67,229.57	100.00



Figure 13: Market Capitalisation of Debt segment



1.9.4 Corporate Bond Market

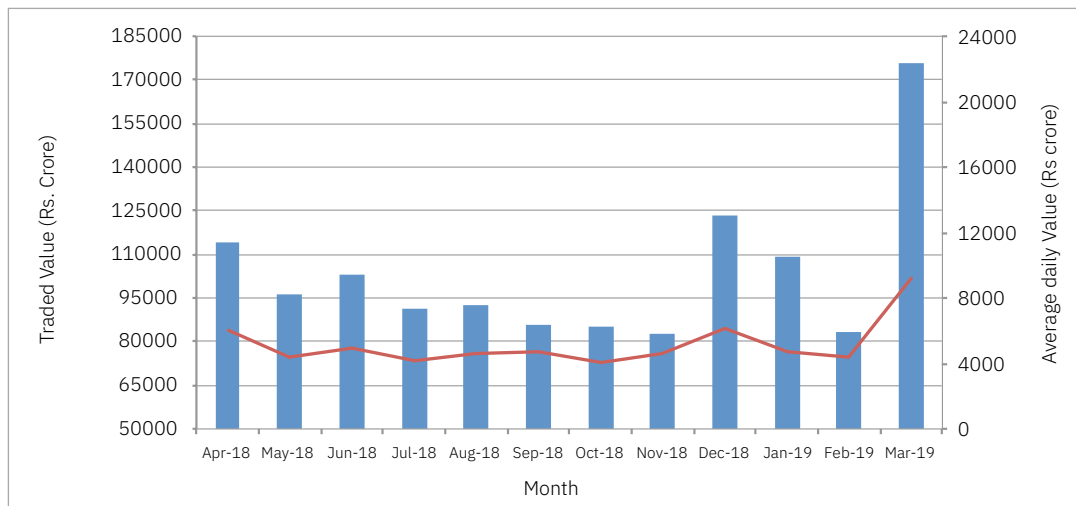
Currently, for reporting trades in corporate bonds, Exchanges provide two platforms namely, Debt Segment and CBRICS. The average daily traded value reported for corporate bond for 2018-2019 was ₹5,137.25 crores (Debt Segment & CBRICS) as compared to ₹5,484.39 crores for 2017-18 with an average of around 262 trades being reported on a daily basis as compared to 258 trades for 2017-18.

Turnover of Corporate Bond is presented in Table 20 and Figure 15.

Table 20: Corporate Bond Turnover

Corporate Bond Turnover	2018-2019	2017-2018	%Change
Total Turnover (₹Cr.)	12,43,215.03	13,21,737.75	5.94
Average Daily Turnover (₹Cr.)	5,137.25	5,484.39	(6.33)
Total Number of Trades	63,346	62,215	1.82
Average Daily Trades	262	258	1.55

Figure 14: Corporate Bond Turnover for FY 2018-2019



New Developments during the year 2018-19 for Debt Market

(i). Tri-Party Repo

On June 12, 2018, NSE introduced the Tri-Party Repo Market platform in its Debt Segment to facilitate repo on corporate debt securities. Tri-party repo is a type of repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction.

Due to relatively poor liquidity in corporate bond markets in India, a holder of corporate bonds typically ends up holding securities to maturity. Repo on corporate debt provides an opportunity to borrow against securities and provides short-term liquidity to participants and investors.

NSE acts as a Tri-Party Agent and offers an online web based, anonymous, order matching and multilateral trading platform to facilitate repo transactions. NSE would avail the services of NSE Clearing Ltd for performing collateral management, clearing and settlement services.

(ii). Retail Investing in Government Securities

On April 24, 2018, NSE introduced a facility that enables retail investors to invest in central government securities in the primary market. Under this facility, retail investors can buy Government of India Dated Bonds and Treasury Bills in the weekly auctions conducted by Reserve Bank of India.

To encourage retail participants, RBI introduced a scheme for non-competitive bidding in government securities. Retail investors necessarily have to participate in non-competitive bidding (NCB) at RBI through an aggregator or facilitator. NSE acts as a facilitator in NCB to aggregate the bids received from the retail investors. When participating in these auctions through the exchange platform, an investor can hold government securities in their existing demat accounts along with equity stocks.

Retail investors have multiple channels through which they can place their bids. Retail investors can place their bids through trading members of NSE or using the NSE goBID. NSE goBID is a mobile app and web platform from where retail investors can directly place bids to NSE. The app was launched on November 19, 2018.

(iii). Listing of Government Securities in the Capital Market Segment of NSE

On December 17, 2018, NSE introduced trading in Government Securities (G-Sec) in the Capital Market Segment of the Exchange. Earlier during the year, NSE had introduced a facility for non-competitive

bidding in the auction of government securities.

The availability of trading of Government securities in the capital market will help in attracting retail investors to this asset class and provide an efficient exit route to investors who purchased in the primary market auctions.

(iv). Futures on Overnight Call Rates (MIBOR)

On December 3, 2018, NSE introduced futures on overnight call rates (MIBOR) in the Currency Derivatives Segment of the exchange. The Overnight Mumbai Interbank Overnight Rate (MIBOR) is calculated from the actual transactions in the call money market on the NDE-Call platform. The call money market allows institutions such as banks, primary dealers to borrow and lend money on an overnight basis. Financial Benchmarks India Pvt. Ltd. (FBIL) announces the Overnight MIBOR on a daily basis except on holidays.

The futures on MIBOR provide participants an opportunity to manage risk exposures and express a view on money market interest rates. Being exchange traded, the futures on MIBOR rate are standardized, cost effective and transparent and have a settlement guarantee.

2. SERVICES TO INVESTORS

During the year 2018-19, NSE dealt with 9283 investor complaints against trading members and companies and facilitated 506 arbitration and appellate arbitration cases.

The Exchange has twenty four 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, Jammu and Shimla to facilitate query resolution, complaint resolution and to provide arbitration facilities. The Exchange has empaneled 171 Arbitrators and 137 IGRP members across 24 centres.

In our endeavour to increase the convenience for investors and trading members for filing complaints and arbitration matters, the Exchange has introduced the new version of online complaint filing interface viz NSE Investor Centre 'NICE Plus' w.e.f. December 15, 2018.

A welcome SMS and email are sent to all new investors whose Unique Client Code details are uploaded by trading members on the Exchange. Further, on a daily basis, the Exchange also sends SMS and email to all clients who have traded for that day providing them the details of their trade as per the Exchange for investors to be able to verify the trades that they have placed.

As directed by SEBI under enhanced supervision of trading members, trading members upload the funds and securities balances of their clients at the end of every month. These balances are sent to the



respective investors through SMS and email for their information.

As directed by SEBI, Exchanges are required to conduct training for Arbitrators across Exchanges. 9 regions out of 24 regions were allocated to NSE for conducting familiarization programs for Arbitrators during the financial year 2018-19. NSE has organised familiarization programs in all 9 regions.

3. RESEARCH AND THOUGHT LEADERSHIP INITIATIVES IN FY 2018-19

NSE's joint initiative with New York University's Stern School of Business saw its sixth annual conference in December 2018. Support for research in diverse fields related to finance like corporate governance, securities markets, market microstructure among others, and dissemination to a wider audience has always been on NSE's agenda. Some of the initiatives conducted in the year 2018-19 are listed below:

3.1 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 2018-19.

3.2 Publications of NSE

The Indian Securities Market Review (ISMR) and the NSE Factbook are two annual flagship publications. In addition, edited transcripts and 'White Paper Series' of NSE-NYU and NSE-IGIDR conferences organised by NSE were also circulated among various stakeholders in the securities market. Apart from these, the EPR Department published an article on corporate governance in the PRIME Directory, and another in the Nomura Journal of Asian Capital Markets on "Continuum of NSE's Transformational Journey: Negotiating New Frontiers."

3.3 Seminars and Panel Discussions

In the year 2018-19, the Economic Policy and Research (EPR) Department continued to organise seminars and panel discussions by eminent people on the securities market, corporate governance and macroeconomic issues.

In addition to its annual conferences with prestigious universities, New York University (NYU) and Indira Gandhi Institute of Development Research (IGIDR), NSE also collaborated with other international agencies such as Chartered Financial Analyst (CFA) Institute and Korn Ferry to conduct conferences that saw participation from various securities market professionals including mutual funds, investment banks, registrar and transfer agents, brokerage houses, law firms, etc. Details of these conferences are provided in the Business Responsibility report.

3.4. Lecture Series

In 2014, NSE conceived a program to bring together highly experienced legal experts and practitioners to provide insights on the nature and practical significance of the changing legal framework governing the securities market. In the year 2018-19, NSE commenced its third series of Lecture Series on Securities Law and Practices, in which eminent legal professionals deliver one lecture every month on topics related to the securities markets. Since its inception, the program has witnessed participation from various securities market professionals including from mutual funds, investment banks, registrar and transfer agents, brokerage houses, law firms, etc. and has gained rising popularity.

3.5. Knowledge initiatives for staff

The EPR department has also been at the forefront to present research reports on ongoing regulations, macro environment and the securities market. This has been facilitated through both monthly and quarterly publications that have been disseminated among the internal staff members. The monthly report called "Global Regulatory Scanner" highlighted the impact of regulations, both Indian and global, while the report "Econtrack", analysed macro data and its implications on the overall economy. Further, a quarterly publication called "Demystifying Circular", deep-dived into an important circular introduced by SEBI or RBI, providing insights on the issue, its characteristics and its impact on the exchange. And, a quick summary of the corporate performance of NSE listed companies helped identify the position of NIFTY sectors, indices, and the overall NSE listed space.

4.1 FINANCIAL RESULTS

The working of NSE during the year has resulted in a net profit after tax of ₹1389.87 crores on standalone basis and ₹1708.04 crores on a consolidated basis, as per particulars given below:

Table 21: (₹ in crores)

Particulars	NSE (Standalone)		NSE (Consolidated)	
	2018-19	2017-18	2018-19	2017-18
Income	3,028.75	2,592.23	3,514.57	3,032.56
Expenditure	985.38	886.01	1,215.13	957.86
Profit before share of net profits of investments accounted for using equity method, profit on sale of investments and tax	2,043.37	1,706.22	2,299.44	2,074.70
Add: Share of net profit of associates accounted by using equity method	-	-	107.03	122.34
Profit before profit on sale of Investment and tax	2,043.37	1,706.22	2,406.47	2,197.04
Add : Profit on sale of Investment	-	-	169.74	-
Profit before tax	2,043.37	1,706.22	2,576.21	2,197.04
Tax expenses (including deferred tax)	(653.50)	(544.41)	(868.17)	(735.57)
Profit after tax	1,389.87	1,161.81	1,708.04	1,461.47
Surplus brought forward from previous year	5,921.26	5,890.14	7,300.06	7,160.13
Add / Less : Other comprehensive income	0.18	(8.24)	5.07	(8.77)
Less : Dividend Paid (Including Dividend Distribution Tax)	(977.36)	(1,122.45)	(1,014.47)	(1,146.86)
Less: Appropriation to Core SGF (Net of Tax)	-	-	(11.30)	(165.43)
Less: Appropriation to SGF Commodity derivative	-	-	(250.00)	-
Less: Share issue Expenses	-	-	-	(0.38)
Less: Contribution to IPFT	-	-	(0.01)	(0.10)
Add / (Less): Transfer to / from CSR Reserve	-	53.43	-	(72.06)
Add: / (Less) Transferred to / from Retained Earnings	-	(53.43)	-	72.06
Balance carried to Balance Sheet	6,333.94	5,921.26	7,737.39	7,300.06
Earnings per share (EPS) of ₹1 each				
Basic (₹)	28.08	23.47	34.51	29.52
Diluted (₹)	28.08	23.47	34.51	29.52



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

On a standalone basis, the total income of the Company increased to ₹3,028.75 crores from ₹2,592.23 crores in the previous year and the profit after tax stood at ₹1,389.87 crores as against ₹1,161.81 crores in the previous year.

On a consolidated basis, the total income of the Company increased to ₹3,514.57 crores from ₹3,032.56 crores in the previous year and the profit after tax stood at ₹1,708.04 crores as against ₹1,461.47 crores of the previous year.

Colocation matter

Securities and Exchange Board of India ("SEBI") had directed the Company to carry out an investigation including forensic examination by independent external agencies in respect of certain aspects of NSE's Colocation facility. NSE had from time to time complied with the stipulations prescribed by SEBI including submitting to SEBI the reports prepared by independent external agencies relating to the Colocation matter.

SEBI had earlier directed that, pending completion of the 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, such transfers are made from time to time. As on March 31, 2019, an amount of ₹2,258.71 crores was transferred to a separate bank account.

SEBI had issued Show Cause to NSE and some of its present and past employees in 2017. However pursuant to the completion of the investigation by SEBI, three separate show cause notices were issued by SEBI in 2018 to NSE and to some of its present and past employees, in respect of the preferential access to tick by tick data in Colocation facility, Dark Fibre point to point connectivity and Governance and related matters respectively. NSE had filed its response to the Show Cause Notices and had also filed a Consent Application with SEBI on August 31, 2018 in respect of the said show cause notices.

SEBI, vide its letter dated April 30, 2019 had returned the Consent Application filed by NSE and had passed orders in respect of all show cause notices. In the first order, it had passed a direction on NSE inter alia to disgorge an amount of ₹624.89 crores along with interest at the rate of 12% per annum from April 01, 2014 till the actual date of payment and certain non-monetary and restrictive directions prohibiting NSE from raising funds from the market, through issuance of equity, debt or other securities for a period of six months from the date of the

order. In the second order, it had passed a direction to deposit a sum of ₹62.58 crores along with interest at the rate of 12% p.a. from September 11, 2015 till the actual date of payment along with other non-monetary and restrictive directions and in the third order it had passed certain non-monetary and remedial directions on NSE.

Additionally, NSE has also received Adjudication notices covering the above three orders which are currently pending for hearing before SEBI. NSE had sought legal advice thereon. Having regard thereto, NSE believes that it has strong grounds to contest the above orders including monetary liability (including from adjudication proceedings) raised by SEBI. NSE will be filing appeal before the Hon'ble Securities Appellate Tribunal (SAT) against the orders passed by SEBI.

4.3 SHARE CAPITAL

During the year under review, the Issued, Subscribed and Paid-up equity share capital of NSE was ₹49.50 crores divided into 49.50 crore equity shares of the face value of ₹1 each. During the year, the Company has not issued any shares or convertible securities.

4.4 DIVIDEND

The dividend policy as adopted by NSE inter-alia states that the declaration and payment of dividend 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, the overall financial position of your 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, your 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 NSE.

During the year under review, the Board had declared and paid an Interim dividend of ₹9.25 (925%) per equity share (on

the face value of ₹1 each) for which the record date was fixed as November 2, 2018 and the said amount was paid to the Shareholders of NSE on November 5, 2018 and November 6, 2018. The total Interim dividend outflow was ₹552 crores and dividend distribution tax was ₹94.12 crores.

The Board of Directors at their meeting held on May 16, 2019 recommended the payment of final dividend of ₹8 per equity share (on the face value of ₹1 each) for the year 2018-2019. The final dividend outflow shall amount to ₹396 crores and dividend distribution tax shall be ₹81.40 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 NSE as on July 26, 2019, being the record date for the purpose of the final dividend.

With the payment of interim dividend and proposed final dividend, the total equity dividend for the year 2018-19 (including dividend tax) shall aggregate to ₹1,029.40 crores.

4.5 TRANSFER TO RESERVES

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

4.6 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 COMPANIES ACT, 2013

No loan or guarantee was given to any person during the year. The investments made by your 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 your 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 your Company with the Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of your Company at large.

All Related Party Transactions are placed before the Audit Committee of your Company, for its approval. The transactions

with related parties are also reviewed by the Board on a quarterly basis.

Your Company has adopted a Policy on Related Party transactions as approved by the Board, which is uploaded on NSE's website. 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 are 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 a high degree of automation in most of the key areas of operations and processes of your 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 a 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 the 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 your Company. Internal Auditors, Operation reviewer and Independent Practising Company Secretary also review the compliances by your Company of applicable laws on a quarterly basis.

The observations, if any, of the internal audit, operations review and the compliance report issued by an 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 a sample basis as per the guidelines issued by ICAI.

4.9 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

NSE has 12 (direct and indirect) subsidiaries (11 in India and 1 abroad) as on March 31, 2019. During the year under the review, 'NSEIT', step down subsidiary of NSE acquired 95.39% stake in Aujas Networks Private Limited (Aujas). Aujas has become a subsidiary of NSEIT.



NSE has adopted a Policy for determining Material Subsidiaries which is available on the website.

https://www.nseindia.com/global/content/about_us/PolicyonDeterminingMaterialsubsidiaries.pdf

Change of name of subsidiary companies

During the year under review, there was a change of name of some subsidiaries of NSE as under:

Old Name	New Name	With effect from
Dotex International Limited	NSE Data & Analytics Limited	30/07/2018
India Index Services and Products Limited	NSE Indices Limited	30/07/2018
NSE Strategic Investment Corporation Limited	NSE Investments Limited	30/07/2018
National Securities Clearing Corporation Limited	NSE Clearing Limited	01/08/2018

Report on Performance & Financial position of the Subsidiaries:

The highlights on performance and financial position of your Company's subsidiaries (included in the consolidated financial statement for FY 2018-19) are as under:

4.9.1 NSE Clearing Limited (NCL)

NCL, wholly owned subsidiary of your Company carries on the business of, inter-alia, clearing and settlement of shares, other securities and instruments traded and regulates and manages dealings in securities and instruments. The paid-up share capital of NCL as on March 31, 2019 stood at ₹45 crores.

During the financial year 2018-19, NCL earned a net profit after tax of ₹172.51 crores as compared to net profit after tax of ₹158.83 crores for the financial year 2017-18. The Board of NCL has recommended a dividend of ₹18 per equity share of ₹10 each for the year 2018-19. The payment of the dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of NCL.

CM Segment: NCL 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 ₹7,866.56 crores in 2018-19. The average

funds pay-in per settlement was ₹2,150.38 crores in 2018-19. The average number of shares processed per settlement was about 3,408.87 lakhs in 2018-19. Short deliveries per settlement averaged around 0.04% in 2018-19. The Core Settlement Guarantee Fund stood at ₹270.69 crores as on 31st March 2019 .

F&O Segment: The total value of the settlement was ₹161,182.04 crores in 2018-19. The highest monthly settlement was ₹22,367.08 crores in the month of October 2018. September 2018 witnessed the highest monthly trading volumes of ₹2,24,58,641.00 crores. The Core Settlement Guarantee Fund for F&O Segment stood at ₹1,911.63 crores as on 31st March 2019.

NSE Clearing has implemented the physical settlement in equity derivatives in a phased manner from July 2018 expiry. The total value of securities settlement & funds settlement was ₹2,342.23 crores & ₹1,389.54 crores respectively for the period July 2018 –March 2019.

Currency Derivatives segment: The total value of the settlement was ₹10,483.18 crores in 2018-19. The highest monthly settlement value was ₹1,655.62 crores in the month of September 2018. The highest trading value in Currency Futures on NSE in 2018-19 was ₹44,565.54 crores with a total of 63,05,780 contracts being traded and in Currency Options it was ₹45,442.94 crores, with a total of 62,79,544 contracts being traded. The highest trading volume in Interest Rate Futures on NSE in 2018-19 was ₹4,275.50 crores with a total of 2,29,827 contracts being traded. The Core Settlement Guarantee Fund for Currency Derivatives Segment stood at ₹152.61 crores as on 31st March 2019.

Securities Lending and Borrowing segment: NCL is an Approved Intermediary (AI) for SLBS with SEBI. In 2018-19, the volumes in SLBS increased by 63.86% from ₹18,670.63 crores in 2017-18 to ₹30,593.78 crores. As compared to the previous year, during 2018-19, securities traded in SLBS increased from 242 to 283. As on March 31, 2019, there are 165 participants, 5 custodian-cum-participants and 5 custodians registered in SLBS.

Mutual Fund Service System (MFSS): As on March 31, 2019, 42 mutual fund houses with 7392 schemes were enabled under the revised MFSS scheme. The average daily value of funds

settled for the subscription of mutual fund units for the financial year 2018-19 was ₹19.06 Crores. The average daily value of funds settled for the redemption of mutual fund units for the financial year 2018-19 was ₹13.59 crores.

Corporate Debt Instruments: NCL 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 NCL for OTC trades in Corporate Bonds, Commercial Papers (CP) and Certificate of Deposits (CD) during the financial year 2018-19 stands at ₹5,110.00 crores, ₹5,091.00 crores and ₹4,201.00 crores respectively. The highest settlement value, during this period, of ₹59,431.00 crores (across all corporate debt instruments) was recorded on March 29, 2019. During the financial year 2018-19, NCL settled 1805 repo trades on corporate bonds valued at ₹1,18,045.00 crores.

4.9.2. NSE Investments Limited [NSEI] (formerly known as NSE Strategic Investment Corporation Limited)

NSE Investments Limited (NSEI), wholly owned subsidiary of your Company has its main objectives, to make or hold all strategic investments in the equity shares and/or other securities of various group companies. The paid-up share capital of NSEI as on March 31, 2019 stood at ₹825.99 crores comprising of about 41.30 crore equity shares and about 41.29 crores 6% Non-cumulative Compulsorily Convertible Preference Shares (NCCPS) of ₹10 each.

During the year under review, NSEI had infused a sum of ₹100 crores in the form of 7% redeemable convertible preference shares in NSEIT, a wholly owned subsidiary of NSEI for an acquisition of a Company in the cyber security space. An infusion of ₹9.75 crores in the form of equity capital was done in NSE Academy Limited, a wholly owned subsidiary of NSEI to fund a business initiative for setting up of a digital education platform.

During the financial year 2018-19, NSEI earned a net profit after tax of ₹268.94 crores as compared to net profit after tax of ₹105.68 crores for the financial year 2017-18. The Board of NSE Investments Ltd has declared and paid an Interim Dividend of ₹2.50/- per equity share and ₹0.60/- per NCCPS for the financial year 2018-19. Also, the Board of NSEI has recommended a final dividend of ₹0.30/- per equity share for the year 2018-19. The payment of the final dividend is subject

to the approval of the members which is being sought at the forthcoming Annual General Meeting of NSEI.

4.9.3. NSE Indices Limited (formerly known as India Index Services & Products Limited)

NSE Indices Limited (NSE Indices), a step down subsidiary of NSE, provides index (under the brand “NIFTY”) and index related services to various stock exchanges, asset management companies, insurance companies, investment banks and other financial institutions across the globe. Apart from being used for launch of index linked funds/Exchange Traded Funds (ETFs) and trading of index based derivative contracts, the NIFTY indices are also being used by the asset management companies for benchmarking the performance of their active schemes. The paid-up share capital of NSE Indices as on March 31, 2019 stood at ₹1.30 crores comprising 13 lakh equity shares of ₹10 each.

Nifty Indices continued to be the primary provider of indices and related products and services to various participants in the Indian Capital Market. In financial year 2018-19, 4 fixed income indices and 5 equity indices were launched by NSE Indices Limited.

The NIFTY 50 Futures traded on NSE recorded a turnover of ₹32,39,760 crores in the financial year 2018-19 as compared to a turnover of ₹28,23,576 crores in the financial year 2017-18, thus registering an increase of 15%. Premium Turnover of NIFTY 50 Options traded on NSE increased to ₹3,15,356 crores in the financial year 2018-19 from ₹2,78,343 crores in the financial year 2017-18, registering an increase of 13%.

The NIFTY 50 Futures traded on Singapore Exchange (SGX) recorded a decline of 10% in trading volume as compared to previous financial year.

As on March 31, 2019, 20 index funds & 48 ETFs in India were linked to the NIFTY indices. The total Asset under Management (AUM) of ETFs (equity and debt) and Index Funds linked to NIFTY indices in India was ₹1,09,727 Crs as on March 31, 2019 as compared to ₹58,471 Crs as on March 31, 2018. Total size of ETF (equity and debt) market in India has grown by 83% to ₹1,34,965 Crs as on March 31, 2019 compared to ₹73,858 Crs as on March 31, 2018.

As on March 31, 2019, 9 ETFs linked to NIFTY indices have been issued by international ETF issuers (5 on NIFTY 50, 2 on NIFTY50 2x Leverage, 1 on NIFTY50 1x inverse and 1 on NIFTY



50 Equal Weight). The total AUM of international ETFs linked to NIFTY indices was USD 1100 million as on March 31, 2019 as compared to USD 1428 million as on March 31, 2018.

During the financial year 2018-19, NSE Indices earned net profit after tax of ₹55.36 crores as compared to net profit after tax of ₹65.02 crores in previous financial year 2017-18. The Board of NSE Data recommended a dividend of ₹213.50/- per equity share for the year 2018-19. The payment of dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of NSE Indices.

Other Key Developments:

NSE Indices has a licensing agreement with SGX for NIFTY 50, NIFTY Bank and three other equity indices for trading of derivatives products on these indices on Singapore Stock Exchange (SGX) which was terminated vide notice dated 12th February 2018 pursuant to the joint press release by Indian exchanges on February 09, 2018.

Subsequently, SGX issued a circular dated April 11, 2018 for the launch of three new contracts called SGX India Futures, SGX Options on SGX India Futures and SGX India Bank Futures which were replica of our contracts. To prevent such launch, NSE Indices filed a petition before the Hon'ble Bombay High Court on May 21, 2018 against SGX seeking urgent interim reliefs against the marketing, promotion and launch of these three new contracts. The Hon'ble High Court granted an ad-interim injunction against the launch of the said new derivative contracts by SGX. Thereafter on May 29, 2018, the Court passed a consent order and referred the matter for arbitration to the sole arbitration of Mr. Justice S.J.Vazifdar (Retd.).

NSE & SGX are parallelly in discussion for a proposed collaboration in NSE IFSC Ltd. at GIFT city Gujarat and therefore an application under Section 29A of Arbitration and Conciliation Act, 1996 has been filed before the Hon'ble Bombay High Court seeking extension of time granted to Ld. Arbitrator wherein the Hon'ble Court was pleased to allow the application seeking extension. Accordingly, Ld. Arbitrator passed an order dated April 09, 2019 whereby new time line has been decided.

4.9.4 NSE Infotech Services Limited (NSE Infotech)

NSE Infotech, a step-down subsidiary of NSE whose 100% share capital is held by NSEI, carries on the business of, inter alia, advising, providing services, developing, carrying out research

and development 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, 2019 stood at ₹5 lakhs. During the year under review, the employees of NSE Infotech were absorbed into NSE with effect from June 1, 2018.

During the financial year 2018-19, NSE Infotech incurred a net loss after tax of (₹ 242.82) lakhs as compared to net profit after tax of ₹75.01 lakhs earned for the financial year 2017-18.

4.9.5 NSEIT Limited (NSEIT)

NSEIT, a step-down subsidiary of NSE, whose 100% of share capital is held by NSEI, carries on the business of, inter alia, designing, developing, maintaining, marketing, buying, importing and exporting, licensing and implementing computer software and hardware. As on March 31, 2019, the issued, subscribed and paid-up share capital of the Company was ₹1,10,00,00,100 comprising of 1,00,00,010 equity shares of ₹10/- each amounting to ₹10,00,00,100 and 1,00,00,000, 7%, Seven Years, Cumulative Redeemable Preference Shares of ₹100/- each amounting to ₹1,00,00,00,000.

During the financial year 2018-19, NSEIT earned a net profit after tax of ₹34.14 crores as compared to net profit after tax of ₹17.44 crores for the financial year 2017-18. The top line of NSEIT grew by 46.14% to ₹276.04 crores in the financial year 2018-19 as compared to ₹188.89 crores in the financial year 2017-18. The Board of NSEIT recommended a dividend of ₹1 per equity share and 7% on the Cumulative Redeemable Preference Shares of ₹100/- each from date of allotment (the Preference Shares were allotted on March 20, 2019), for the financial year 2018-19. The payment of a dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of NSEIT.

Initiatives, Operations and Major Events during the year

During the year under review, NSEIT has acquired 95.4% stake of "Aujas Networks Private Limited" a niche cyber security Company, based at Bangalore. Aujas is engaged in providing information security consulting services and IT risk management with operations in India, US and the Middle East where it has also serviced 390+ customers across the above geographies. The service portfolio included services such as

Information Risk Advisory, Secure Development Life-cycle, Identity & Access Management, Data Protection and Privacy Services. The marquee clients of Aujas included UIDAI, MUFG, HP, Saudi Hollandi Bank, HDFC Bank, Axis Bank among others.

NASDAQ has signed an agreement with NSEIT to utilize NSEIT's capability in implementation and delivery of solutions globally. NASDAQ shall utilize NSEIT to facilitate the implementation of its products globally. NASDAQ is also facilitating NSEIT introductions to its clients, where there is a need for custom solutions. The delivery team for NASDAQ at NSEIT is scaling and expected to grow in the year ahead.

During the year, many new clients have been added to the Company's Software Services business unit. These additions have been in line with the strategic direction to move up the value chain by offering end-to-end managed services and continue its services in the niche areas, adding, retaining and growing major clients by providing customized solutions in the emerging technology landscape. To name a few new clients, NSEIT added Fullerton, RBL Bank, Axis Finance, Deloitte, Nomura, Reliance Nippon to the client list.

In addition to adding new clients, NSEIT continues to provide delivery excellence by implementing innovative solutions for its existing clients like Tea Board, RBL, NSE, NCDEX, NSDL, Citibank, BNP, BOA, Julius Baer. Significant inroads have also been made in the insurance sector with customers like TATA AIA, Bharti Axa, HDFC Ergo, Cigna, Edelweiss Tokio Life, Future Generali, Liberty Videocon, Reliance General, Reliance Life, SBI Life.

To power NSEIT's growth and to attain leadership in this space, the Digital Examination Business Unit has been re-branded as 'DeX'. NSEIT's growth in the Online Examination space continued at a good pace, with a growth of 44% from the previous year. It is now among the top 2 players in the Online Examination Industry. NSEIT successfully conducted its largest and most challenging Examination for 73.35 lakhs candidates for the Railway Protection Force (RPF), Odisha Recruitment drive across all States and Union Territories in India. The huge drive was conducted across 37 continuous days, 109 sessions, from 19th Dec 2018 to 19th Feb 2019 across 780 test venues. 250 Question Paper sets, in 16 regional languages were developed. The team conducted 2 Lakh+ candidate Exams each day, for 27 days.

NSEIT has identified Digital, Analytics and Fintech Innovation as the growth focus areas. Efficiency and productivity improvements are the core components of Innovation Strategy. Keeping this Innovation strategy in mind, dedicated RPA & Test Automation solutions & services Business Unit (BU) is carved out to help businesses achieve their Innovation objectives. NSEIT also signed up an exclusive partnership agreement with Automation Anywhere, one of the leading Enterprise Robotic process automation (RPA) solution product vendors. The first year of the BU was mainly focused on creating industry awareness about RPA as well as building our capabilities in this space.

Throughout the year, RPA BU deeply engaged with many large Indian insurance companies such as SBI Life, Tata AIA, ICICI Prudential, Kotak Life, Edelweiss Tokyo and with Capital Market ecosystem companies such as NCDEX, CCIL, IIFL, Adani Capital, Tata Capital, etc to help them in their digital transformation journey. In this endeavor, NSEIT has already done 30+ Proof of Concepts to demonstrate RPA capabilities and its benefits through specific use cases for these organizations.

4.9.6 NSE Data & Analytics Limited (formerly known as DotEx International Limited)

NSE Data & Analytics Limited (NSE Data), a step-down subsidiary of NSE, carries on the following businesses:

- Infofeed - Dissemination of NSE's trading data.
- Neat on Web (NOW) - Shared CTCL platform for the trading members across exchange segments.
- Know Your Customer (KYC) Registration Agency (KRA).
- Managed Service Provider for Central KYC Registry (CKYCR) to Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI).

The paid-up share capital of NSE Data as on March 31, 2019 stood at ₹9 crores comprising of 90 lakh equity shares of ₹10 each.

During the FY 2018-19, NSE Data on-boarded a number of new clients in India as well as international markets. Implementation of non-display policy was again a focus area for the year and a number of new clients signed up under non-display policy during the year. As on March 31, 2019, 3,077 entities have gone live and have uploaded 10.13 crore KYC records on CKYCR. There has been a surge in the volume of records with



7.65 crore records being uploaded in financial year 2018-19. The development of a new generation NOW 2.0 application is under way with a view to improve user experience by providing various value added tools.

During the financial year 2018-19, NSE Data earned net profit after tax of ₹48.96 crores as compared to net profit after tax of ₹38.26 crores in the financial year 2017-18. The Board of NSE Data recommended a dividend of ₹27.50/- per equity share for the financial year 2018-19. The payment of a dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of NSE Data.

4.9.7. NSE Academy Limited (NAL)

NAL, a step-down Subsidiary of NSE, whose 100% share capital is held by NSEI, carries on the business of, inter alia, conducting tests and certification programs 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, 2019 stood at ₹10 Crores comprising of 1 Crore equity shares of ₹10 each.

NAL has been offering various educational courses in the financial market either on a standalone basis or in association with various industry participants and educational institutes. NAL's courses are offered from standard VIII up to MBA and for professionals. Since inception more than 19.20 lakh NSE Academy's Certification in Financial Markets (NCFM) exams have been conducted. NAL has empowered more than 51 lakh school students under school financial literacy mission wherein NSE has tied up with the School Education Department of Government of Tamil Nadu, Goa, Nagaland, Gujarat, Himachal Pradesh and Punjab. NAL offers its Post Graduate Certificate Program – Global Financial Management (PG-GFM) and joint Post-Graduate programs in Financial Markets in collaboration with leading management institutes. NAL's NSE Academy's Certified Capital Market Professional (NCCMP) is offered in more than 175 colleges and educational institutions in India.

NAL has entered into strategic partnerships with leading industry and education bodies like Institute of Company Secretaries of India (ICSI), KPMG, Association of Chartered Certified Accountants (ACCA), Duke Corporate Education and others to bring world class content and thought leadership for the benefit of students and professionals.

During the financial year 2018-19, NAL earned a net profit after tax of ₹1.56 crores as compared to net profit after tax of ₹ 1.53 crores for the financial year 2017-18.

4.9.8. NSE IFSC Limited (NSE IFSC)

NSE IFSC, a wholly owned subsidiary of NSE commenced operation as a Stock Exchange in GIFT City, Gandhinagar, Gujarat, India w.e.f June 5, 2017 after receiving approval from SEBI vide its letter dated June 2, 2017, granting recognition as Stock Exchange for a period of one year effective from May 29, 2017. SEBI further granted renewal of recognition to NSE IFSC limited until May 28, 2019. The renewal from SEBI for the financial year 2019-20 is awaited. The paid-up share capital of NSE IFSC as on March 31, 2019, stood at ₹90 crores comprising of 9 crore equity shares of ₹10 each.

NSE IFSC has introduced trading in the following asset classes: Equity Index Derivatives; Indian Stock Derivatives; Global Stock Derivatives; Commodity Derivatives; Currency Derivatives.

The aggregate turnover in FY 2018-19 was USD 35.57 billion.

NSE IFSC Limited has introduced Liquidity Enhancement Scheme since the financial year 2017-18 to build liquidity and for market development at IFSC on various products including Futures & Options on NIFTY 50 and NIFTY BANK and Futures on Indian Stocks.

During the financial year 2018-19, NSE IFSC incurred a loss of ₹37.59 crores as compared to loss (after tax) of ₹16 crores for the financial year 2017-18.

4.9.9 NSE IFSC Clearing Corporation Limited (NICCL)

NICCL, a step-down subsidiary of NSE, wherein 100% share capital is held by NSE Clearing Limited (NCL) formerly known as National Securities Clearing Corporation Limited (NSCCL), a subsidiary of NSE, commenced operations as Clearing Corporation in GIFT City, Gandhinagar, Gujarat, India, with effect from June 05, 2017, after receiving approval from SEBI. SEBI further granted renewal of recognition to NICCL until May 28, 2019. The renewal from SEBI for the financial year 2019-20 is awaited. The paid-up share capital of NICCL as on March 31, 2019, stood at ₹75 crores comprising of 7.5 crore equity shares of ₹10 each.

NICCL clears and settles trades executed on NSE IFSC. NICCL has the following types of clearing membership – Professional

Clearing Member, Trading Cum Clearing Member, and Trading Cum Self Clearing Member. NICCL has put in place a robust and comprehensive Risk Management System.

Till March 31, 2019, NICCL had 6 clearing members (3 Trading cum Clearing Members and 3 Trading cum Self Clearing Members). Clearing Banks are the key link between clearing members and NICCL for funds settlement. Members are required to maintain and operate a clearing account with any one of the designated clearing banks empanelled with the Clearing Corporation. There are currently 4 clearing Banks empanelled with NICCL.

During the financial year 2018-19, NICCL incurred a loss of ₹6.40 crores as compared to loss (after tax) of ₹8.94 crores for the financial year 2017-18.

Initiatives and major events during the year ended March 31, 2019

- NICCL has applied to European Securities Market Authority for recognition as a third country CCP under the European Market Infrastructure Regulation (EMIR).
- A “Segregated Nominee Account Structure” has been put in place in the GIFT IFSC after SEBI approval. Under this structure, eligible Segregated Nominee Account Providers can permit their clients to access the markets in the IFSC through trading and clearing members without any additional due diligence requirements, easing the access of the IFSC markets to such clients.
- NICCL has received approval from SEBI to open an account with Euroclear Bank for acceptance of eligible foreign securities as collateral. The admission process is in progress.
- SEBI granted Qualifying Central Counter Party (QCCP) status to NICCL.

4.9.10 NSEIT (US) Inc. (“NSEIT US”)

NSEIT US, a step-down subsidiary of your Company whose 100% share capital is held by NSEIT is involved in the business of, inter alia, providing information technology and information technology enabled services.

During the financial year 2018-19, NSEIT US incurred loss of ₹6.62 crores as compared to net profit after tax of ₹0.62 crores during the financial year 2017-18.

4.9.11 NSE FOUNDATION

NSE Foundation, a section 8 Company under the Companies Act, 2013 was incorporated on March 5, 2018 by NSE and seven of its subsidiaries to implement the CSR mandate of the NSE Group.

The paid-up share capital of NSE Foundation as on March 31, 2019 stood at ₹5 lakhs comprising of 50,000 equity shares of ₹10 each.

The wholly committed but unspent CSR budgets from FY 2014 to FY 2018 of the NSE Group Companies of ₹82.56 Crores falling under the purview of Sec 135 were transferred to NSE Foundation, thereby allowing the Foundation to undertake impactful and sustainable social programmes on behalf of the NSE Group. Furthermore, CSR budgets for the FY 2018-19 for NSE and its Group Companies of ₹35.39 Crores was also transferred to NSE Foundation during the year.

During the financial year 2018-19, excess income over expenditure of NSE Foundation was ₹2.57 crores as compared to the excess of income over expenditure of ₹82.47 crores during the financial year 2017-18. The financial results indicate contribution received and the amount expended for charitable purposes and other administrative expenditures. The balance carried to Balance Sheet indicates the amount available for future expenditures towards the said purposes against which an amount of ₹95.02 crores is already committed.

4.9.12 AUJAS NETWORKS PRIVATE LIMITED

NSEIT, a wholly owned subsidiary of NSE, acquired a global cybersecurity company, Aujas Networks Private Limited (Aujas) to further strengthen its cybersecurity offerings. SEBI vide its letter dated February 15, 2019 had given prima facie no objection to the proposed acquisition of Aujas by NSEIT. Both the parties had completed Condition Precedents as on 20th March, 2019 and the acquisition process was completed on 22nd March, 2019.

To meet the funds requirement for NSEIT to acquire a stake in Aujas, NSEIT had approached NSE Investments to subscribe, by way of the rights issue, to the share capital of NSEIT. Subsequently, NSEI had subscribed to 7% Seven Years Compulsorily Redeemable Preference shares of INR 100 each fully paid-up amounting to ₹100 crores issued by NSEIT, post which, NSEIT has acquired 95.4% of the share capital in Aujas.



The paid-up share capital of Aujas as on March 31, 2019, stood at ₹26.51 crs comprising of 26,51,32,321 equity shares of ₹1 each.

Aujas founded in 2008, provides information security consulting and IT risk management services with operations in India, the Middle East and North America. Aujas has 400 skilled cyber security professionals and over 390 customers globally. The service portfolio includes Information risk advisory, identity & access management, threat management and security analytics.

4.9.13 Associate and Joint Venture companies

Computer Age Management Services Private Limited (CAMS) is an associate of NSE Investments Ltd. (NSE Investments), a wholly owned subsidiary of NSE, in which NSE Investments presently holds 37.50% of the equity share capital. During the year under review, NSE Investments had completed the process of partial divestment of 7.5% of the equity capital of CAMS to Great Terrain Investment Limited (an affiliate of Warburg Pincus LLC) for the total sum of ₹249.13 crores. The said transaction is not a related party transaction and is at arm's length.

National Securities Depository Limited (NSDL) is an associate of NSE in which NSE presently holds 24% of the equity share capital. NSE also continues to hold equity investment in BFSI Sector Skill Council of India.

Further, NSDL E-Governance Infrastructure Limited and Receivables Exchange of India Limited are associates of NSEI, a wholly owned subsidiary of NSE. NSEI also has equity investments in Goods and Services Tax Network.

NSEI continues to hold investments in Market Simplified India Limited and Power Exchange India Limited. These investments were written off in the year ended March 31, 2018, hence no value is ascribed to these investments in the books.

4.10 DEPOSITS

Your 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

Your Company has in place a Board approved Enterprise Risk Management Framework that is well supported by Risk

Governance Structures, Risk Policies and a detailed Risk Measurement and Monitoring Framework. Your company has established 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 the controls and mitigation plans that are in place to reduce the overall risk exposure for your Company and the impact thereof. Your Company has a Risk Management Committee, a subcommittee of the Board and Management level Risk Committees that meet periodically to review the efficacy and adequacy of your Company's Enterprise Risk Management Framework on an ongoing basis and also to review the controls and mitigation plans that are put in place to reduce the overall impact of the various risks.

With respect to Cyber and Information Security Risks, your company has implemented the best in class control framework to detect and mitigate these risk for itself and its Group Companies. Some of the key implementations are:

1. Two factor authentication on web applications – This improves the authentication security controls thereby securing member's user credentials & accesses.
2. Enhanced protection for websites from advanced cyber-attacks – Advanced solutions have been implemented to protect our websites from newer threats arising from automated bots and dynamically generated domains.
3. User & Entity behaviour analysis –This improves upon the existing controls to detect anomalies in user behaviour and prevent authentication fraud.
4. Several cyber intelligence based controls have been implemented on existing solutions to detect and mitigate new-age threats.

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

There were no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial period of your 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 your 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.

Reporting of frauds by auditors

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

4.15 UPDATE ON LISTING

The Draft Red Herring Prospectus (DRHP) in respect of the offer for sale (offer) of upto 11,14,11,970 equity shares of ₹1 each of NSE (constituting 22.51% of the paid up share capital of NSE) was filed with SEBI on December 28, 2016. There were 27 participating Selling Shareholders in the offer then who had deposited 11,14,11,970 equity shares of ₹1 each into the designated share escrow account by the last date i.e. December 7, 2016. The offered shares deposited into the share escrow account were required to be returned to the selling shareholders if the Offer was not opened for subscription, within 12 months from the date of filing of the DRHP with SEBI (i.e. on or prior to December 27, 2017).

Pursuant to a communication sent to the selling shareholders in November, 2017 seeking their consent for retaining the offered shares in the share escrow account for further period of 12 months from December 27, 2017 (i.e. for an aggregate of 24 months from the date of filing of the DRHP with SEBI) and

continue their participation as selling shareholders in the Offer, 14 participating shareholders with a total holding of 13.75% of the paid up share capital of NSE consented to continue holding shares in the escrow for a further period of 12 months, whereas 15 shareholders with a total holding of 8.76% of the paid up share capital of NSE had opted to withdraw. Thus 6,80,72,250 shares representing 13.75% of the paid up share capital of NSE by the 14 shareholders continued to be held then in the share escrow account.

During the year under review, your Company had decided to seek the consent of the selling shareholders to retain the Offered Shares in the share escrow account for a further period of 12 months (i.e. until December 27, 2019). Pursuant to this process, out of those 14 selling shareholders holding 680,72,250 Offered Shares, 12 selling shareholders holding 4,983,9750 Offered Shares (constituting 10.07% of the issued and paid-up capital of the Company) provided their consent to retain their Offered Shares in the share escrow account and the same were continued to be held in the share escrow account and accordingly, SEBI was updated.

SEBI, vide its letter dated February 5, 2019, inter alia communicated that as per the SEBI ICDR Regulations 2018, any decrease in the number of shares offered for sale by more than 50% would require the fresh filing of offer document with SEBI and hence, the DRHP filed was being returned. A response was submitted to SEBI on February 8, 2019 requesting SEBI to maintain status quo with respect to the DRHP and provide an opportunity to NSE to meet the limits prescribed under the said Regulations. SEBI, vide its letter dated March 5, 2019, replied that NSE's request made earlier has not been acceded to. In view of the same, necessary steps are initiated including to return the shares held in the escrow account of the 12 Selling shareholders aggregating to 10.07% of the Capital.

4.16 EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended on March 31, 2019 is enclosed as **Annexure-2** to this report. In line with the requirement of the Companies (Amendment) Act, 2017, effective from July 31, 2018, the extract of annual return in Form MGT-9 has also been placed on the website of the Company and can be accessed at weblink https://www.nseindia.com/global/content/investor_rel/MGT_9.pdf



5. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of your 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 your Company. Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of the subsidiary companies is attached to the financial statements in Form AOC-1. Your Company will make available the said financial statements and related detailed information of the subsidiary companies upon the request by any member of your Company or its subsidiary companies. These financial statements will also be kept open for inspection by any member at the Registered Office of your Company and its subsidiary companies.

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

6. HUMAN RESOURCES

Following developments have taken place in Human Resources / Employee Relations front in the financial year 2018-19:

1. Learning & Development: During the financial year 2018-19, the training needs of employees were based on the individual and business need. In line with the Business Strategy, NSE has continued to focus on the Functional and Behavioral training to enhance the desired competencies. As a part of our people strategy, skill enhancement and leadership capability development of employees has been identified as a key enabler to drive the succession planning agenda by mitigating people risks for the business. The objective of this initiative is to build future leaders by providing them developmental support & career opportunities. We have rolled out focused interventions to build future leaders in the Company.
2. Employee Engagement Initiatives: NSE has conducted an Employee Effectiveness Survey in FY 2017-18. The EES action plans were formulated by the respective teams and the implementation of EES action plans are monitored on a regular basis. NSE has also conducted an Employee

Effectiveness Survey in FY 2018-19 to understand the employee engagement and Enablement level across the company. Some of the employee engagement activities conducted by the Company are NSE's participation in TATA Mumbai Marathon, Guitar, Kick boxing, Yoga, Gymnasium, Blood donation drive, NSE 25 years celebration program for employees, Health check-up camp, Employee Assistance Program and various staff welfare initiatives so as to build relationships among the various teams.

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

6.1 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 22:

Table : 22

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 ninety 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

Pursuant to the Companies (Accounts) Amendment Act, 2018 effective from 31st July, 2018, NSE has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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 (PID); (b) Shareholder Directors; and (c) Managing Director. Ms. Dharmishta Raval, Mr. Dinesh Kanabar, Mr. Naved Masood and Mr. T.V. Mohandas Pai are 'Public Interest Directors' while Mr. Abhay Havaladar, Mr. Prakash Parthasarathy, and Ms. Sunita Sharma are Shareholder Directors. Mr. Vikram Limaye is the Managing Director & CEO of your Company and is included in the category of Shareholder Director.

During the year under review, Ms. Anshula Kant resigned as Shareholder Director with effect from September 28, 2018. Mr. Ashok Chawla, Public Interest Director and Chairman resigned from the Board of Directors of Company with effect from January 11, 2019. The Board placed on record its appreciation for their valuable contributions.

During the year under review, the Company had made an application to SEBI as prescribed under SECC Regulations, for seeking approval for the extension of the nomination of Ms. Dharmishta Raval for a further period of 3 years with effect from February 5, 2019. The approval from SEBI is awaited. Ms. Dharmishta Raval continues to hold the post of Public Interest Director in terms of SECC Regulations.

In terms of Section 152 of the Companies Act, 2013, Mr. Prakash Parthasarathy, Shareholder Director retired by rotation and was re-appointed as a Director under “Shareholder Director” category at the 26th Annual General Meeting (AGM) held on August 3, 2018 subject to the approval of SEBI. Subsequently, SEBI approved his re-appointment as a “Shareholder Director” vide its letter dated August 24, 2018.

In terms of Section 152 of the Companies Act, 2013, Ms. Sunita Sharma retires by rotation at the ensuing AGM and is eligible for re-appointment subject to the approval of SEBI. Notice from LIC, a shareholder, proposing the nomination of Ms. Sunita Sharma as a Shareholder Director on the Board of NSE has been received.

The Board recommends the re-appointment of Ms. Sunita Sharma as Director of your Company to the Shareholders at the forthcoming AGM of your Company, subject to the approval of SEBI. A brief profile of Ms. Sunita Sharma seeking re-appointment has been provided in the notice of the AGM.

The composition of the Board is in conformity with the Companies Act, 2013 and SECC Regulations, enjoining specified combination of Executive, Non-Executive and Public Interest Directors with at least one Women Director.

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of your Company are Mr. Vikram Limaye, Managing Director & CEO, Mr. Yatrik Vin, Chief Financial Officer (CFO) and Mr. S. Madhavan, Company Secretary.

Pursuant to SECC Regulations, the Key Management Personnel of your Company as of March 31, 2019 are Mr. Vikram Limaye, Managing Director & CEO, Mr. J Ravichandran - Group President, Mr Yatrik Vin, CFO, Mr. Ravi Varanasi – Chief Business

Development Officer, Mr. G. M. Shenoy - Chief Technology Officer – Operations, Mr. Shiv Kumar Bhasin - Chief Technology & Operations Officer (w.e.f. January 2, 2019), Ms. Priya Subbaraman, Chief Regulatory Officer, K S Somasundaram Chief Enterprise Risk (w.e.f. October 4, 2018) and Mr. Mayur Sindhwad, Chief Operating Officer – Trade Operations.

7.2 BOARD AND COMMITTEES

Seven meetings of the Board were held during the year. For details of the meeting of the Board, please refer to the Corporate Governance Report, which forms part of this report.

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

Re-constitution of various SEBI mandated committees

During the year, SEBI had rationalized constitution of regulatory committees from 16 to 7. Accordingly, in terms of SECC Regulations, 2018, the SEBI mandated Committees are as under which have been appropriately constituted:

- a) **Functional Committees:**
 - i) Member selection committee
 - ii) Investor grievance redressal committee
 - iii) Nomination and remuneration committee
- b) **Oversight committee:**
 - i) Standing committee on technology
 - ii) Advisory committee
 - iii) Regulatory oversight committee
 - iv) Risk management committee

7.3 DECLARATION BY INDEPENDENT DIRECTORS

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

In terms of SECC Regulations, SEBI had nominated Mr. Dinesh Kanabar, Mr. T.V. Mohandas Pai, Ms. Dharmishta Raval and Mr. Naved Masood as Public Interest Directors. They have given declaration of independence as required under the applicable laws as well as confirmation that he/ she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence.

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, NSE has framed a policy on the appointment of Directors and Senior Management personnel and a policy on Nomination policy and Remuneration of Directors and Key Management Persons identified under SECC Regulations and under the Companies Act, 2013 and the same are in force. The Nomination and Remuneration Policy of NSE are attached as **Annexure - 3** and the same are uploaded on NSE's website https://www.nseindia.com/global/content/about_us/Remuneration_Policy.pdf and https://www.nseindia.com/global/content/investor_rel/Nomination_and_Appointment_of_Directors_and_Senior_Management.pdf Nomination policy link and Remuneration policy link.

7.5 PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations and SEBI Guidance Note on Board evaluation issued on January 5, 2017 and SEBI circular of February 5, 2019 on Performance review of Public Interest Directors, the Board has carried out an annual evaluation of its own performance and that of its Committees and Individual Directors.

The questionnaire and evaluation process was reviewed in the context of amendments to the Listing Regulations brought about by the Kotak Committee recommendations and SEBI (LODR) (Amendment) Regulations 2018, which inter-alia requires the Board to confirm fulfillment of the independence criteria by Independent Directors and their independence from management, as also performance evaluation criteria for PIDs to be in terms of SEBI circular of February 5, 2019. The Performance evaluation criteria of the Board, its Committees, Individual Directors, the Chairperson and PID's is attached herewith as **Annexure-4** and is available on your Company's website www.nseindia.com.

The criteria for performance evaluation of the Board included aspects like Board composition, shared vision and strategy, the effectiveness of Board processes, information and functioning, etc. The criteria for performance evaluation of Committees of the Board include aspects like the composition of Committees, the 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. Peer assessment of Directors, based on parameters such as participation and contribution to Board deliberations, ability to guide the Company in key matters, and knowledge and understanding of relevant areas were received by the Board for individual feedback.

Your Company had engaged a leading Human Resource consulting firm to conduct an external evaluation of Public Interest Directors which included various one-to-one discussions/meetings by the external consultant with the Public Interest Directors. The responses received from the Board members were compiled by the external consultant and a Report was submitted by them. The internal and external evaluation of all the PIDs were considered by the NRC and recommended to the Board. The Board reviewed the same and made appropriate recommendations to SEBI.

A separate meeting of Independent Directors was held on March 28, 2019 to review the performance of Non-Independent Directors' and the Board, taking into account the views of Directors.

The performance of the Independent Directors was evaluated by the entire Board except the person being evaluated. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. A presentation was made on the Board evaluation. The Board carried out the evaluation of their own performance and that of its Committees and individual Director keeping in mind the inputs received inter-alia from the review by the Independent Directors.

During the year under review, the Company actioned the feedback from the Board evaluation process conducted in the year 2017-18. Suggestions were incorporated which inter-alia included reshaping the Board meeting schedule to allow sufficient discussion time for strategic matters, categorisation of the meeting agenda for better time allocation, broad framework of agenda items for the upcoming fiscal, training programmes for all Directors, creation of strategy framework / dashboard and enhanced discussions on subsidiary business at the Board level.

7.6 DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that -

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of NSE at the end of the financial year i.e., 31st March, 2019 and of the profits of NSE for that year;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of NSE and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis;
- (v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and were operating effectively.

8. CORPORATE SOCIAL RESPONSIBILITY

NSE is covered under the purview of Section 135 of the Companies Act 2013. Similarly, many of its subsidiaries are also covered. A common CSR policy was adopted by NSE and its subsidiaries to avoid duplication of functions and enable scaling up of activities.

The CSR budget as per the mandate of the Companies Act (including the unspent CSR funds of previous years) allocated by NSE and other NSE group companies for the purpose of undertaking CSR activities as well as the approved and ongoing CSR projects were transferred to NSE Foundation, thereby allowing the Foundation to undertake impactful and sustainable social programmes on their behalf. The CSR policy is available on your Company's website www.nseindia.com. The disclosures required to be made in the Board's Report as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached herewith as **Annexure-5**.

9. CORPORATE GOVERNANCE

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

NSE is a public limited company, whose securities are not listed in any stock exchange. In terms of Regulation 33 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.

Disclosure pertaining to resources committed towards strengthening regulatory functions and towards ensuring compliance with regulatory requirements, backed by an activity based accounting, applicable to the recognised stock exchange forms part of this report is as under:

The Company has dedicated resources to manage the regulatory / compliance functions i.e. Membership compliance, Inspection, Surveillance, Investigation, Arbitration, Listing Compliance etc. There are 228 resources in these functions in various designations. The Company has also invested in state of the art technology for surveillance function and has various internal systems for the above regulatory functions. The Company also conducts various investor awareness seminars across India.

To cater to the needs of investors, NSE has established its Investor Services Cell at Mumbai, Chennai, Kolkata, New Delhi, Ahmedabad, Hyderabad, Indore, Kanpur, Pune, Bangalore, Jaipur, Vadodara, Patna, Lucknow, Chandigarh, Dehradun, Kochi, Guwahati, Bhubaneswar, Ranchi, Panaji, Raipur, Jammu and Shimla.

The Investor Services Cell facilitates resolution of complaints of investors against the listed corporate entities and NSE members. NSE has accorded high priority for resolution of investor complaints and therefore the activities of Investors Services Cell are supervised by a Board Sub-Committee exclusively constituted for the purpose.

The Investor Services Cell also renders administrative assistance to arbitration proceedings in respect of arbitration cases that are admitted for Arbitration under the Exchange's Arbitration Framework.

Further, there are various committees (which are sub-committees of the Board) to oversee the regulatory functions, these committees comprise of members of the Board and



external experts as required.

NSE endeavors to continuously improve good governance practices. The certificate from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in Listing Regulations is obtained. A report on corporate governance for the financial year 2018-19 is furnished as part of the Annual Report as **Annexure-6**. NSE also undergoes a secretarial audit quarterly.

10. BUSINESS RESPONSIBILITY REPORT

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

11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report in respect of NSE's financials for the year ended March 31, 2019 is presented in a separate section forming part of the Annual Report.

12. VIGIL MECHANISM

NSE has, in continuation of its pursuit to establish good corporate governance practice, formulated 'Whistle Blower Policy' and the policy is in force since December 2010 with amendments made from time to time.

The Policy provides a mechanism to any person for reporting instances of unethical conduct, actual or suspected fraud or violation of NSE's Code of conduct or Ethics policy to the Ethics Counselor (Head of HR)/ Ethics Committee/ its Chairman/ Audit Committee, as the case may be. Protected Disclosures should preferably be reported in writing as soon as possible after the whistle blower becomes aware of the same as under:

- i. Complaints against employees below the levels of Executive Vice Presidents to be addressed to the panel of 4 senior executives comprising of the Chief Regulatory Officer (CRO), the Chief Financial Officer (CFO), the Group President and the Ethics Counsellor. This panel shall put up its recommendations on the complaint to the MD&CEO for final disposal of the complaint. A report on the complaints disposed of by the MD&CEO shall be placed before the Ethics Committee.

- ii. Complaint against employees at the levels of Executive Vice Presidents and above to be addressed to the Ethics Counsellor (Head of HR) and be screened by the Ethics Counsellor (Head of HR) and MD&CEO. The complaint shall be placed before the Chairman of the Ethics Committee for final disposal with appropriate recommendations of the Ethics Counsellor (Head of HR) and MD & CEO.
- iii. Complaints against the CFO to be addressed to the Chairman of the Audit Committee and placed before the Audit Committee for consideration and disposal.
- iv. Complaints against the Ethics Counsellor (Head of HR) to be reviewed by MD&CEO and referred to the Ethics Committee.
- v. Complaints against the MD & CEO to be referred directly to the Chairman of the Ethics Committee.

Protected disclosure can also be physically sent or mailed at an email id, which shall be accessed by the Ethics Counselor/ members of Ethics Committee/Panel of 4 members for examining Whistle Blower Complaints (as applicable).

Protected Disclosures can also be reported orally to any of the members of the Ethics Committee. Oral reports will be subsequently documented by the Ethics Committee for onward investigation.

No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure. Complete protection will be given to whistleblowers against any unfair practice. If the findings of the investigator(s) conclude commission of an unethical and improper act, disciplinary action or any other action, as deemed appropriate, will be initiated against the person concerned.

A report will be submitted to the Chairman of the Ethics Committee/Audit committee on a regular basis about the receipt of Protected Disclosures, the results of investigations and the action initiated with regard to the same.

As per the requirement of Listing Regulations, details of Vigil Mechanism is provided on your Company's website www.nseindia.com

13.1 STATUTORY AUDITORS

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 24th Annual General Meeting, i.e., September 16, 2016 till the conclusion of 29th Annual General Meeting.

In continuation of its term of appointment, the said Audit Firm carried on the Statutory Audit of the Company for the financial year ended 31st March 2019.

The Board at its meeting held on 3rd May 2019 noted the eligibility certificate of M/s Price Waterhouse & Co. Chartered Accountants LLP, that they are eligible to continue to act as the statutory auditor of the Company for FY 2019-2020 as required under Section 139 of the Companies Act, 2013. The Board further noted that the requirement of seeking ratification of the members for the continuance of their appointment has been withdrawn consequent upon the changes made by the Companies (Amendment) Act, 2017 with effect from May 07, 2018. Hence the resolution seeking ratification of the members for their appointment is not being placed at the ensuing Annual General Meeting.

The Statutory Auditors' Report for the Financial Year 2018 -19 does not contain any qualification, reservation or adverse remarks.

13.2 SECRETARIAL AUDIT

The Board, on the recommendations of the Audit Committee, had appointed M/s BNP & Associates, Company Secretaries, to conduct the Secretarial Audit pursuant to the requirements of the Companies Act, 2013 and the rules laid down thereunder for the financial year ended 31st March, 2019. The Report of the Secretarial Audit is annexed herewith as **Annexure-7**. The Secretarial Audit Report does not contain any qualifications, reservation, adverse remarks or disclaimer.

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

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

The Carbon footprint refers to a whole set of greenhouse gas emissions on account of an organisation, event, product or individual. These footprints are measured in Tons (or Kilograms) of carbon dioxide equivalent. It is a measure of the impact of our activities on the environment, or in particular, climate change. NSE's carbon footprint of Exchange Plaza building was around 21,855 Tonnage of CO₂ (i.e. 0.08 tonnage CO₂/Sq.ft/year (including Data Centre). However, with effective energy saving / green power measures, NSE has reduced it to 12,666 tonnes of CO₂ emission.

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

NSE has commissioned the 6.25 MW (i.e. 5 nos. of 1.25 MW) Wind Power Project Plant at Satara. In Wind Power Project, the Wind Electric Generator (WEG) converts the Kinetic Energy available in the Wind to Electrical Energy by using a Rotor, Gearbox and Generator. With regard to the operation of Wind Power Plant, it mainly goes hand-in-hand with the Local Electricity Board. The Plant is generally connected to the Main Power Grid of the Local Electricity Board. 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.

Accordingly, the aforesaid NSE's Wind Power Plant has generated around 1,29,04,489 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 the 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 a temperature below zero degree centigrade) which gets stored in a Thermal Storage Tank. Following the next day the stored Chill is being utilised through Heat Exchangers for air-conditioning the entire Office area. On account of this, the total load (i.e. HVAC-Chillers, AHU’s Lifts, Lighting, PC, Plumbing System, etc.) which were operating mainly during office hours have been distributed and NSE has surrendered the extra power. This way, NSE has saved around 12065 Demand KVA in the last year.

iv. Revamped the ‘Building Management System’ for effective and efficient operations of the Services especially the Air Handling Units (AHUs)

The Building Management System (BMS) had been installed at the inception stage itself to enable NSE to operate the Building’s Services more effectively. For example, with the above 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 NSE to regulate / control the temperature of the work stations area well within a prescribed tolerance. With this effective operation and regulation of AHU’s, electricity is being conserved on a day-to-day basis.

v. Motion/ Occupancy Sensors in the lighting systems in the 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. General Lighting System

Lighting Transformers have been installed in the lighting feeders which reduces excess power consumption and enhances the life of the luminaries. The Lighting Transformers are introduced in the electrical distribution system to regulate the incoming single phase supply which restricts the power supply to only 210 to 220 Volts. Additionally, LED Lights have been introduced across all Offices / Utilities. This has saved around 41,893.31 units in the last year.

vii. ‘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.

viii. ‘Solar Power Plant’ to cater to the part of lighting load at Exchange Plaza

The Solar Power Plant of the capacity of 10 KW has been installed in the building which harnesses the Solar Power to cater the part of lighting load at Exchange Plaza. This way NSE has saved around 2560.70 units in the last year.

ix. ‘Rain Water Harvesting System’ to harvest the rain water in the periphery of Exchange Plaza

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

x. ‘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 the decomposing process. Post 7 days of an on-going process, Vermicompost / manure get generated and is used for Gardening purposes. This way NSE has generated around 840 Kg of manure in last year by recycling food waste collected from Canteen, Garden Organics and Paper & Cardboard.

xi. ‘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 NSE 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 19054 Kltr. of Water in the last year.

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

Foreign exchange earnings during the year was Nil and Foreign exchange outgo during the year was ₹21.09 crores.

15. PARTICULARS OF EMPLOYEES

A Statement of Particulars of Employees covered under the provisions of Rule 5 (2) & (3) of Companies (Appointment

and Remuneration of Managerial Personnel) Rules, 2014 is enclosed herewith as **Annexure-8**. The ratio of compensation paid to each key management personnel, vis-a-vis. median of compensation paid to all employees of NSE as per SECC Regulations, 2018 is enclosed herewith as **Annexure-9**.

16. ACKNOWLEDGMENT

Your Directors are grateful for the support and co-operation extended by the Government of India, Securities and Exchange Board of India and Reserve Bank of India. Your Directors would also like to place on record their sincere appreciation of the support provided by the shareholders and also 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

Dharmishta Raval
Director
DIN: 02792246

Dinesh Kanabar
Director
DIN: 00003252

Vikram Limaye
MD & CEO
DIN: 00488534

Place: Mumbai
Date: May 16, 2019



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/arrangement 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 and on behalf of the Board of Directors

Dharmishta Raval
Director
DIN: 02792246

Dinesh Kanabar
Director
DIN: 00003252

Vikram Limaye
MD & CEO
DIN: 00488534

Place: Mumbai
Date: May 16, 2019

Annexure to AOC-2

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

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
1	NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	Subsidiary Company	Clearing and Settlement	100%

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

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2019	Year ended 31.03.2018
NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	Usage charges received	20.01	18.85
	Space and Infrastructure usage charges received	10.74	5.51
	Reimbursement received for expenses on staff on deputation	9.50	1.51
	Reimbursement received for other expenses incurred	37.32	40.02
	Reimbursement paid for CAMS Charges	0.91	0.81
	Dividend received	36.00	72.00
	Clearing and Settlement charges paid	164.81	141.70
	Investment in Equity Share Capital	5.64	5.64
	Closing balance (Credit)/Debit	9.20	(8.96)

For and on behalf of the Board of Directors

Dharmishta Raval
Director
DIN: 02792246

Dinesh Kanabar
Director
DIN: 00003252

Vikram Limaye
MD & CEO
DIN: 00488534

Place: Mumbai
Date: May 16, 2019



ANNEXURE 2 TO BOARD'S REPORT

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[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 th 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	80.91%

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	NSE Clearing Limited (formerly known as 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 Investments Limited (formerly known as 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)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
3	NSE Indices Limited (formerly known as 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 M V Road, Andheri Kurla Road , Andheri East Mumbai-400059	U72200MH1999PLC122456	Subsidiary Company	100%	2(87) (ii)
5	NSE Data & Analytics Limited (formerly known as 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	37.5%	2(6)
8	Market Simplified India Ltd. 13 th Floor, Zenith Building, ASCENDAS International Tech Park, CSIR Road, Taramani, Chennai-600113	U72900TN2000PLC045869	Associate	30%	2(6)
9	NSDL E-Governance Infrastructure Ltd. 1 st Floor, Times Tower, Kamala Mills Compound, Lower Parel, Mumbai-400013	U72900MH1995PLC095642	Associate	25.05%	2(6)
10	Power Exchange India Ltd. Unit No.901, 9 th floor, Sumer Plaza, Marol Maroshi, Andheri East, Mumbai 400059	U74900MH2008PLC179152	Associate	30.95%	2(6)
11	National Securities Depository Limited 4 th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, 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 th Floor, P.J. Towers Dalal Street, Fort, Mumbai-400001	U80904MH2011NPL222074	Associate	49.00%	2(6)
14	NSE Academy Limited Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U67190MH2016PLC274239	Subsidiary Company	100%	2(87) (ii)



Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
15	NSEIT (US), Inc. 2010 Crow Canyon Place, Suit 107, San Ramon CA 94583	---	Subsidiary Company	100%	2(87) (ii)
16	NSE IFSC Ltd. Unit-1201, Brigade International Financial Centre 12 th Floor, Block-14, Road 1C, Zone-1, Gift SEZ, Gift City, Gandhinagar Gujarat - 382355	U65100GJ2016PLC094517	Subsidiary Company	100%	2(87) (ii)
17	NSE IFSC Clearing Corporation Ltd. Unit-1202, Brigade International Financial Centre 12 th Floor, Block-14, Road 1C, Zone-1, GIFT SEZ, GIFT CITY, Gandhinagar Gujarat- 382355	U65990GJ2016PLC094545	Subsidiary Company	100%	2(87) (ii)
18	NSE Foundation Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai – 400051	U74999MH2018NPL305854	Subsidiary Company	100%	2(87) (ii)
19	Aujas Networks Private Limited No.595, 4 th Floor, 15 th Cross, 1 st Phase, Outer Ring Road, J P Nagar, Bangalore 560078	U72200KA2008PTC045218	Subsidiary Company	95.39%	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 (As on 01.04.2018)			No. of Shares held at the end of the year (As on 31.03.2019)			% Change during the year
	Demat	Total	% of Total Shares	Demat	Total	% of Total Shares	
A. PUBLIC SHAREHOLDING							
(1) Institutions							
a) Mutual Funds	-	-	-	-	-	-	-
b) Banks/FI	5,85,46,590	5,85,46,590	11.83	4,94,10,093	4,94,10,093	9.98	-1.85
c) Central Govt.	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-
e) Venture Capital Funds	2,14,10,269	2,14,10,269	4.33	2,37,43,292	2,37,43,292	4.80	0.47
f) Insurance Companies	8,30,33,500	8,30,33,500	16.77	8,35,88,500	8,35,88,500	16.89	0.12
g) FPI	6,59,21,922	6,59,21,922	13.32	6,38,09,422	6,38,09,422	12.89	-0.43
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-
i) Others (specify) Foreign Direct Investments	17,65,23,783	17,65,23,783	35.66	17,81,06,863	17,81,06,863	35.98	0.32
Sub-total(A)(1):	40,54,36,064	40,54,36,064	81.91	39,86,58,170	39,86,58,170	80.54	-1.37

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)			No. of Shares held at the end of the year (As on 31.03.2019)			% Change during the year
	Demat	Total	% of Total Shares	Demat	Total	% of Total Shares	
(2) Non - Institutions							
a) Bodies Corp.	8,17,59,200	8,17,59,200	16.52	8,57,88,872	8,57,88,872	17.33	0.81
b) Individuals							
i) Individual shareholders holding nominal share capital upto ₹1 lakh	6,36,053	6,36,053	0.13	14,37,232	14,37,232	0.29	0.16
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	71,68,683	71,68,683	1.45	66,19,674	66,19,674	1.34	-0.11
c) Others (specify)	-	-	-				
i) HUF				21,052	21,052	0.004	0.004
ii) Trust				24,75,000	24,75,000	0.50	0.50
Sub-total(A)(2):	8,95,63,936	8,95,63,936	18.09	9,63,41,830	9,63,41,830	19.46	1.37
Total Public Shareholding (A)= (A)(1)+(A)(2)	49,50,00,000	49,50,00,000	100.00	49,50,00,000	49,50,00,000	100.00	-
B. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-
Grand Total (A+B)	49,50,00,000	49,50,00,000	100.00	49,50,00,000	49,50,00,000	100.00	-

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	
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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 (01-04-18 to 31-03-2019)	
		No. of shares at the beginning (01-04-18)	% of total shares of the company	Date	Increase (I)/ Decrease (D) in shareholding	Reason	No. of shares	% of total shares of the company
1	Life Insurance Corporation of India	6,19,13,500	12.51	-	-	-	6,19,13,500	12.51
2	State Bank of India	2,57,12,500	5.19	-	-	-	2,57,12,500	5.19
				28 September 2018	3853340 (D)	Sale of Shares	2,18,59,160	4.42
3	GAGIL FDI Limited	2,47,50,000	5.00	-	-	-	2,47,50,000	5.00
				25 September 2018	24,50,000 (D)	Sale of Shares	2,23,00,000	4.50
				3 October 2018	8,09,523 (D)	Sale of shares	2,14,90,477	4.34
				3 December 2018	2738095 (D)	Sale of shares	1,87,52,382	3.78
4(i)	Aranda Investments (Mauritius) PTE. Ltd.	2,47,50,000	5.00	-	-	-	2,47,50,000	5.00
4(ii)	Veracity Investments Limited, Mauritius	2,47,50,000	5.00	-	-	-	2,47,50,000	5.00
5	Stock Holding Corporation of India Limited	2,20,00,000	4.44	-	-	-	2,20,00,000	4.44
6	SBI Capital Markets Ltd.	2,14,50,000	4.33	-	-	-	2,14,50,000	4.33
7	SAIF II SE Investments Mauritius Limited	1,75,90,000	3.55	-	-	-	1,75,90,000	3.55
8(i)	GS Strategic Investments Limited, Mauritius	1,48,50,000	3.00	-	-	-	1,48,50,000	3.00
8(ii)	MS Strategic (Mauritius) Limited	1,48,50,000	3.00	-	-	-	1,48,50,000	3.00
8(iii)	PI Opportunity Fund	1,48,50,000	3.00	-	-	-	1,48,50,000	3.00
8(iv)	Tiger Global Five Holdings	1,48,50,000	3.00	-	-	-	1,48,50,000	3.00
9	Acacia Banyan Partners	1,23,75,000	2.50	-	-	-	1,23,75,000	2.50
10	IFCI Limited	1,20,66,871	2.44	-	-	-	1,20,66,871	2.44

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 Mr. Vikram Limaye (₹ in Crores)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.85
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.01
	(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)	0.24
	Total (A)	8.10
	Ceiling as per the Act-5%	89.25
	Ceiling as per the Act-11%	196.35

B. REMUNERATION TO OTHER DIRECTORS:

(₹ IN LAKHS)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Dinesh Kanabar	Mr. Naved Masood	Mr. T.V. Mohandas Pai	Ms. Dharmishta Raval	Mr Ashok Chawla*	
1	Independent Directors						
	Fee for attending Board and Committee meetings	31.00	54.75	29.25	43.25	40.75	199.00
	Commission	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	
	Total (1)	31.00	54.75	29.25	43.25	40.75	199.00
2	Other Non-Executive Directors		Ms. Sunita Sharma	Ms. Anshula Kant**	Mr. Prakash Parthasarathy	Mr. Abhay Havaladar	
	Fee for attending board, committee meetings	-	2.50	2.00	22.50	22.25	49.25
	Commission	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	
	Total (2)	-	2.50	2.00	22.50	22.25	49.25
	Total (B)=(1+2)						248.25
	Overall Ceiling as per the Companies Act, 2013: Sitting Fees	₹1 lakh per Director per Board meeting and ₹0.75 lakh per Director Per Committee meeting w.e.f. 4 Aug, 2018					

*Mr. Ashok Chawla ceased to be the Public Interest Director / Chairman of the Board with effect from January 11, 2019.

**Ms. Anshula Kant ceased to be the Shareholder Director with effect from 28th September 2018.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL (OTHER THAN MD/MANAGER/WTD) :

(₹ IN CRORE)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. S. Madhavan (Company Secretary)	Mr. Yatrik Vin (CFO)	
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.94	2.54	3.48
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.01	0.39	0.40
	(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)	0.03	0.14	0.17
	Total	0.98	3.07	4.05

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

 Dharmishta Raval
 Director

 Dinesh Kanabar
 Director

 Vikram Limaye
 MD & CEO

 Place: Mumbai
 Date: May 16, 2019



ANNEXURE 3 TO BOARD'S REPORT

National Stock Exchange of India Limited

POLICY FOR NOMINATION AND APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

1. INTRODUCTION

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

Pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Board of Directors of NSE is mandated to constitute a Nomination and Remuneration Committee which shall, amongst other things, formulate the criteria for determining qualifications, positive attributes and independence of a Director and criteria for identifying persons who may be appointed in senior management and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

2. OBJECTIVE

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

- a. To formulate the criteria for identifying the persons who are qualified to become directors and such persons who may be appointed as the Senior Management Personnel of the Company.
- b. To guide the Board in relation to the appointment and removal of directors and Senior Management.
- c. To determine the qualifications, positive attributes and independence of a director and to ensure Board Diversity and implementation of succession planning in the Company.

3. DEFINITIONS

- (i) "Board of Directors" or "Board" shall mean the collective body of directors of NSE;
- (ii) "Director" means a director appointed to the Board of NSE;
- (iii) "Independent Director" shall have the meaning as defined under the Companies Act, 2013 read with relevant rules and listing Regulations.
- (iv) "Key Managerial Personnel" means as defined under Section 2(51) of the Companies Act, 2013 and/or as per regulation 2(i) of SCR (SECC), Regulation, 2018.
- (v) "Public Interest Director" means an independent director as defined under SCR (SECC) Regulations, 2018
- (vi) "Shareholder Director" means a non- executive director as defined under SCR (SECC) Regulations, 2018);
- (vii) "Managing Director" means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

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

- (viii) "Nomination and Remuneration Committee" or "the Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013, Listing Regulations and Regulation 27 of SCR (SECC) Regulations, 2018.

- (ix) "Policy" means this "Nomination Policy."
- (x) The term "Senior Management" means officers / personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads. This will include the KMP's under the Companies Act, 2013, SCR (SECC) Regulations, 2018 and those identified by the NRC from time to time.
- (xi) "Whole-time director" includes a director in the whole-time employment of the company;
- Words and definitions not defined herein, shall have the same meaning as provided in the Companies Act, 2013 read with relevant rules, Listing Regulations and SCR (SECC) Regulations 2018 or other relevant provisions as may be applicable.

3. INTERPRETATION

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

4. POSITIVE ATTRIBUTES AND QUALIFICATIONS OF DIRECTORS

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

- (i) the appointee should satisfy the 'fit & proper criteria' as stipulated under SCR (SECC) Regulations, 2018 (refer **Annexure A**) and other requirements as prescribed by SEBI from time to time.
- (ii) assessing the appointee against a range of criteria which includes, but not be limited to, qualifications, skills, industry experience, background and other qualities required to operate successfully in the position;
- (iii) the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company; in case of Senior Management their contribution towards effectiveness of the organization as whole would be considered;
- (iv) the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;
- (v) ability of the appointee to represent the company;
- (vi) ability to work individually as well as a member of the Board and with the senior management;
- (vii) influential communicator with power to convince other in a positive way;
- (viii) ability to participate actively in deliberation and group processes;
- (ix) have strategic thinking and facilitation skills;
- (x) act impartially keeping in mind the interest of the company on priority basis;
- (xi) Does not hold Directorship in more than 20 companies (including private and public limited companies) or 10 public limited companies incorporated in India or such other number of companies as may be prescribed from time to time;
- (xii) Has attained minimum age of 25 years and is not older than 70 years or such other age as may be prescribed from time to time;
- (xiii) Personal specifications:
- Educational qualification;
 - Experience of management in a diverse organization;
 - Interpersonal, communication and representational skills;
 - Demonstrable leadership skills;
 - Commitment to high standards of ethics, personal integrity and probity;
 - Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;

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

The Board of NSE shall include:

- (a) Shareholders Directors
- (b) Public interest Directors; and,
- (c) Managing director.

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



- o The number of public interest directors shall not be lesser than the number of shareholder directors.
- o The managing director shall be an ex-officio director on the Board and shall not be included in either the category of public interest directors or shareholder directors.
- o No trading member or clearing member, or their associates and agents, shall be on the Board.
- o No foreign institutional investor shall have any representation in the Board.
- o The public interest directors on the Board shall be nominated by the SEBI.

Composition of Board as per SEBI (LODR) Regulation, 2015

- o board of directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the board of directors shall comprise of non-executive directors;
- o where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors:

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

Explanation:-

For the purpose of this clause, the expression “related to any promoter” shall have the following meaning:

- (i) if the promoter is a listed entity, its directors other than the independent directors, its employees or its nominees shall be deemed to be related to it;

- (ii) if the promoter is an unlisted entity, its directors, its employees or its nominees shall be deemed to be related to it.

Composition of Board as per Companies Act, 2013

- o Section 149 of the Act prescribes that every public limited company shall have at least 3 Directors and provides for appointment of up to fifteen Directors without seeking approval of Shareholders. It also prescribes that all listed companies shall have at least one woman director. Section 149 (3) of the Act provides that there should be at least one Director who should have stayed in India for a period of not less than 182 days during the financial year.

6. INDEPENDENCE OF A DIRECTOR

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

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

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

Besides considering all other qualifications with regards to talent, relevant professional experience, proven track record of performance and achievement, ethics and integrity, ability to bring in fresh and independent perspectives, sector specific experience and expertise, the Committee objectively evaluates whether an individual can dispassionately discharge the statutory functions of a Director as enshrined in the Companies Act 2013, SCR (SECC) Regulations, 2018 and Listing Regulations.

DISQUALIFICATIONS FOR APPOINTMENT OF DIRECTORS

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

- a. He is of unsound mind and stands so declared by a competent court;
 - b. He is an undischarged insolvent;
 - c. He has applied to be adjudicated as an insolvent and his application is pending;
 - d. He has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

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

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term a not less than 3 year and not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

As per SEBI Press release dated June 21, 2018, Managing Director of a MII may serve for a maximum of two terms of upto 5 years each or upto 65 years of age, whichever is earlier. The said requirement would also be applicable to existing MDs of MIIs. After the first term, the appointment process for MD should be conducted afresh. The above provision of Press release shall automatically be applicable to the company subject to SEBI notification.

b) Independent Director:

An Independent Director shall hold office for a term up to three consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 3 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

As per SEBI Press release dated June 21, 2018, Public Interest Director across MIIs may serve for a maximum of three terms of three years each, or upto seventy five years of age, whichever is earlier, with not more than two terms in one MII. The first term in an MII may be extendable by another term, subject to satisfactory performance review. The above provision of Press release shall automatically be applicable to the company subject to SEBI notification.

The Public Interest Directors on the governing board of the shall be nominated by the SEBI.

Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management on annual basis.



7. BOARD DIVERSITY

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

For Executive Director

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

For Non- Executive Director

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

- a. To formulate the criteria for identifying the persons who are qualified to become directors and such persons who may be appointed as the Senior Management Personnel of the Company.
- b. To guide the Board in relation to the appointment and removal of directors and Senior Management.

- c. To determine the qualifications, positive attributes and independence of a director and to ensure Board Diversity and implementation of succession planning in the Company.

8. FAMILIARIZATION PROGRAM FOR DIRECTORS

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

9. CRITERIA FOR APPOINTMENT OF SENIOR MANAGEMENT

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

- (i) The Senior Management should satisfy the "Fit and Proper Person" criteria as prescribed by SCR (SECC) Regulations, 2018 (Refer **Annexure A**);
- (ii) Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, industry experience, background and other qualities as may be required to operate successfully in the position;
- (iii) Contribution towards effectiveness of the organisation as a whole;
- (iv) ability of the appointee to represent the company;
- (v) ability to work individually as well as part of team of senior management;
- (vi) influential communicator with power to convince other in a positive way;
- (vii) ability to participate actively in deliberation and group processes;
- (viii) have strategic thinking and facilitation skills;
- (ix) act impartially keeping in mind the interest of the company on priority basis;
- (x) Profile shall include:
 - Educational qualification;
 - Experience of management in a diverse organization;
 - Interpersonal, communication and representational skills;

- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace.

The Management from time to time shall identify the level, designation and names of (i) Key Management/Managerial Persons under SCR (SECC) Regulations, 2018 & Companies Act and / or persons who forms part of Senior Management and recommend the same to Nomination & Remuneration Committee for its approval. The Managing Director is empowered to identify the candidates in the Senior Management in terms of the criteria prescribed herein and recommend their appointment to the Committee.

10. SUCCESSION PLANNING

The Committee shall review, approve and aid the Board in succession and emergency preparedness plan for key executives as may be identified from time to time. The abovementioned

criteria may be applied for such identification and evaluation.

11. REPORTING TO THE BOARD

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

12. AMENDMENT

Any amendment or modification in the Companies Act, 2013, SCRA, 1956, SCR (SECC) Regulations, 2018, Rules, Regulations and directives issued under the respective statutes (which include Listing Regulations) and any other applicable provision relating to Nomination and Remuneration Committee shall automatically be applicable to the Company.

13. REVIEW OF THE POLICY

This Policy shall be reviewed by the Committee periodically, presently once in 2 years, unless an earlier review required to ensure that it meets the regulatory requirements or latest industry practice or both.

ANNEXURE A

FIT AND PROPER CRITERIA UNDER SCR (SECC) REGULATIONS, 2018

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

- (A) such person has a general reputation and record of fairness and integrity, including but not limited to—
- financial integrity;
 - good reputation and character; and
 - honesty;
- (B) such person has not incurred any of the following disqualifications—
- the person or any of its whole time directors or managing partners, has been convicted by a court for any offence involving moral turpitude or any economic offence or any offence against the securities laws;
 - an order for winding up has been passed against the person;
 - the person, or any of its whole time directors or managing partners, has been declared insolvent and has not been discharged;
 - an order, restraining, prohibiting or debarring the person or any of its whole time directors or managing partners, from dealing in securities or from accessing the securities market, has been passed by the Board or any other regulatory authority and a period of three years from the date of the expiry of the period specified in the order has not elapsed;
 - any other order against the person, or any of its whole time directors or managing partners, which has a bearing on the securities market, has been passed by the Board or any other regulatory authority, and a period of three years from the date of the order has not elapsed;
 - the Board has initiated recovery proceedings under the SEBI Act, 1992 and are pending;
 - the person has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force;
 - the person is financially not sound or has been categorized as a willful defaulter; and
 - any other disqualification as specified by the Board.



ANNEXURE 3 TO BOARD'S REPORT

National Stock Exchange of India Limited

REMUNERATION POLICY

1. INTRODUCTION

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

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

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

2. DEFINITIONS

- (i) "Board of Directors" or "Board" shall mean the collective body of directors of NSE;
- (ii) "Director" means a director appointed on the Board of NSE;
- (iii) "Public Interest Director" means an Independent Director, representing the interests of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of the Securities and Exchange Board of India ("SEBI"), is in conflict with his role;
- (iv) "Independent Director" shall have the meaning as defined under the Companies Act, 2013 read with relevant rules and the Listing Regulations.
- (v) (A) "Key Managerial Personnel (KMP) under Companies Act, 2013 means-
 - (a) Managing Director or Chief Executive Officer ("CEO") or Manager;

- (b) Company Secretary,
 - (c) Whole-time Director;
 - (d) Chief Financial Officer; and
 - (e) Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - (f) such other officer as may be prescribed.
- (v) (B) KMP under SCR (SECC) Regulations, 2018 means such persons as may be identified as KMPs by the NRC / Board, from time to time

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

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

- (vii) "Nomination and Remuneration Committee" or "Committee" shall mean a Committee of Board of NSE, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013, Listing Regulations and Regulation 27 of SCR (SECC) Regulations, 2018.
- (viii) "Policy" means this Remuneration Policy.
- (ix) The term "Senior Management" includes such persons identified by the NRC / Board from time to time in terms of Companies Act, 2013 and Listing Regulations

- (x) “Whole-time director” includes a director in the whole-time employment of the company.

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

3. INTERPRETATION

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

4. OBJECTIVES

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

- (a) To lay down a policy for payment of remuneration to the Directors, Key Managerial Personnel, Senior Management and other employees of NSE;
- (b) To assist the Board on determination of remuneration payable to the Directors, Key Managerial Personnel, Senior Management and other employees of NSE;
- (c) To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (d) To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (e) To ensure that the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

5. REMUNERATION OF DIRECTORS, KMP AND SENIOR MANAGEMENT:

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

time in this regard shall be followed while determining the compensation payable to Directors.

- (b) The remuneration / compensation / commission to be paid to the KMP shall be approved by the Committee. For KMP's under Companies Act, 2013, it shall be as per the statutory provisions of the Companies Act, 2013 read with the rules made thereunder for the time being in force. For KMP's under SCR (SECC) Regulations, 2018, the requirements prescribed by SEBI from time to time in this regard shall be followed while determining the compensation payable to Directors, which shall be determined by the Committee. For those Senior Management, compensation payable shall be recommended by the Committee to the Board for its approval and the same will be applicable w.e.f. April 1, 2019
- (c) The Committee shall lay down compensation policy of the Company from time to time in accordance with market practice and the Company philosophy subject to SEBI norms, as may be applicable.
- (d) The annual compensation shall consist of a fixed component and a variable component. The variable component shall not exceed one third of the total pay in respect of KMPs under SCR (SECC) Regulations, 2018.
- (e) ESOPs and other equity linked instruments shall not be offered or provided as part of the compensation for the Key Management Personnel in terms of SCR (SECC) Regulations, 2018.

The following factors shall be considered while fixing compensation package for the employees: performance, potential, qualification, experience, expertise, role, responsibilities, level of employees, inflation, attraction and retention of talent, market benchmark, size and complexities of operation, financial condition and health of the Company, etc.

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

6. REMUNERATION CRITERIA FOR THE BOARD

For Executive Directors:

- a) **Base Compensation (fixed salaries)**
 - Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, which may include salary, allowances and other statutory/



non-statutory benefits which are normal part of remuneration package in line with market practices.

b) Variable salary:

- The Company may structure any portion of remuneration as variable in the form of commission/bonus or otherwise, linked to rewards on the achievement of Company's and individual performance, fulfillment of specified improvement targets or attainment of certain financial or other objectives set by the Board. The amount payable shall be determined by the Committee/Board, based on performance against pre-determined financial and non-financial metrics.
- As per Section 197 of the Companies Act, 2013, the total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed 11% of net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act except that the Remuneration shall not be deducted from the gross profits.
- The Company may authorize the payment of remuneration upto 5% of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager and 10% percent in case of more than one such official. The Company can exceed these limits only by passing an special resolution at the general meeting.
- The Company with the approval of the Shareholders may authorize the payment of remuneration exceeding 11% of the net profits of the company, subject to the provisions of Schedule V of the Act.
- The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Act.
- The Whole-time Director/Executive Director shall not be entitled to sitting fees as per the provisions of the Act.
- The Whole-time Director/Executive Director shall be governed by HR policies as applicable to the other employees of the Company.

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

- The Non-executive/Independent Directors/ Public Interest Directors of the Company are entitled to sitting fees for attending the meetings of the Board or Committees thereof.
- The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director upto 1% of the net profits of the Company, if there is a managing director or whole time director or manager and 3% of the net profits in any other case. The Company can exceed these limits only by passing a special resolution at the general meeting.
- All fees / compensation, if any paid to non-executive directors, including independent directors, shall be fixed by the Board of Directors within the limits as prescribed under the Act and shall require prior approval of shareholders, however, the requirement of obtaining prior approval of shareholders shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Act.
- The reimbursement of expenses for attending the Board and other Committee meetings including travelling, boarding and lodging expenses, shall be paid by the Company.
- Commission may be paid to the Non- Executive Directors/Independent Directors/Public Interest Directors within the limits prescribed under the Act i.e. not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act and with the prior approval of the Shareholders of the Company. The Board shall however, have the authority to determine the manner and proportion in which the amount be distributed amongst the Non- Executive Directors and Independent Directors.
- Shareholders approval by way of special resolution is required for the following:
 - a. Appointment of a person who has attained the age of 75 years or continues to be appointed as a Non- Executive Director
 - b. Annual remuneration payable to single non- executive director exceeds 50% of the total annual remuneration payable to all Non-Executive Directors

For Key Managerial Personnel (KMP) and Senior Management

- The remuneration of the Key Managerial Personnel and Senior Management shall be determined, after considering the following key factors:
 - a) The level and composition of remuneration that should be reasonable and sufficient to attract, retain and motivate directors/executives and should be in line with the industry practice aimed at promoting the short term and long term interests and performance of the company.
 - b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - c) Remuneration will involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

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

- The variable pay component shall not exceed 1/3rd of total pay and 50% of the variable pay in respect of the KMPs under SCR (SECC) Regulations, 2018 in respect of each financial year shall be paid to the employee concerned on completion of 3 years from the last date of the respective financial year. However, as a malus arrangement, the said amount or any part thereof in respect of a financial year may be prevented from being paid by the compensation committee, after providing

an opportunity of being heard to the concerned KMP, in case of fraud, misfeasance, misappropriation or excessive risk taking by the concerned employee intentionally causing financial loss to the company.

- The KMPs under SCR (SECC) Regulations, 2018 are also covered under a claw back arrangement under which the compensation committee may require an employee to return previously paid or vested remuneration partially or fully, after providing an opportunity of being heard to the concerned KMP, under the following circumstances namely fraud, misfeasance, misappropriation and intentionally causing financial loss to the company. The claw back is exercisable within a period of three years from the end of financial year in which the remuneration was paid or vested. The claw back is not exercisable in respect of retiral benefits accrued to KMPs.

7. REPORTING TO THE BOARD

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

8. AMENDMENT

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

9. DISCLOSURE

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

10. REVIEW OF THE POLICY

This Policy shall be reviewed by the Nomination and Remuneration committee periodically, presently once in 2 years, unless an earlier review required to ensure that it meets the regulatory requirements or latest industry practice or both.



ANNEXURE 4 TO BOARD'S REPORT

PERFORMANCE EVALUATION CRITERIA

Criteria for performance evaluation of the Board, its Committees, Individual Directors, the Chairperson and PID's

I. GUIDING PRINCIPLES FOR PERFORMANCE EVALUATION OF THE BOARD

A. Governance related

- Corporate Governance standards adopted by the Board and its implementation
- Understanding roles and responsibilities of Directors
- Code of conduct and Ethics and adherence thereto
- Independence of Board functioning
- Commitment to highest ethical standards of integrity and probity.

B. Business related

- Understanding of the objectives, values, vision and business of the Company
- Provision of entrepreneurial leadership
- Setting up of Company's strategic aims and financial goals
- Guidance to drive financial and business performance of the Company and periodic review of the same
- Ensuring necessary financial and human resource support to achieve Company's objectives
- Strategic and business risk evaluation, assessment and timely action.

C. Others

- Adequacy of number and length of meetings, commensurate with the size and nature of Company's business.
- Robustness of financial controls and risk management systems.
- Board processes for ensuring optimum size, composition, diversity and delegation of authority
- Accountability for decisions taken.
- Adequate reporting mechanism to stakeholders and redressal of their grievances.
- Engagement with the executive management (formal or informal) on issues/concerns having effect on the Company's functioning.

II. GUIDING PRINCIPLES FOR PERFORMANCE EVALUATION OF COMMITTEES

In addition to the principles stated above for evaluation of Board to the extent applicable to the respective committee, constructive recommendations made by the Committee(s) to the Board may also be kept in mind.

III. GUIDING PRINCIPLES FOR PERFORMANCE EVALUATION OF INDIVIDUAL DIRECTORS

The individual director's performance may be largely evaluated based on his/her level of participation and contribution to the performance of Board/Committee(s) in respect of the above areas. Besides the same, the skills, knowledge, experience, attendance record, devotion of sufficient time and efficient discharge of responsibilities towards the Company, Board and Committees of which he/she is a member and timely disclosure of personal interest, compliance of Code of Conduct and Ethics, Code for Independent Directors etc., may also be taken into account.

IV. GUIDING PRINCIPLES FOR PERFORMANCE EVALUATION OF CHAIRPERSON

In addition to the above, the following principles may be kept in mind while evaluating the performance of the Chairman:

- Efficient leadership qualities and determination of delivery of the Company's strategy.
- Guidance to Board for formulation of annual work plan against agreed objectives and goals.
- Ensuring adequate flow of information to all Directors on any issue where a decision is required.
- Enhancing of Company's image in dealings with major stakeholders.

V. GUIDING PRINCIPLES FOR PERFORMANCE EVALUATION OF THE PID'S

- Qualifications:** The PID's qualification in area of law, finance, accounting, economics, management, administration or another area relevant to the financial markets, including any recent updates in this regard.

- b. Experience:** The PID's prior experience in area of law, finance, accounting, economics, management, administration or any other area relevant to the financial markets, including any recent updates in this regard.
- c. Knowledge and Competency:**
- Whether the PID has sufficient understanding and knowledge of the entity in which it operates and the applicable regulatory norms.
 - Whether the PID has sufficient understanding of the role, responsibilities and obligations of PID under the relevant regulatory norms.
 - How the PID fares across different competencies as identified for effective functioning of Board of the concerned MII.
 - Whether the PID has sufficient understanding of the risk attached with the business structure.
- d. Fulfilment of functions:**
- Whether the PID understands and fulfils the functions as assigned to him/her by the Board and the regulatory norms.
 - Whether the PID gives views and opinion on various regulatory matters when comments are invited by SEBI through various means.
- e. Ability to function as a team:**
- Whether the PID is able to function as an effective team- member.
 - Whether the PID listens attentively to the contributions of others and gives adequate weightage to the views and perception of other Board members.
 - Whether the PID shares good interpersonal relationship with other directors.
- f. Initiative:**
- Whether the PID actively takes initiative with respect to various areas.
 - Whether the PID insists on receiving information necessary for decision making.
 - Whether the concerned PID keeps himself well informed about the functioning of MII and the external environment in which it operates.
- Whether the PID remains updated in terms of developments taking place in regulatory areas.
 - Whether the PID has identified any important issues concerning any matter which may involve conflict of interest for the concerned MII, or may have significant impact on their functioning, or may not be in the interest of securities market, and whether the PID reported same to SEBI.
- Whether the PID appropriately deals with critical matters.
- g. Availability and attendance:**
- Whether the PID is available for meetings of the Board and attends the meeting of Governing board and Committees regularly and timely, without delay. It must be ensured that the concerned PID hasn't remained absent for three consecutive meetings of the governing board and has attended seventy five per cent of the total meetings of the governing board in each calendar year; failing which the PID shall be liable to vacate office.
- h. Commitment**
- Whether the PID is adequately committed to the Board and the MII.
- i. Contribution:**
- Whether the PID has contributed effectively to the entity and in the Board meetings.
 - Whether the PID participates in the proceedings of Board meetings keeping in mind the interests of various stakeholders.
 - Whether the PID actively deliberates and contributes on proposed business propositions and strategic decisions taking into consideration pros and cons of such propositions, long term outlook, business goals, cost-benefit analysis, etc.
- j. Integrity:**
- Whether the PID demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.).
 - Whether the PID strictly adhere to the provisions of the SEBI SECC Regulations, 2018 and any other regulatory provision, as applicable, along-with the code of conduct and code of ethics prescribed under other applicable regulatory norms.



- Whether disclosures such as dealing in securities and other regulatory disclosures are provided by the PID on timely basis.
- Confirmation on the PID being a Fit & Proper person.
- Confirmation that the PID doesn't disclose confidential information, including technologies, unpublished price sensitive information, unless such disclosure is expressly approved by the Board of directors or required under the applicable laws.

k. Independence:

- Whether the PID is independent from the entity and the other directors and there is no conflict of interest.
- Confirmation as to non-association of the PID with relevant MII and its member.
- Whether the PID keeps regulators informed of material developments in the concerned MIIs functioning, from time to time.

l. Independent views and judgment:

- Whether the PID exercises his/ her own judgment and voices opinion freely.
- Whether the PID's participation in decisions taken during meetings are unbiased, based on ethical judgment and are in strict conformity to the applicable regulatory norms.
- Whether the PID raises his/her concern if anything is observed contrary to regulatory norms and the expected norms of ethical conduct.
- Whether the PID is committed to ensure that there is fairness and integrity in MIIs system, in letter as well as spirit.

VI. PROCESS FOR PERFORMANCE EVALUATION

The following process may be adopted for performance evaluation:

- (a) Independent Directors may at their meeting review the performance of the Chairperson, the Non-Independent Directors and the Board as a whole;
- (b) The NRC or Board or the Independent External Person may, carry out the evaluation of every Director's performance, the Board and the Committees. The NRC or Board or the

Independent external agency, while doing so, may also take into account the inputs of review by Independent Directors;

A. Process of Evaluation by the Independent Directors / PIDs

The Independent Directors / PIDs may review the performance of the Chairperson, the Non- Independent Directors and the Board as a whole. In the meeting, the Independent Directors may like to consider the following while carrying out performance evaluation of:

I. Chairperson:

- In-depth knowledge of the industry and business.
- Enjoys trust and confidence of Board members.
- Ensuring that every Board member has an opportunity to be heard and to present his/her views without any constraint.
- Encouragement to Independent Directors to bring diverse perspectives on the table.
- Ensuring that Directors are fully informed as possible on any issue where decision is required.
- Efficient leadership qualities and determination of delivery of the Company's strategy.
- Guidance to Board for formulation of annual work plan against agreed objectives and goals.
- Ensuring adequate flow of information to all Directors on any issue where a decision is required.
- Enhancing of Company's image in dealings with major stakeholders.

II. Non-independent Directors:

(i) Managing Director and Chief Executive Officer

- Long-term vision for the Company and business acumen.
- Entrepreneurial leadership to the Company and its business segments and setting up of strategic vision.
- Clear understanding of Company's business, industry dynamics, competitive trends including global trends and inherent business and operational risks.

- Willingness to experiment and adopt innovative strategies for changing the Company's business landscape.
- Execution of policies and procedures put in place by the Board.

(ii) Shareholder Directors

- Places company's interest ahead of personal interest.
- Protection of stakeholders' interest.
- Protection and enhancement of Company's brand value and goodwill and Delegation of authority and responsibility.
- Alignment of day-to-day functioning with the strategic aims and financial goals of the Company.
- Exercise of duties with due and reasonable care, skill, diligence and independent judgment.

(iii) Board of Directors:

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

B. Process of Evaluation by Board / NRC/ External Agency

The Board / NRC/ External Agency may evaluate the performance of the Board as a whole, the Board Committees and the Individual Directors as defined in the Board Evaluation Policy ('the Policy') considering the following:

i. Board of Directors:

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

ii. Board Committees:

- Constructive recommendations made to the Board from time to time.
- Engagement with executive management (formal or informal) on information required by the Committee to effectively its statutory responsibilities.

iii. Individual Directors:

- Understanding of roles, responsibility, regulatory systems, laws and regulations applicable to the Company and performance of duties in independent and objective manner.
- Understanding of objectives, values, vision and business of the Company.



- Level of participation and devotion of time to Board meetings and Committee meetings, if any.
- Skills, knowledge, experience, application of subject matter expertise.
- Adherence to Code of Conduct and Code of Ethics of the Company.
- Disclosure of conflict of interest or material pecuniary relationships with the Company, its subsidiaries and associates or any proposed contract or arrangement.
- Engagement with executive management for efficient discharge of responsibilities.

While carrying out performance evaluation as above, the Board may take into account the inputs received, if any, from the review by NRC, if any, and the review by Independent Directors.

iv. Public Interest Directors (PID's):

- a. Board shall evaluate the performance of each PID, on an annual basis at the end of every financial year.

- b. PID's shall also be subject to external evaluation during their last year of the term in a company, by a management or a human resources consulting firm. The consultant shall take into consideration the performance of the PID for the entire tenure served in a given company, at least up to 4 months before expiry of his/her term. In order to avoid any bias or conflict of interest, external consultant should not be a related party or associated with the company, the concerned PID or any other governing board members.
- c. The performance review of PID's should be carried out in fair and objective manner and the review should be recorded with clarity and verifiable facts in a standardized format covering all the relevant criteria/aspects.

While evaluating conflict of interest of a PID, the governing board of MII shall also take into consideration provisions of Clause 2(d) of Schedule II Part H of SECC Regulations, 2018 under the head 'Public Interest Director'; and conflict of interest, if any, of any PIDs should be disclosed to SEBI by the governing board with their comments/ views.

ANNEXURE 5 TO BOARD'S REPORT

ANNUAL REPORT OF THE CSR ACTIVITIES FY 2018 -2019

1. NSE Group CSR vision

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

The key focus sectors identified by NSE Group for social intervention and impact target the triply 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.

(a) CSR Focus Areas, Objectives and Goals

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

NSE, has currently identified three CSR areas as issues of concern to be addressed in the developmental landscape in India. They are i) Primary Education, ii) Elder Care, iii)

Sanitation & Safe Drinking Water. 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, emergency disbursements to undertake relief through NGOs etc. NSE also undertakes research and studies in areas specified in Schedule VII including promoting education.

The NSE Group CSR programmes seek to impact the most disadvantaged sections of the community by undertaking long term impactful programmes in education and elder care. Projects undertaken under these verticals are not one-time activities but are 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 such as environment awareness, nature trails, blood donation camps, visits to the project sites etc. which 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.

(b) Primary Education

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

NSE Group has identified 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.

(c) Sanitation and Safe Drinking Water

The initiatives in WASH (Water, Sanitation and Hygiene) programmes are aligned to the goals of the Swacch Bharat Mission and the Swacch Bharat Swacch Vidyalaya. Under this, NSE Group supports sanitation projects in the schools, communities, and awareness building on sanitation, safe drinking water, solid waste management and other WASH related aspects to ensure usable WASH facilities in schools, anganwadis etc. and strive towards sustainable open defecation (ODF) free communities through sustained behaviour change communication.

(d) 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 limited NGOs working on elderly issues to collectively empower elders in various aspects of their day to day life. Projects considered under the elder care segment focus on enhancing the holistic well-being of the underprivileged ageing population by awareness campaigns and addressing their mental and physical health indicators through health camps etc., addressing elder abuse, loneliness, economic and financial independence by activities that create to awareness of issues relating to the elderly.

(e) Research and Studies in areas specified in Schedule VII including promoting Education

Research activities may be undertaken in the areas as described in Schedule VII of the Companies Act, 2013, or in the areas promoting education such as Economics, policy, regulatory, market, corporate governance etc. as CSR activities provided that (1) they are with an educational or research institution and (2) they are in the Project mode and not a 'one off activity' and do not involve the creation of an endowment chair.

(f) 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, under the CSR policy.

(g) Selection Criteria of Projects

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

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

The programme proposals 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 Group CSR team had developed a reference framework based on the FINITE model to bench mark the projects. 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) and 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 Group, focus verticals, geographical area located in backward districts, needs of the community, impact of the programme, beneficiaries profile and sustainability of the project after completion.

(h) Monitoring and Evaluation of CSR Initiatives

Rigorous monitoring and evaluation processes ensure the success of the CSR programmes. NSE Group through empanelled Project Management and Evaluation agencies (PMEs) of repute and experience, apply stringent criteria while selecting the NGO partner and the programmes. The projects have the key indicators defined and impact assessed in the CSR projects undertaken.

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

(i) Projects undertaken by NSE Group CSR during the FY 2018-19

i. Chunauti

Project Chunauti, a field action project of TISS was initiated in 2012 on the direction of the Mumbai High Court in response to the gross abuse and neglect of children in Mentally Disabled Children's (MDC) Homes in Maharashtra. Project Chunauti is an effort to promote and protect the rights of these intellectually disabled, orphan children who are the most vulnerable group in society. Earlier, there was no vision for the rehabilitation and social re-integration of such children in Maharashtra. Project Chunauti has developed a rights-based model of intervention for mentally challenged, orphaned children with interventions like education, vocational training, counseling, development of individual care plans, training in life skills and efforts towards social reintegration into society. Inclusive education under Sarva Shiksha Abhiyan (SSA)-Right to Education (RTE) Act has been

complied for children in MDC Home, Mankhurd. This was the first time that children with intellectual disability from a MDC Home attended regular school. A resource room has been created in the school where these children are attending school under SSA program. Children were provided special inputs in the resource room, which has helped them to cope with the regular school. Counselling sessions, occupational therapy, physiotherapy, remedial learning, skill development, various alternate therapies to provide emotional healing etc. are also conducted for the children.

The Project Chunauti team initiated replication of the Chunauti model in 19 more MDC homes across Maharashtra working with 353 stakeholders consisting of experts, Government officers, academicians, MDC Home functionaries etc. 593 children have been indirectly impacted through the replication process. Till date, 204 staff members from 11 MDC Homes have been trained to conduct assessments and design individual care plan for each child based on the individual requirements.

ii. Educate Girls' programme

This education project is supported since 2017 in 463 villages in three blocks of Ajmer, namely Bhinai, Jawaja and Silora. The project aims at ensuring the re-enrolment of out of schools (OOS) girls who have stopped attending school and those girls who have never been enrolled, retention of girls enrolled in schools and improving the learning outcomes of children studying in grades 3, 4 and 5. In order to improve learning levels (numeracy and literacy), a structured curriculum is implemented in schools for children (both boys and girls) using specially designed kits called Gyan Ka Pitara (GKP).

The intended impact of the project supported by NSE Group is to increase enrolment of girls in schools, retain at least 85% of enrolled girls in school and improve learning outcomes for over 4,900 children studying in grades 3-5. The programme is undertaken by a cadre of unpaid community volunteers called associated with the organization. The second year of the project implementation is currently underway and 2,127 out of school girls have been enrolled in schools. Learning curriculum through GKP kits is being implemented in 226 schools to improve learning outcomes for around



5,800 children. To ensure institutional strengthening and leadership the project has formalized 331 SMCs and 201 Bal Sabhas (girl's councils) providing training and handholding support to around 3,420 SMC members and around 2,600 Bal Sabha girls.

iii. Education Activity Centre (Urban)

This project was a literacy programme for children aged 6 -14 years of construction, migrant and seasonal labourers in Pune bringing education through the Educational Activity Centers (EAC). The programme has completed three years of implementation. This is an attempt to include those children who are at risk of being drawn into the child labour force. The project also tracked 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. A total cumulative number of 1000 children benefited by this project and 132 children were tracked and 76 re-enrolled in schools.

iv. Eureka Super Kidz

This project benefits 2886 children in 100 villages of six districts in Tamil Nadu: Cuddalore, Kanchipuram, Thiruvallur, Thiruvannamalai, Trichy and Vellore to ensure quality education for children in grades 3-7 to promote achievement in basic skills of Tamil, Math, English and Science through an after school remedial education programme and for children in grades six to eight programme in basic skills of Math, English and Science through after school interventions with interested teachers focusing especially on children lagging in basic skills. The program also builds the capacity of the tutors and block trainers (trained community youth) through workshops on classroom management, soft skills and innovative teaching techniques.

The programme also intervenes through tinkering labs to provide a trigger for scientific temperament, health sessions for awareness on better nutrition, "Walk 'n' Talk English" program to help better engage the parents and community.

The project is in its third year of implementation. The total enrolment is 2635 children of which 417 are from the 28 tribal villages. The increase observed in enrolment has been 27%. There has also been an average of 50% improvement the skills taught to the students.

v. Fellowship Sponsorship Programme

This programme supports 60 teaching fellows drawn from various professions, 42 in Mumbai and 18 in Chennai drawn to teach in low income and Government schools. It is seen that embedding of such trained and skilled teaching fellows within the educational systems leads to a high transference of skill sets and improving of the overall educational ecosystem. This in turn leads to improved learning outcomes in numeracy and language of 2100 students.

Students are assessed on the Student Vision Scale which in addition to learning and improving the values & mindsets shapes how children choose to operate in the world and contribute towards making it better with better self-understanding. Emphasis is also placed on developing higher competencies in Maths. The learning outcomes for the students have shown an average reading level of 2.01 in Reading Comprehension (RC) assessments, and an average 29% mastery in Math assessments. In addition to learning and other outcomes, the Fellow's leadership development journey is assessed on a Fellow Commitment Scale which measures 3 commitments Personal Transformation, Collective Action, and Educational Equity.

The project, currently, in the third year has shown improved learning outcomes, increased measures on the Student Vision Scale at 23% and the Fellow commitment scale at 22% increase.

vi. Girl Child Education Programme

The NSE Group Girl Child Education project runs 100 out -of- school learning centres in 100 extremely remote villages of Purulia and Bankura Districts in West Bengal. The programme follows a cyclical approach in which the child is engaged for five years to build a strong learning foundation. This helps in enrolling them in regular upper primary schools and because of their conceptual proficiency, instances of drop out are reduced. The project objective is to improve access to quality education for out of school girls through learning centers and to improve learning outcomes for girls enrolled with learning centers and ensure their transition to formal schooling and continuing education. The project focus is on motivating children of remote tribal and other backward communities to

join the learning centers. This project engages with the community at every step to ensure sustainability of the initiative and the learning centers are set up with the help of the community in the spaces provided by them to promote ownership of the programme. This project has reached 1627 girl children in and 1706 girl children in Purulia in its first year. Currently, 3183 girl children are enrolled in 100 centers. Around 98 community people have been trained and employed as teachers in these centers.

vii. Girls Empowerment through education training & action- GEETA

The project 'Girls Empowerment through Education Training & Action'-GEETA completed its term of implementation in nine villages of Mihinpurwa block, Bahraich district in Uttar Pradesh and focused on 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 benefitted by the creative methodologies of the project.

The project built capacities of teachers and School Management Committees (SMCs) through training and community mobilization and in turn strengthens the demand side of education. The programme improved the level of education with emphasis on improved reading, writing and speaking skills, retention of girls in schools, increasing attendance, and reducing dropout rates.

viii. Grow with Books- Rural

The Project 'Project Grow with Books' was implemented in Mulashi taluka near Pune in the third year of implementation. The NSE Group project aimed 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. The programme comprises of 4 distinct modules for children from grade 1 to 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 conducted 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. In end of the third year, 82% children from grade 1 who had an attendance of 80% or more were able to read their age and grade level.

ix. Grow with Books- SMC

The NSE Group– DSS SMC project was implemented in five municipal schools of Pune. The programme sought to increase participation of school teachers in the reading class sessions and the third component aimed to create awareness among the School Management Committees (SMC) regarding their roles and responsibilities so as to make it functional. The objective was to create a sustainable model where the SMC members strengthen and represent the voice of the community to demand quality educational services through the state delivery systems as well as participate in ensuring the delivery of upgraded services.

x. Grow with Books- Mumbai

This education project in Mumbai in 25 Municipal Hindi & Marathi schools reaches out to around 10,000 children living in urban slums. . The children are first generation learners from low income families who have migrated to Mumbai. The programme has recently commenced its third year and seeks to enhance classroom transactions through four types of interventions run in the school along with capacity building of 376 MCGM school teachers and intervention through 66 trained facilitators, namely; (1) First Step Forward, which ensures reading and writing readiness for children in Std 1; (2) Remedial Class in Language & Math for grades 1 to 5; (3) Reading Promotion Programme grades 2 to 5 and (4) Library sessions and Bal Samuha to enhance reading skills and confidence among children.

The programme has observed an overall improvement in 98% children in First step forward as they could read words and sentences according to the performance scale in the end of year two. 735 Children of grade I through First Step Forward lacking pre-school exposure learnt to read and recognize alphabets and matras. There is improved academic progress of 688 educationally backward children through Remedial Education Classes in Language and Math. The Reading



Promotion Programme, Library & Home lending borrowing of books has reached 1310 children at the end of year two. The project has also improved self-esteem and participation at school level events through Bal Samuha or Children’s Groups.

xi. Leadership Training of the Panchayat Elementary Education Officers (PEEOs – Principals of Senior Secondary Adarsh Schools)

The Principal training programme conducted in Jaipur, aims to build the academic and leadership skills of the 6000 Principals of the Adarsh schools so that they can ensure effective implementation of the State Improvement for Quality Education (SIQE) programme and improve the quality of education delivered by their schools. Through detailed six-days training about 4000 out of 6000 PEEOs have been trained to support and monitor schools for effective implementation of Child Centric Pedagogy (CCP) and Continuous and Comprehensive Evaluations (CCE) processes gradually impacting on the quality that is being delivered by the schools, at scale. PEEOs are now actively participating in workshops/meetings with DIET faculty to develop worksheets, summative tools, TLM materials etc.

The feedback gathered from the programme shows that almost 100% participants found the training useful, 68% respondents found the session highly satisfactory and 65% said that their understanding on children’s evaluation methods was highly satisfactory.

xii. Learning Enhancement Program for children in Disadvantaged Communities

The project impacts around 14,500 children between 6 – 14 years in 120 communities in 5 cities of Maharashtra viz. Nagpur, Nashik, Thane, Pune and Aurangabad through support classes, library camps and parent education. The project is designed to assist children of grades 1 & 2 with early literacy and numeracy, also, improve learning levels in math and native language of children in grades 3-8. The program provides access to good quality books to all children in the targeted communities through a community library program.

Support Classes provide academic intervention for grades 3-8 for specific competencies based on children’s learning needs in Language and Math and

has seen improvement in 85% children out of the 4334 children enrolled.

The project has been successful in the mobilization of two to three volunteers in each community to conduct the library program in all the 120 communities which has reached 12,356 children.

Under the Parents Education initiative, workshops have been conducted regularly on a monthly basis in each of the 120 communities and 6256 parents were provided with material and instructed on how to apply this material to engage with their children to enhance academic development. The project has seen a gradual increase in number of parents attending the workshop.

xiii. Learning Orbit for Village Excellence

This programme brings together a diverse and dynamic pool of young people from the local and urban communities to create inspired and collaborative learning in 30 government schools of Kotra and Gogunda. The objectives of the project are to increase the attendance, learning outcomes, personal and professional development of teachers, build aspirations in students to complete school education, enable students with systems thinking abilities and provide mentorship to induce ‘life preparedness’ in students. The project is in its second year of implementation and currently reaches around 2700 students.

This in-school programme has placed trained fellows who teach the students in schools. Two manuals have been created for children to learn. One that focuses on the concepts of maths, language and social studies through themes and another on social and emotional learning through – physical, cognitive, emotional and social aspects. Improvement has been observed in students in both Maths and in English.

The programme includes community learning festivals which become spaces to create awareness and encourage education, learning and participation among out of school children, school administration and community members. 54 learning festivals have been conducted engaging more than 4000 children out of which 400 children were school drop-outs.

xiv. Muktagan: Adopt a municipal school programme

The adopt a school programme project has completed its two year term and supported two government

primary schools, Globe Mill Passage Municipal School in Worli and the N. M. Joshi Marg Municipal School in Lower Parel. The students from the community accessing these schools and the teachers came from under-served urban communities with many of them being first generation learners with virtually no exposure to English. This is significant as the urban slum population in the country is growing due to migration. The project schools have been conceived as an innovative & integrated programme of both teacher and student education. The children experience a developmentally appropriate child friendly curriculum, with emphasis on the English language and the construction of knowledge by children is through activities and a high level of individual attention. Continuous parent involvement and special educators help students with learning disabilities. The idea is to deliver education through teachers from the community as they would be invested in the educational progress of the children and showcase that the state run schools can deliver quality output to citizens with the right inputs. The project reached 315 children who are enrolled in the primary sections of both the schools with 33 community teachers who have been given the course in teacher training.

xv. Prajwala: Strengthening the KGBVs of the state to ensure quality education for all (Madhya Pradesh)

This education initiative in 200+ Kasturba Gandhi Balika Vidyalayas of Madhya Pradesh. The programme is in its first year and is working to improve the quality of education delivered to the girl students studying in the grades 6-8 by improving both the learning environment in both the girls' hostels and the schools that they are enrolled in.

The programme aims to achieve its objective by placing community volunteers in the hostels for providing academic support and creating a conducive learning environment for foundational skills of literacy and numeracy for grades 6th to 8th. Further, training to the government teachers is provided to sustain the intervention along with capacity building of the School Management Committees which are properly oriented of their role encouraged to take responsibilities.

There is also a feature of advocacy to strengthen the state, district and block level administration to improve

the quality of KGBVs by sharing regular progress of the programme with them by working closely with the senior administration to ensure improvements. Capacity building of the wardens is also included in the programme for creating a culture of collective learning in the hostels through creation of schedules for the girls when they get back from the school to the hostels.

xvi. Prajwala: Strengthening the KGBVs of the state to ensure quality education for all (Rajasthan)

Prajwala Project is being implemented in 200 KGBVs across the state of Rajasthan in a phased manner. The program is implemented in association with UNICEF as a technical partner. In phase one of the academic year 2018-19, the project activities are planned for 95 KGBVs across 13 districts to address the prevailing learning gap at different stages and ensure comprehensive development of the girls. The project also aims to strengthen the participation of School Management Committees (SMCs) for facilitating effective management of the schools and to sensitize the block/district and state level Government departments' officials so that the required academic support and monitoring is ensured resulting in improvement in quality outputs.

The project has just entered its second year of implementation and conducts its interventions in 73 KGBVs covering 11 districts with three NGO partners and Bodh by placing two local community volunteers trained as Academic Support Fellows (Field Facilitators). There are 146 such facilitators working in 73 KGBVs supporting the government teachers in remedial education classes as per plan. A 15 days residential training module has been conducted covering all 146 field facilitators on remedial teaching in three batches.

xvii. Rehli Shiksha Pahal Program (RSPP)

The project - Transforming Learning Outcomes in Primary Schools of Educationally Backward Districts - Rehli Shiksha Pahal Program (RSPP) seeks to upgrade learning opportunities for 8000 elementary school students in 214 villages and 150 schools in the Raheli block of Sagar district. Balmitra & Janmitra who are trained community youth, visit villages and engage the parents in dialogues about creating a positive learning atmosphere at home, ensuring the regularity of their



wards to school. The Bal Mitras set-up and manage Community Learning Centres, while the Janmitras extends academic support to the Balmitra and motivates the school teachers to participate in activity based learning practices and also orients School Management Committees (SMCs) towards their role and responsibilities. They also provide print material to the parents, enabling them to monitor and assess the learning levels of their wards.

Under the project, school teachers have been trained in creating and using TLMs based on Activity Based Learning methods. Formation and orientation of SMCs in the schools have been undertaken and active participation of the members is encouraged through regular meetings. Community Learning Centers have been developed in eight villages to help children with learning outside of school. 40 village meetings (Aam Sabha) have been conducted to introduce to the community program objectives and to create mass awareness about the importance of education.

The programme interventions has led to an increase in the learning levels of students and an increase in school attendance among children.

xviii. Saksham

Saksham is an educational programme to improve the learning outcomes in 18 Government run Ashramshalas in Nashik District. It is designed for students of grades 5 - 7 who lag behind the basic competencies in Language and Maths. The programme provides need-based input to children in an accelerated manner to enhance their learning competencies in basic literacy and Maths. The programme achieves its objectives by placing trained Shikshan Mitras or community volunteers to build capacities of teachers and head masters. The entire programme is implemented in close collaboration with the Tribal Development Department (TDD) to ensure sustainability. The project is currently in the second year of implementation. In the first year, training and capacity building sessions has been provided to 54 teachers and head masters of all the selected 18 Ashramshalas and reached 2534 students from grades 5 to 7.

xix. Saksham: Quality Education for Age Appropriate Learning

The NSE Group project Saksham i.e. Quality Education for Age Appropriate Learning has concluded the third year of implementation and has impacted the learning levels of around 1500 children from government schools hailing from nomadic and notified tribes in 25 drought prone villages of Mehkar block of Buldana district in Maharashtra with high migratory patterns. The project was delivered by trained local youth through the learning centres as well as in the community. Through community led interventions ₹84 lakhs was released for school development. On the request of the education department and teachers additional children not covered under the project were identified and the learning material distributed after the training of close to 90 government school teachers who would then supervise them. 373 dropout children were tracked and 223 children were re-enrolled in schools under this initiative. In the third year additional WASH practices in 20 schools were implemented including two Ashramshalas.

xx. Serving and Enriching Education for Under-privileged Urban Children

The urban project ‘Serving and Enriching Education for Under-privileged Urban Children’ was 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 and develop a holistic educational model for strengthening the demand side of Right to Education. The project areas are vulnerable slums in Pune and Thane cities and applies model of ‘Children’s Resource Center’ (CRCs) or ‘Shikshan Ranjan Kendra’ that are established within the community thus bringing quality primary education within the reach of under-privileged children. There is special focus on education of girls and children from socially marginalized sections. The children are closely mentored by a cadre of trained Shikshan-Mitras (SM) or Youth Mentors which has resulted in creating a conducive environment for holistic learning to supplement education, provide minimum grade-appropriate learning and ensure

literacy levels amongst the children through planned academic modules in addition to other life skills. The project has completed a three year term and has impacted total 884 children where 94% children have attained level based reading skills', 79% children have grade-appropriate 'language writing skills' and 83% children have grade-appropriate 'numeracy skills'.

xxi. Serving and Enriching Education for Under-privileged Rural Children

The project is a replication of the urban programme in the rural areas of Satara District with Children's Resource Centres (CRCs) spread over 16 villages within eight remote tribal hamlets. These tribal hamlets are home to 'Katkaris' who are primitive tribes and are designated as 'Particularly Vulnerable Tribal Groups' in Maharashtra. Another extremely marginalized group is 'Denotified and Nomadic Tribes' (DNT) who are stigmatized and face severe geographical & social exclusion. They are also known as 'Vimukta Jati Nomadic Tribes' (VJNTs) in Maharashtra. This Quality of Education project impacted 827 children especially the most vulnerable and hard to reach 115 'Katkari' and 219 DNT and VJNT children.

The project was delivered by the cadre of 16 Youth Mentors called 'Shikshan Mitras'. Due to the intense efforts at grass root level, significant improvement in age-appropriate learning was seen. 91% children have level based reading skills, 89% children writing skills, and 87% children numeracy skills with increase in the attendance rates in schools.

xxii. Serving and Enriching Education to Under-privileged Urban Children in Bhiwandi- Nizampur and Malegaon.

The project is in the second year and the distinct feature is its keen focus on the disadvantaged children from the minority community, many of whom are unskilled migrant workers working in the unorganized power loom industry. The implementation of the project is through the 'Children Resource Center' (CRC) or 'Shikshan Ranjan Kendras'.

The CRCs are nested within the community and also in the schools which are managed by Shikshan Mitras or trained community youth. The Shikshan Mitras through home visits, meetings & community

interactions, emphasize the importance of education, in particular that of girl children. Parents are also updated on the progress of learning of their children and the participation of children in various activities. In addition, Baal Panchayats which are formed in schools spread these messages through children within community and amongst parents.

To instill reading habits among children, libraries in schools have been strengthened with educational books and reading materials.

The project currently reaches out to 822 disadvantaged children with learning gaps. Community level rallies, street plays & puppet shows have been conducted to create awareness in communities about education. The project has identified and re-enrolled 40 school dropout children in the local government schools.

xxiii. Student Teacher Empowerment Program

The project which is implemented in the predominantly tribal and backward district of Sheopur in Madhya Pradesh reaches about 5200 students and 181 teachers in 40 government schools.

The program endeavors to build systemic capabilities in teachers, the government and the community to build a conducive learning environment for students. The project is implemented through 20 Shikshan Mitras who work jointly with the school teachers to bring a systemic change in the teaching learning practices inside the classrooms by using a variety of teaching learning aids to make the students' classroom learning experience more engaging and joyful. A student's portfolio is maintained and performance is tracked for addressing learning needs.

The project is in its second year and all 40 schools have at least one vibrant classroom prepared by the Shikshan Mitras. The overall improvement percentage is more than 30% in end line as compared to baseline. Attendance records indicate 65% of the schools have reported an improvement of over 20% in student attendance, 64% teachers from all the 40 intervention schools have attended the training sessions and based on teacher feedback, 50% of students demonstrated improvement in general behaviour inside the classroom and handling of school property.



xxiv. Quality Education Programme

The programme has completed the third year term. It aimed to deliver a quality supplementary education programme for 1245 primary & middle school children from grade 3 -7 in nine Marathi medium municipal schools that focuses on academic performance, health, hygiene , gender equality, leadership reading and remedial classes for children with learning deficits. These students were from the disadvantaged and marginalized communities with most of them being first generation learners. The 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 which bridges the learning deficit in grades 5, 6, & 7 was implemented in collaboration with an NGO that has done extensive work in pedagogy and capacity building in education.

Sanitation and safe drinking water

xxv. Capacity building of Ashramshala Staff and TDD officials on WASH

This training programme is aimed at creating a group of 250 Master trainers from 514 Government Ashramshalas in all 4 tribal Additional Commissionerate offices (ATC) through a well-structured training programme for three days for each batch of 50 attendees. After the training, the master trainers who are Heads of the Ashramshalas, wardens, supervisors, government officials etc., organize 2 days training at the Government Ashramshala level for improvement of WASH Behaviour for students and staff and influence the augmentation and creation of WASH facilities in all the Government Ashramshalas in Maharashtra. The main objectives of the training programme proposal was to design and develop a module and schedule training of trainers, develop training material for training at Ashramshala and training of trainers for building capacities and creating a cadre of master trainers within the system.

xxvi. Improving sanitation for rural schools in Maharashtra

This school-based sanitation project which has completed its term improved access to sanitation in 30 schools in Akola and Nashik district of Maharashtra. The rationale behind the project was that lack of adequate sanitation in schools is a critical barrier to

school attendance, particularly for girls. The project completed the targeted work of retrofitting sanitation facilities in the selected schools of rural and peri urban locations in Nasik and Akola benefiting around 4200 school children and staff. The project targets improved infrastructure of government 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.

xxvii. Prajwala- Sanitation (Rajasthan)

The project Prajwala was designed to improve the status of Water Sanitation and Hygiene facilities (WASH) of 200 Kasturba Gandhi Balika Vidyalayas (KGBVs) in 33 districts of Rajasthan impacting around 60,000 girl children. Over a period of three years, the project aims to cover these 200 KGBVs through a partnership model with local NGOs, organizations such as UNICEF for technical support and the education department of Rajasthan for systemic support and sustainability. The key project objectives are retrofitted sanitation infrastructure, behaviour change communication (BCC), capacity building and training and development of Operations and Maintenance (O&M) protocols. This will, in turn, improve the usage and maintenance, enable adoption of appropriate practices around sanitation and hygiene including menstrual hygiene management, hand washing, personal hygiene etc. among the students.

The project has recently entered its second year of implementation. Behaviour Change Communication (BCC) sessions on various themes around WASH have been conducted throughout the year with around 7000 students for promoting their understanding and inculcating adequate change in WASH behavior. WASH kits for schools containing educational material for capacity building of various stakeholders like teachers, non- teaching staff, students, adolescent girls, etc. have been developed and distributed in 72 schools. This kit includes cognitive reminders, posters, observation booklets, progress registers, activity kits like water testing kit, seed kit, accessories for improving practices like gloves, apron scarf, for cook etc. Capacity

building of 140 teachers on WASH through training programmes and orientation of School Management Committee (SMC) in 17 schools on their role in developing school WASH plan and on O&M of WASH facilities have been conducted. Training and formation of adolescent girl groups for focused interventions on Menstrual Hygiene Management (MHM) in 72 schools and orientation of 1000 girls on issues around MHM has been undertaken.

xxviii. Prajwala- Sanitation (Madhya Pradesh)

This programme is an extension of Project Prajwala in 200+ KGBVs of Madhya Pradesh. The main objectives of the 'WASH compliant KGBVs in Madhya Pradesh' project is to ensure improved Knowledge, Attitude and Practices among students and teachers on various aspects of WASH in the KGBVs in Madhya Pradesh, retrofitting WASH infrastructure to make the KGBVs WASH compliant and develop systems for Operation and Maintenance (O & M) of WASH infrastructure in the KGBVs. NSE Foundation has signed a MoU with Rajya Shiksha Kendra (RSK), Government of Madhya Pradesh for this project UNICEF is the technical advisor to this project. The intervention will take place in 200+ KGBVs reaching more than 28,000 children.

Key activities have been the preparation of a detailed infrastructure assessment reports that was undertaken in all 51 KGBVs of phase 1 and validated by the government. In addition, preparation of a module for field facilitators for hygiene promotion which comprises of sessions on safe handling of water and food, hand washing, usage of toilet, solid and liquid waste management and personal hygiene to be used by facilitators while conducting sessions with the students. Information, Education and Communication (IEC) on appropriate sanitation and hygiene practices has been developed. The first round of Behaviour Change Communication (BCC) sessions has been completed in 51 KGBVs with 7,117 girls. 49 Child cabinets were formed/ re-formed in select KGBVs. Team of 20 field level animators have been trained on WASH aspects including Menstrual Hygiene Management (MHM) for implementing the software component of the project.

xxix. Promoting WASH Compliant Ashramshalas

The NSE Group project, 'Promoting WASH Compliant

Ashramshalas' is a model project on Water, Sanitation and Hygiene (WASH) in Ashramshalas. Ashramshalas are residential schools run by the Tribal Development Department (TDD). These schools, usually, located in remote areas offer a residential educational facility to children from disadvantaged tribal backgrounds especially if the parents seasonally migrate for work. NSE Foundation initiated this unique project in partnership with the Tribal Development Department along with technical support from UNICEF, basis a WASH benchmarking and assessment report. The project aims to impact around 70,000 students, around 2000 school staff and TDD officers.

The project looks into three major components: (1) Retrofitting of WASH infrastructure as per the Benchmarking and Assessment survey of Ashramshalas (2) Enhanced awareness, knowledge and behaviour change on the aspects of WASH by students, teachers, government officials of TDD and sanitation workers (3) Build or improve systems around operations and maintenance.

Currently, the project is in its second year and around 50,000 Ashramshala students have been covered through the various WASH interventions, such as retrofitting, renovation and repair of water, sanitation, kitchen and other related facilities as well as the software sessions for behaviour change which include group sessions on Menstrual Hygiene Management (MHM) with 5500 adolescent girls, hand washing sessions etc. In addition 1000 teachers have been trained on WASH practices, 474 SMC members have been trained and SMCs strengthened. Around 9,900 children of the Child Cabinets have been trained on leadership and peer learning strategies, and around 1800 government officials have been sensitized about the importance of WASH and the project objectives. Under the project intervention a total of 1104 WASH facilities have been retrofitted/repared.

xxx. Swachha Vidyalaya Swachh Aadat

Swachha Vidyalaya Swachh Aadat project is designed around WASH interventions in 312 schools in Dumka and Pakur Districts of Jharkhand State. Over a three year period, the program intends to capacitate 104 schools each year in planned phases to ensure that children in these schools have access to basic facilities



such as functional school toilets, safe drinking water, clean surroundings and awareness on hygiene. Building children as change agents, the project aims to integrate WASH in School into community water and sanitation initiatives thereby helping to foster improved hygiene in schools and communities. Through this initiative the program aims to benefit approx. 39,141 Students, 1,900 teaching staff, 5,000 School Management Committee (SMC) members.

More than 751 teachers have been trained from 104 schools on importance of WASH in schools, their role, responsibility and methodology on imparting hygiene education. Trainings of the SMC members have been conducted wherein 589 members from 104 schools of phase 1, are trained on their roles and responsibilities, School Development Plan preparation and the advocacy strategies to adopt for leveraging school improvement funds. The student leaders from the Bal Sabhas in schools have been selected and 2127 such students have been trained on hygiene education and hygiene monitoring processes to catalyze change through peer influence and student monitoring. All phase 1 schools have students as ambassadors of WASH and re playing a nodal role in spreading the practice of improved hygiene behavior among their fellow students. All selected schools have retrofitted, functional toilets and hand washing structures for students. To ensure safe drinking water, training on source and storage of drinking water, water quality testing, handling of water and kitchen management of mid-day meal schemes etc. of all schools has been conducted.

Elder care

xxx. Clean (Climate & Livelihoods Enhancement And Nutrition)

This project on Elderly Care is completed. The aim of this project was to create sustainable environmental protection by providing livelihoods and also enhancement of nutrition intake for 5391 members of 392 Elders Self Help Groups (ESHGs) in 04 districts of India – Supaul (Bihar), Purbi Medinipur (West Bengal), Yavatmal (Maharashtra) and Yadadri, Telangana. The key activity under the project was to plant 26,955 trees with the objective to improve the livelihood of the elderly community so that the elderly community gain through supplementary earning through the fruit

tree plantation activities. Also, it was expected that by planting trees, there will be an increase in water catchment and enhanced soil quality in the concerned areas over a period of time. Under this project a total of 26439 different varieties of fruit bearing plants have been planted. The location specific status of plantation is, 5618 in Maharashtra, 7366 in West Bengal, 6805 in Telangana and 6650 in Bihar. The project has also achieved the establishment of liquid manure plants to promote organic farming

xxxii. Elderly Enrichment Centers

The Urban Elder Enrichment Centers Program is designed to provide holistic services for underprivileged senior citizens in the select wards of Mumbai through establishment of 'Elderly Enrichment Centers' (EEC). These centers provide physical and psychological recreational spaces of senior citizens in the community. Through these centers the project aims 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 addresses physical, mental, social, recreational, educational, and counselling needs of elderly. The initiatives are carried out through small group interactions, as well as individual guidance and support including home visits. Awareness on legal rights and prevention of elder abuse are undertaken through local community based organizations (CBOs). Group activities like yoga and other therapies are organized to prevent loneliness and social issues.

The project is in its third year of implementation and physical and mental health care management services like health check- up and camps, consultation referrals, low cost medications was availed by 871 elderly. The programme saw participation of 227 elderly in community group sessions on legal rights, government schemes; 71 elderly were given legal guidance individually. Linkages to avail government schemes such as SC ID cards, old age pension and procurement of eligibility documents- self -identity, residence/ income/ age certificates facilitated among 187 senior citizens. Yoga therapy has recorded 7715 regular senior citizen participation. Registration of 286 new members and outreach to 2145 in the community areas was carried out. There was also enhanced

participation of 110 senior citizens as volunteers within the EEC related activities and support to senior citizen within the community thereby strengthening the elder for elders concept.

xxxiii. Nation Supports Elderly

The project is completing two years and aimed at increasing the awareness and access of senior citizens towards their rights and entitlements in Karra block of Khunti District in Jharkhand spreading over 25 villages. The programme is implemented on ground through Sarathi Centers with the help of trained Vridha Mitras who are the community youth. The centers serve as an information cum recreational center for the senior citizens wherein awareness and capacity is built through workshops, trainings and other sessions. Through the project 5000 senior citizens are being linked to entitlements such as Old Age Pension Schemes, Social Security schemes, like Ayushman Bharat Yojna, Health camps, etc. The programme works towards forming Elderly Self Help Groups (ESHGs) and links them with government schemes for enhanced income generation. The programme also advocates for the various concerns of elderly at the different levels (District and State) to widen the agenda of the Government and Civil Society Organization (CSOs).

xxxiv. Rashtriya Netra Yagna

This project seeks to reduce reversible blindness and treat eye diseases for elderly from the lower socioeconomic strata of the society especially hailing from rural areas. The senior citizens are reached through a network of eye hospitals and other NGOs located strategically in various parts of India which conduct eye health camps in rural areas and assist with the entire lifecycle from identification, facilitation of surgery and post-surgery care for the elderly patients. The programme also assists with rehabilitation of the elderly who are visually handicapped in the situations wherein permanent blindness cannot be cured.

The project is aligned with the government scheme: the National Programme for Control of Blindness. The interventions include: pre-surgery testing; cataract surgeries, post-surgery care and follow up and has benefited around 2400 senior citizens.

xxxv. Shraddha: Towards Active and Healthy Ageing

Project Shraddha – Towards Active and Healthy Ageing has taken shape from a need for establishing an alternate scalable model to mainstreaming elderly by restoring a sense of their own value, strength and their inherent capacity to handle life's problems. The project is implemented to enable conditions in families and communities in order to facilitate active ageing for elderly, without becoming a 'burden' to their families and society. It aims at promoting active and healthy ageing among elderly through self-help collectives in four blocks of four states: 1. Ghatanji (Yavatmal, Maharashtra) 2. Pochampalli (Yadari, Telangana) 3. Kolaghat (Purbi Midnapore, West Bengal) 4. Basantpur (Supaul, Bihar). The project is completing its second year and has ensured inclusion of 5415 elderly through 407 Elderly Self Help Groups (ESHGs). Apart from this, 5848 elderly have been enumerated to get access of rights and entitlements till date. 6949 elderly have been enumerated, 2603 identified and 673 were linked with various government schemes. 398 ESHG have gained access to bank through opening of savings bank account. 1546 elderly have benefited through 8 poly centric knee devices camps and 310 cataract surgeries.

District transformation strategy

xxxvi. Aalambana: Towards Active Ageing

This project has completed its first year and currently works with 11,200 Rural Elderly Poor cumulatively to address primary considerations of a) Social inclusion for countering isolation and neglect, b) Working towards Financial Inclusion and Economic Security, c) Access to Health Care as a Livelihood Capital and d) Digital Literacy and Digital Inclusion. The project is being implemented in Sapotra block in Karauli district of Rajasthan, Mandapam block in Ramanathapuram district of Tamil Nadu and Rajnagar block in Birbhum district of West Bengal.

The programme has mobilized, trained and capacitated approximately 10,635 elderly into 780 self-help collectives to engage better with existing/ adapted livelihoods and providing for livelihood assets/ restoration support. These groups have generated



a cumulative savings of more than 27 lakhs which is used in inter-lending. 505 self-help groups have got bank accounts opened. Given the relative lack of health care access in rural areas, a community managed module for health care to manage chronic ailments, and palliative care for the bed-ridden destitute elderly is in the process of being institutionalized. Through the project Gram Chikitsa (Cluster Village Clinics) are established and cataract surgeries and poly-centric knee braces are provided for elders, through which 543 elderly have benefited.

xxxvii. Akshara

A recently commenced education programme Project Akshara aims to reach 2155 students schools of Rameswaram Island in Ramanathapuram District of Tamil Nadu. The project objective is to bridge learning gaps of students in primary classes through support classes from grades 2 -5 in all the government schools of Rameswaram Island in Ramanathapuram district. The interventions would supplement the school curriculum with innovative teacher learning material, capacity building of teachers, increasing learning levels of student through in school activities to achieve the project objectives. The activities of the project are planned for a period of three years to improve the learning levels of students in Maths, English and Tamil by the community teachers, who are community youth trained in innovative pedagogy.

xxxviii. Alokito Shoishab' (Enlightened Childhood)

This project is designed to reach around 6900 school children in 114 government schools in Rajnagar block, Birbhum district of West Bengal. The project aims to strengthen the basic foundation of children of grades 1&2, and to provide remedial education support for under privileged and weak students of grades 3&4. The project also builds capacity of School Management Committees (SMCs), School Development Committees (SDCs) and teachers. The project is concluding the first year. The project has been able to set up basic foundation and remedial education support centers in 107 (94%) primary schools of the block for enhancing the academic competency of 5275 children within the age group of 6 to 10 years. So far, 55 teachers selected from the communities have gained knowledge and skill of using accelerated teaching methodology

for managing multi grade - multi level children at the center level and 90 government primary school teachers from 45 schools have trained on using Joyful Teaching Methodology in classrooms. Primary school teachers from 45 schools were trained on the importance of SMCs and School Development Plan (SDP) along with the process of preparing SDPs. 3972 community members have got sensitized on issues related to the rights and entitlements for their children along with the causes and consequences of social evils like – school drop-outs, child labour, child marriage, trafficking, child abuse, etc.

xxxix. Building Water Security for Green Rameswaram

This project in the Rameswaram Island of Ramanathapuram District in Tamil Nadu aims to build water security across 21 wards of Rameswaram Municipality and two Gram Panchayat of Rameswaram Island in Ramanathapuram district.

To realize the Tamil Nadu State Vision 2023 of environmental preservation through conservation of natural resources, protection of the coastal zones and fragile ecosystems, the Rameswaram Island Development Committee of the district administration is in the process of building a balanced eco-system through building water security for realizing the vision of 'Clean and Green Rameswaram'. The project involves ensuring safe drinking water through RO plants owned, operated and maintained by the community in 8 locations through RO plants. In addition, the project includes rain water harvesting structures in both community and individual for demonstration and piloting, rain water recharging structures, kitchen garden, soak pit and vermi-composting, demonstration of bio gas unit at individual households and schools, water quality testing and developing a system of Operation and Maintenance (O & M). To ensure sustainability, focus will be on building institutions like Pasumai (Green) Groups, Water User Committees, School Management Committees (SMCs) for effective management through collaboration with the Island Development Committee of Green Rameswaram promoted by the district administration.

xl. EQUIP Ramanathapuram Project (Education Quality Improvement Project)

The EQUIP (Education Quality Improvement Project)

Ramanathapuram Project undertaken for 9350 children in 90 government schools and 90 out-of-school learning centers in Mandapam block, Ramanathapuram district of Tamil Nadu is nearing completion of its 1st year term. EQUIP Ramanathapuram project aims to ensure basic competencies in rural under-privileged students of grades 3-5 in Maths, English and Tamil and for grades 6-8 with regards to basic skills in Math and English through both in school and after school interventions focusing on children lagging in basic skills.

In year one, the project has reached 3688 children across 50 schools and 40 villages during the academic year 2018-19. Learning festivals in more than 15 schools have been organized during the 2nd term and maximum participation from parents and local community was ensured. 57 local teachers (Shikshan Mitras) have been trained in innovative pedagogy and low cost teacher learning materials.

xli. Improving the Quality of Life of the Senior Citizens through Elder Self Help Group model

Recently NSE Group has commenced the implementation of a project focusing on the elderly in Nandurbar, Navapur, Akkalkuwa and Dhadgaon Blocks of Nandurbar district in Maharashtra. The project aims to empower rural senior citizens through health interventions, financial and digital literacy, capacity building in need based professional activities with market linkages to make them socially and financially independent in the Nandurbar district, selected under the district/block transformation approach.

The project would cover 60 villages in Nandurbar, Navapur, Akkalkuwa and Dhadgaon of Nandurbar district, and will reach 3600 senior citizens. The focus would be on senior citizens residing in rural areas to help them with social, emotional and financial empowerment and a sustainable option for livelihoods through self-help collectives.

xlii. ODF Sapotra

The project envisages making Sapotra block of Karauli district (one of the aspirational districts) of Rajasthan Open Defecation Free (ODF) through community and school based WASH interventions. The objectives of this project are to improve WASH facilities in 175 schools and 49 Anganwadi Centres, improve hygiene

practices among children in 175 schools and 49 Anganwadi Centres, generate demand for toilet construction in 1,250 households in Sapotra block and extend handholding support to 1,250 households for accessing Government support for construction of individual household toilets.

The project is in its first year and has initiated a rigorous behavior change communication action plan in the communities. Eight full day awareness campaigns were organised in 72 villages of 34 panchayats reaching out to 17,250 villagers with a focus on construction/usage of toilets, safe drinking water, hand washing practices etc. 340 children have been inducted into the 170 school cabinets formed and 279 WASH Ministers and Child Prime Ministers of these cabinets have been oriented on hygiene practices. SMCs have been mobilized in 163 schools and their meetings have been regularized. 627 SMC leaders of 163 schools have been trained on their roles and responsibilities. 350 members of Village Health and Sanitation Committees have been trained on their roles and responsibilities, meetings have been initiated in 88 villages and Village Sanitation Planning initiated in 40 villages.

xliii. ODF sustainability in Nandurbar

This project focuses on sustainable Open Defecation Free (ODF) communities, WASH compliant institutions such as Anganwadis, schools Ashramshalas, and primary health centers of Nandurbar district. In the initial phase, the intervention covers 137 gram panchayats in the Nandurbar block. The project includes both hardware and software components in 157 Zilla Parishad schools and seven Ashramshalas aiming to reach 33700 beneficiaries with access to Water, Sanitation and Hygiene (WASH). The project focus is on developing WASH compliant institutions as per benchmarking standards (developed by UNICEF) in all Ashramshalas in Nandurbar block, the Swachh Bharat Swachh Vidyalaya Guidelines in all ZP schools in Nandurbar block and WASH facilities as per government prescribed standards in PHC, Anganwadis in Nandurbar block. The broader goal of the project is to ensure ODF sustainability of the Block in 3 years.

Initiatives such as a strong behaviour change communication (BCC) with the help of the panchayats and the communities, innovative practices to ensure



ODF status in the community, ensuring individual household toilets and awareness of finance for the same will be undertaken through community volunteers called Swacchatagrahis and formation of Sanitation Committees called Nigrani Samitis. Masons have also been trained to avoid faulty technical and design related issues in construction of toilets and waste treatment chambers which is a major issue in implementing toilet technology in rural areas.

xliv. Promoting Sustainability of WASH facilities and child centered governance in schools

This project envisages promoting sustainability of WASH facilities and child centered governance in 37 government schools of Rameswaram island, in Ramanathapuram district of Tamil Nadu.

The project will undertake augmentation and retrofitting of WASH facilities such as toilets, urinals, hand washing stations etc., pilot demonstrations through retrofitting of toilets for children with special needs, restoration of safe drinking water points, rain water harvesting structures, installation of water purifiers including water quality testing, kitchen and waste management and development of systems for Operation and Maintenance (O&M) of WASH infrastructure in the schools. To ensure sustainability, focus will be on a systematic Behaviour Change Communication (BCC) programme, building capacity of stakeholders like the SMCs, Child Cabinet representatives, headmasters, teachers, mid-day meal organizers and sanitation staff around WASH and its O&M.

xlv. Promotion of Thiruppullani as Swachh and Swasth Block

The project was initiated in the Thiruppullani block of the Ramanathapuram District in Tamil Nadu to promote sustainability of WASH facilities in schools, Anganwadi Centres (AWCs), PHCs (Public Health Centers) and community of Thiruppullani block. The various activities of the project include augmentation and retrofitting of WASH facilities such as toilets, urinals, hand washing stations etc., restoration of safe drinking water points, rain water harvesting structures, installation of water purifiers, water quality testing, waste management and developing systems for Operation and Maintenance (O&M) of WASH infrastructure in the schools/AWCs/PHCs.

Under this project, efforts will be undertaken to maximize stakeholders' engagement, especially of Govt. officials for convergence and mobilizing their support and participation in project activities. Further, focus will be on Behaviour Change Communication (BCC) programme, building capacity and strengthen participation of various stakeholders in schools and community as a whole.

i. Samrakshana

Project Samrakshana is designed to reach the senior citizens in Rameswaram island of Ramanathapuram district, Tamil Nadu. The project aims to promote inclusion of senior citizens through strengthening their financial, social capital and health interventions. Facilitation, awareness building and linkages with entitlements and government schemes will be undertaken as well. Financial empowerment will also be carried out through elderly self-help groups (ESHGs) which would assist in self-sustenance and income generation for active elders. The health interventions would address the ailments of the elderly along with a health van/ bus which will be going to each village and facilitate specific ailment health camps.

Under the project, a cumulative number of 13,920 elderly would be reached through various interventions. The project would support elderly self-help groups (ESHGs) which would include around 3000 senior citizens and assist in livelihood training and self-sustenance through income generation.

xlvi. Shikshan

The programme aims to improve language and numeracy skills through after school remedial classes for students from classes 1-5 in primary and upper primary sections of 175 government schools in Sapotra block, Karauli district of Rajasthan. In Phase 1, a school enrolment drive was conducted in 177 villages and 1,444 students out of school children were re-enrolled in schools. A baseline assessment was conducted to identify children with learning gaps and provided remedial support through 27 trained Shiksha Mitras in 60 schools for improvement in linguistic and numeracy skills in addition to life skills. Capacity building of 531 teachers has been undertaken to improve skills of 9,609 children enrolled in all 175 schools. 34 schools have been provided with Teaching and Learning Materials (TLM) benefitting a total of 2,340 enrolled

children and 119 teachers. Five Utkrisht Vidyalayas (upper primary schools) have been equipped with educational tools through Building and Learning Aids (BaLA).

The programme also works to empower and educate School Management Committees (SMCs) to proactively work towards raising and resolving pertinent issues like lack of classrooms and teachers, irregular attendance of teachers, poor quality of midday meal, etc. 627 SMC members have been trained on their roles and responsibilities and around 40 SMCs have started leveraging funds from the panchayat funds and community to address issues such as lack of books, levelling of playground, monitoring mid-day meal etc. In 34 Gram Panchayat several meetings were conducted to ensure regularity of children in schools, reduce drop out, re-enrollment etc. approximately 18,756 community members participated in these meetings. Around 170 child cabinets were also initiated to inculcate a sense of participation, leadership and ownership of the schools in children.

xlvi. Shiksha Deep Prakash

This project plans to create sustainable community-led Supplementary Learning Centers (SLCs) to ensure equity and quality in education for primary school children within the Khoyrasol block in Birbhum District of West Bengal. The project will focus primarily on improving learning levels through Sikshan Mitras (SMs) of primary school children in the 10 Gram Panchayats of Khoyrasol, through demonstrable SLCs which would offer remedial education in Language and Math, library-based literacy activities and a series of community based educational events to emphasize the importance of community participation in a child's schooling and education. The project will include setting up SLCs within community premises and provide learning support to primary level children before and after school hours in foundational literacies of Language and Maths.

The SLCs are envisaged as vibrant and attractive space within the community which will motivate children and parents to ensure regular attendance and participation. One of the key elements of the project will be BaLA (Building as Learning Aids). This is an innovative

concept that improves learning through developing and providing a child-friendly, fun based physical environment in the school infrastructure that enables learning. Apart from the Supplementary Learning Centers, the programme will also conduct learning camps and Bal Melas to propagate the importance of education and learning within communities. The SMs will be community youth trained in innovative and child centered pedagogy.

xlvi. Sustainable Community ODF

The NSE Group project undertaken in 28 villages of Mandapam Block, Ramanathapuram District, Tamil Nadu will impact around 50000 beneficiaries in three years and aims at ensuring sustainable ODF status in the block. The recently commenced project includes activities such as retrofitting and repair of sanitation facilities in institutions such as schools, anganwadis and primary health centres. Use of individual household toilets and repair of the same to make it functional is undertaken with both individual and community support so that ODF status is sustained in the communities. Capacity building of all stakeholders including government officials is given importance and the panchayats are involved in all the ODF sustainability related activities. Hygiene education is imparted to schools students and community members through trained educators/facilitators. A key component of the project is to undertake advocacy with local administration for supporting the project with available resources at the local and district level.

xlix. Swaccho – Nirapad Parivesh (Clean and Safe Environment)

'Swaccho-Nirapad Parivesh' which means Clean and Safe Environment, aims to make Rajnagar block, of Birbhum district of West Bengal, an Open Defecation Free (ODF) sustainable block as per ODF Sustainability guidelines of Government of India. This will be achieved through retrofitting of existing sanitary infrastructure, hand washing stations, drinking water facilities and other WASH infrastructure in 116 primary schools, 68 Anganwadi centers including tribal schools/Ashramshalas reaching 77,979 beneficiaries. The project includes strengthening the capacities of local governance for sustained WASH and their commitment for achieving the objectives of Swachh Bharat Mission.



I. Sustainable Drinking Water Safety and Security Project (Nandurbar)

This project is designed to provide safe and secure drinking water facilities to habitations and schools in Nandurbar and Navapur block of Nandurbar district, Maharashtra. Water resource strengthening, rain water harvesting, creating drinking water storage, and solar mini pipe water supply scheme will be undertaken in this project so that selected schools and communities have the access to drinking water on the model of the Swajal model of the GoI which is a drinking water supply scheme, targeting unreached habitations of the aspirational districts which will be operated and maintained by the community.

The focus is on bridging the drinking water infrastructure gap and create a community model for sustainable operation and maintenance for the infrastructure through community mobilization and involvement of the local administration. An important component of this scheme is the skill development of youth so that there would be trained manpower in the communities for the operation and maintenance of all water related infrastructure.

li. Water Services and Systems Strengthening Project

This is a recently initiated project on Water Services and Systems Strengthening in Rajnagar and Khoyrasol blocks of Birbhum District in West Bengal. The project aims to provide safe and secure drinking water facilities to habitations and public institutions in Rajnagar and Khoyrasol blocks of Birbhum district, which is the district selected under the aspirational district transformation programme. Birbhum is an area where fluorine, iron and in some places arsenic is found dissolved in water therefore there is a requirement to provide cost effective solutions for clean drinking water in the affected areas through community participation.

The project will ensure access to safe drinking water through a community model and activation of Village Water Safety and Security (VWSS) groups that includes the village health, sanitation nutrition (VHNS) Committees. These Committees will be activated and trained to build sustainable operations around the project. To demonstrate a model scenario, activities like water resource strengthening, drinking water treatment, creating and/or repairing of water points, hand pumps and leach pits will be created within selected communities. The programme will also ensure

access to safe drinking water in Anganwadi centres and in water quality effected schools. Field water testing kits will be provided to 15 Gram Panchayats and capacity will be built to the volunteer groups for water testing.

Disaster relief and rehabilitation

lii. Enabling Drought Free Villages in Nandurbar

Maharashtra has been hit by drought since the last few years impacting overall agricultural productivity, water security and sustainability of the society. The district of Nandurbar has been affected by moderate to severe drought due to scanty rainfall this year and the State government is making efforts to make Maharashtra a drought-free state by end of 2019. One such initiative is Gaalmukta Dharan Gaalyukta Shivar (GDGS) Yojana- under the Jal Yukt Shivar Yojana programme, the GDGS scheme involves desilting of small dams/ water bodies in the state with the aim of increasing water storage capacity and providing silt to the farmers. The project will focus on de-silting of small and large water bodies which provide drinking water to nearby communities, provision of silt to farmers/ motivate farmers to cart silt and IEC/BCC on drinking water usage, handling, and storage practices. This de-silting would encourage ground water recharge of nearby wells due to percolation of water into the ground. During the monsoon jointly with the forest department tree plantation would be encouraged in these areas through community mobilisation. The project will also include revival of Regional Rural Drinking Water Supply Scheme (RRWS) in 19 villages of Nandurbar in coordination with the district administration.

liii. Recovery and Disaster Risk Reduction actions on WASH (Kerala floods)

In response to the massive destruction in the aftermath of the Kerala floods last year, a critical intervention to test the water quality, initiate a process of systemic model for water quality testing, capacity building around safe water and provision of water filtration units for isolated and marginalized communities was initiated. This project was designed in two phases. In the first phase, the focus was to meet the basic needs of clean and safe drinking water for affected communities in hard to reach areas through installation of water filters as well as provide technical and capacity building support

to government line departments and communities to address the flood-related issues of WASH especially safe drinking. The second phase focused on provision of technical support to the agencies of government of Kerala for enhanced recovery programming and capacity building on key topics related to water safety and landslide risk management.

Under the project, 250 water quality testing kits were distributed to district administration workers and 20 water filtration units and 10 household filtration units were installed in hard to reach areas in 5 districts benefitting approx. 700 families. A module on landslide risk mitigation for panchayats has been developed. 300 government frontline workers have been trained on water quality testing and treatment and 280 PRI and community members have been trained on landslide risk management in 7 landslide prone/affected districts. Further the project has commenced building of a cadre of 280 trainers on water quality testing and treatment in 7 worst affected districts and reaching out to 1750 community members through 70 short training capsule on basics of water quality testing and treatment. Additionally in the second phase community awareness for disaster preparedness and disaster mapping of the panchayats will be undertaken.

liv. Retrofitting of WASH and other infrastructure in GAJA Cyclone affected schools

In November 2018, the State of Tamil Nadu was hit by cyclone Gaja. There was considerable loss of public and private property and many people were killed by the cyclonic storm, which led to this NSE Group project in GAJA cyclone affected schools of Nagapattinam and Thanjavur. The relief efforts has commenced in 30 government aided schools located in Thanjavur (Pattukottai and Orathanadu Blocks) and Nagapattinam districts (Kilvelur, Thirumarugal, Kolidam, Sembarankoil, Vedaraniyam, and Thalainayar Blocks).

The interventions involve repair and retrofitting of damaged WASH and school infrastructure such as toilet blocks, hand washing stations, compound wall, classroom windows, roof etc. The activities would also include BCC, capacity building of SMCs, sanitation, and kitchen staff as well as an O&M protocol to sustain the efforts.

lv. Revitalizing and Retrofitting of Water and Sanitation Facilities (Kerala Floods)

This NSE Group project is a response to the massive destruction in the State of Kerala due to the floods during the month of July/August 2018. The project aims to retrofit and revitalize the school water, sanitation and hygiene infrastructure damaged by floods and also focus on Behaviour Change Communication (BCC) so that the upgraded school Infrastructure is operated and maintained in a sustainable manner so that the upgraded facilities are used by the primary stakeholders. The activities implemented across 15 schools of disaster affected Idukki district in Kerala focus to make the school functional, by revitalizing and retrofitting WASH and other damaged facilities. The project includes behavior change communication (BCC) activities to inculcate safe and hygienic practices in children. Retrofitting and redesign of the mid-day meal kitchens in some of the schools which were damaged and require minor repairs would also be undertaken. Major renovation works have been completed in six schools and are in progress in nine schools. More than 1200 children of six schools have been oriented on appropriate WASH related practices.

NSE CSR Focus Group

In order to strengthen its CSR initiatives, a CSR Focus Group was formed in 2012. The members of the group are 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 to encourage 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, support of Earth Hour, CSR project visits, employee engagement during natural disasters such as flood relief etc.



NSE Foundation

With the rapid increase in the number of CSR projects, it was felt that a separate and focused entity in the form of a Section 8 Company was required to create a measurable impact and enter into collaborations with on ground implementation partners for scale up the CSR programmes. Accordingly, NSE Foundation was incorporated as a company under Section 8 of the Companies Act, 2013 on 5th March 2018, to initiate, supervise and co-ordinate activities to implement the Corporate Social Responsibility policy of NSE and its Group Companies as mandated under the Companies Act, 2013. Further, approvals were received from the relevant tax authorities under (i) section 12A of the Income-tax Act, 1961 for registration as an entity for charitable purpose and (ii) section 80G of the Income-tax Act, 1961 as an eligible entity to receive contribution for charitable purpose from other entities. The CSR projects earlier undertaken by NSE were then assigned to be taken forward by NSE Foundation which has since then further expanded the number of projects implemented.

Web-link for NSE Group CSR Policy:

http://nseindia.com/global/content/about_us/NSE_CSR_Policy.pdf

2. The composition of the CSR committee of NSEIL: The current members of the committee are Mr. Naved Masood, Mr. T. V. Mohandas Pai (upto February 08, 2019) Mr. Prakash Parthasarathy and Mr. Vikram Limaye. Mr. Naved Masood is the Chairman of the NSEIL CSR committee.

3. Average net profit of NSEIL for last three financial years (FY 2015-16, 2016-17 and FY 2017-18): The average net profit of NSEIL calculated pursuant to Section 135 read with Section 198 for last three Financial Years is ₹1345,06,80,100/-.

4. Prescribed CSR expenditure (2% of the amount as in item 3 above): ₹26,90,13,602

5. Details of CSR spend of NSEIL during the financial year 2018-19

- (a) Total amount to be spent for the financial year 2018-19: ₹26,90,13,602 /-
- (b) Amount unspent, if any for the financial year: ₹ Nil
- (c) Manner in which the amount spent during the financial year is detailed below:

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

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

Furthermore, during the year 2018-19, the Company has contributed ₹26.90 Crores being its CSR budget for the year based on 3 years average net profit in respect of FY 2015-16, 2016-17 & 2017 -18 to NSE Foundation to be spent on various CSR activities as stated in the CSR policy of the Company.

(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 18-19 on projects or programs sub heads (1) Direct expenditure on projects or programs (2) overheads (by transfer to NSE Foundation)	Cumulative expenditure up to the reporting period (NSE CSR + NSE Foundation)
1	Various CSR activities as per the CSR policy approved by NSE	Various CSR sectors as per approved policy	Various places in India		26,90,13,602	81,38,99,129
The details of the amounts spent by NSE Foundation during FY 2018-19 (including for projects committed by the Company before the formation of the Foundation) is given below:						
1	Education Activity Centre – Urban Pune	Primary Education	Pune City, District- Pune, State- Maharashtra	48,20,817	1,92,360	47,81,394
2	Project Grow With Books- Rural	Primary Education	Haveli- Mulashi Tehasil, District- Pune State- Maharashtra	95,95,054	5,23,112	98,20,860
3	Saksham- Quality Education for Age Appropriate Learning	Primary Education	District- Buldhana State- Maharashtra	1,17,43,408	2,13,715	1,27,59,720
4	Project Chunauti	Primary Education	Mankhurd, Mumbai State- Maharashtra	1,09,91,737	14,27,396	93,05,403
5	Serving & Enriching Education To Under Privileged Children- Urban	Primary Education	Thane and Pune State- Maharashtra	1,57,28,379	12,00,975	1,59,87,457
6	Serving & Enriching Education To Under Privileged Children - Rural	Primary Education	Medha Dist- Satara State- Maharashtra	1,57,28,379	12,13,092	1,58,89,722
7	Integrated Social Assistance and Health Security for the Elderly	Elder Care	Mumbai and Chennai State- Maharashtra and Tamilnadu	1,24,05,805	-	1,07,63,433
8	Primary Education Program / Fellow Sponsorship Program	Primary Education	Mumbai, MH and Chennai, TN	4,51,91,456	1,17,55,871	3,94,84,976
9	Elderly Care Program	Elder Care	Lower Parel, Mumbai	1,52,08,296	22,74,842	76,32,190
10	Quality Education Program.	Primary Education	District- Thane State- Maharashtra	1,46,72,547	6,73,255	1,30,58,407
11	Muktangan Primary School Programme	Primary Education	Mumbai, Maharashtra	1,27,35,659	25,39,028	1,14,19,817
12	School Partnership Programme	Primary Education	Mumbai, Maharashtra	2,38,10,893	64,99,255	1,25,84,438
13	Every Child in School And Learning Well	Primary Education	Nagpur, Nashik, Thane, Pimpri - Chinchwad and Aurangabad Dist, Maharashtra	2,20,70,245	54,16,497	1,68,76,133
14	Girl child educate programme	Primary Education	Purulia and Bankura Dist., West Bengal	4,09,06,473	60,86,189	1,55,81,564
15	Rehli Shiksha Pahal Program (RSPP)	Primary Education	Dist. Sagar, Madhya Pradesh	2,21,53,348	24,24,049	54,76,793
16	Educate Girls Program	Primary Education	Ajmer, Rajasthan	2,75,81,295	84,31,440	1,70,60,794
17	Saksham	Primary Education	Kalvan and Nashik	3,68,25,401	22,16,915	42,32,259
18	Girls Empowerment through education training & action-GEETA	Primary Education	Bahraich district, Uttar Pradesh	16,87,286	2,11,718	17,72,560
19	Shradha – Towards Active And Healthy Ageing	Elder Care	1. Yavatmal, Maharashtra 2. Nalgonda, Telangana, 3. Purb Midnapore, West Bengal 4. Supaul, Bihar	4,00,21,294	1,34,34,573	2,26,08,130

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 18-19 on projects or programs sub heads (1) Direct expenditure on projects or programs (2) overheads	Cumulative expenditure up to the reporting period (NSE CSR + NSE Foundation)
20	Nation Supports Elderly	Elder Care	Jharkhand	36,28,791	-	18,14,727
21	Piloting Sustainable WASH In School For Enabling Better Health, Hygiene And Environment.	Sanitation	Nashik, Maharashtra	43,37,480	-	42,62,657
22	School Health Project	Sanitation	Mumbai, Maharashtra	58,05,569	-	69,12,064
23	Improving Sanitation for Rural Schools in Maharashtra	Sanitation	Nashik and Akola, Maharashtra	75,99,688	10,38,883	89,06,529
24	Swachh Vidyalaya, Swachh Aadat	Sanitation	Dumka and Pakur Districts, Jharkhand	1,98,29,062	56,68,222	1,21,17,382
25	Promoting WASH Compliant Ashramshala, Maharashtra	Sanitation	Nashik District, Maharashtra	8,70,20,909	3,19,02,096	5,33,96,733
26	Humanitarian Assistance For Flood Affected Communities In Bihar, India	Disaster Relief	Bihar	58,39,768	-	58,69,016
27	Project Grow with Books - SMC	Primary Education	Haveli- Mulashi Tehasil, District- Pune State- Maharashtra	7,04,163	1,38,145	7,71,962
28	Project Prajwala- Wash Compliant KGBVs (MP)	Sanitation	All KGBV Madhya Pradesh	3,34,40,550	36,30,768	36,30,768
29	Project Prajwala -Swachh Balika, Swachh Vidyalaya: Validating Scalable Models for WASH in Schools	Sanitation	All KGBV Rajasthan	3,34,40,550	71,74,930	1,23,98,552
30	Eureka Superkidz	Primary Education	Cuddalore, Kanchipuram, Thiruvallur, Thiruvannamalai, Trichy and Vellore Dist., Tamil Nadu	2,63,84,123	83,53,179	2,58,90,165
31	Serving and Enriching Education to Under-privileged Urban Children in Bhiwandi- Nizampur and Malegaon	Primary Education	Malegaon and Bhiwandi Maharashtra	2,37,35,339	67,99,206	1,15,26,332
32	Project Prajwala - Education in KGBVs	Primary Education	All KGBV Rajasthan	4,37,07,617	5,90,223	67,21,098
33	Student Teacher Empowerment Program	Primary Education	Sheopur, Madhya Pradesh	1,94,90,935	69,49,945	1,07,31,206
34	Project Learning Orbit for Village Excellence in partnership	Primary Education	Udaipur, Rajasthan	1,82,66,973	45,46,958	95,68,180
35	Rashriya Netra Yagna	Elder Care	22 District across 11 state	88,74,643	-	30,00,000
36	Capacity Building of Ashramshala staff and TDD officials on WASH	Sanitation	Nashik, Maharashtra	18,26,697	-	15,00,000
37	Improving Language and Numeracy skills in Primary schools of Sapotra Block in Karauli District of Rajasthan State.	Primary Education	Block Sapotra, District Karauli , Rajasthan	65,57,622	19,50,395	52,75,520
38	Project Alokito Shoishab (Enlightened Childhood)	Primary Education	Block Rajnagar, District Birbhum, West Bengal	52,51,317	20,57,948	37,72,948
39	Project EQUJP (Education Quality Improvement Project)	Primary Education	Block Mandapam, District Ramanathapuram, Tamilnadu	1,15,37,036	30,66,861	75,16,761
40	Working towards making Sapotra Block of Karauli district Open Defecation Free through Community and School based WASH interventions.	Sanitation	Block Sapotra, District Karauli , Rajasthan	76,91,357	-	39,00,000

Sl. 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 18-19 on projects or programs sub heads (1) Direct expenditure on projects or programs (2) overheads	Cumulative expenditure up to the reporting period (NSE CSR + NSE Foundation)
41	Swaccho – Nirapad Parivesh (Clean and Safe Environment),	Sanitation	Block Rajnagar, District Birbhum, West Bengal	56,94,563	12,70,521	41,58,021
42	Aalambana – Towards Active and Healthy Ageing	Elder Care	Block Rajnagar West Bengal, Block Mandapam TamilNadu and Block Sapotra Rajasthan	2,37,39,670	42,66,278	1,39,62,203
43	Project Prajwala - Education in KGBVs	Primary Education	All KGBV Madhya Pradesh	1,73,05,554	62,53,604	62,53,604
44	Project “CLEAN” (Climate & Livelihoods Enhancement and Nutrition) for Elders	Elder Care	1. Yavatmal, Maharashtra 2. Nalgonda, Telangana, 3. Purbhi Midnapore, West Bengal 4. Supaul, Bihar	18,48,884	-	18,75,000
45	Orientation of the Principals of the Adarsh Schools	Primary Education	Jaipur State- Rajasthan	2,63,54,181	47,19,078	1,26,58,214
46	Project for ODF sustainability in Nandurbar	Sanitation	Nandurbar Dist. Maharashtra	2,62,57,756	27,84,322	27,84,322
47	Sustainable Community ODF Program in Mandapam Block, Ramanathapuram District, Tamil Nadu.	Sanitation	Block Mandapam, District Ramanathapuram, Tamilnadu	2,40,91,363	57,59,833	57,59,833
48	Enhancing post-disaster Re-Habilitation and Recovery through Provision of Safe Water in Kerala	Sanitation	Wayanad, Idukki, Pathanamthitta, Alapuzha and Thrissur districts, Kerala	1,41,35,626	97,62,870	97,62,870
49	Enhancing post-disaster Re-Habilitation and Recovery through Provision of Safe Water in Kerala	Sanitation	Idukki district, Kerala	1,21,59,678	63,59,206	63,59,206
50	Everyone Forever - Water Services and Systems Strengthening: Rajnagar and Khoyrasol Blocks of Birbhum District in West Bengal	Sanitation	Rajnagar and Khoyrasol blocks in Birbhum district, West Bengal	4,02,78,934	27,52,803	27,52,803
51	Project Samarthya: Elderly Care programme(55 Years+) in Nandurbar district, Maharashtra	Elder Care	Nandurbar, Navapur, Akkaluwa and Dhaogaon blocks, Maharashtra	3,41,99,095	37,55,542	37,55,542
52	Implementation of Karadi Path Magic English SLL programme for improving English proficiency of students from Zilla Panchayat Primary Schools in selected blocks in Nandurbar District, Maharashtra.	Primary Education	Nandurbar and Navapur blocks , Maharashtra	8,35,97,788	-	-
53	Ensuring sustainable drinking water safety and security in the identified schools and habitations in Nandurbar and Navapur blocks of Nandurbar district	Sanitation	Nandurbar and Navapur block , Nandurbar district Maharashtra	2,34,07,381	41,52,076	41,52,076
54	Akshara: Learning Centers for Primary Children in Rameswaram	Primary Education	Rameswaram Island, Ramanathapuram District, Tamil Nadu	94,99,749	8,53,394	8,53,394
55	ShikshaDeep Prakalpa	Primary Education	Khoyrasol Block, Birbhum District, West Bengal	2,22,67,411	21,77,586	21,77,586
56	“Promoting Sustainability of WASH facilities and child centered governance in the Schools of Rameswaram”	Sanitation	Rameswaram Island, Ramanathapuram District, Tamil Nadu	1,12,47,702	25,65,238	25,65,238



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 18-19 on projects or programs sub heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period (NSE CSR + NSE Foundation)
57	Promotion of Tiruppullani as Swachh and Swasth Block.	Sanitation	Thiruppullani, Ramanathapuram District, Tamil Nadu	3,41,99,095	36,94,773	36,94,773
58	Building Water Security for Green Rameswaram	Safe Drinking Water	Rameswaram Island, Ramanathapuram District, Tamil Nadu	1,15,51,694	24,44,821	24,44,821
59	Enabling Drought Free Villages through Integrated & Participatory Watershed Management in Nandurbar, Maharashtra	Disaster Relief-Safe Drinking Water	Nandurbar District, Maharashtra	5,69,98,492	1,53,16,305	1,53,16,305
60	“Samrakshana: Building Resilience among the Senior Citizens in Green Rameswaram”	Elder Care	Rameswaram Island, Ramanathapuram District, Tamil Nadu	2,39,39,367	-	-
61	Rehabilitation of 30 Government Schools affected by Gaja Cyclone at Nagapattinam District and Thanjavur District, Tamil Nadu	Disaster Relief for Gaja cyclone-Sanitation and Safe Drinking Water	Nagapattinam District and Tanjore District Tamil Nadu	98,79,739	60,06,100	60,06,100
62	CSR Focus Group	Various Activities*	Various places in India	-	2,65,202	30,74,622
63	Capacity Building	Capacity Building	Various places in India	-	94,74,286	2,04,34,394
64	PME**	Project Monitoring	Various places in India	-	76,14,909	1,37,24,680
				1,27,15,01,682	25,28,50,788	59,11,04,257

*Activities undertaken by NSE CSR Focus Group covers Blood Donation Camps, Nature trails, Flood Relief, NGO Melas, Environment Awareness, Employee Engagement for CSR projects of the Company etc.

NSE Foundation, as the implementing agency, currently implements the above projects with the help of the entities as given below and provides periodic updates on the progress of the CSR projects, fund utilization, and an annual report of CSR activities to the Company. The CSR Committee of the Company monitors the CSR activities undertaken & implemented by NSE Foundation.

1	Aid India	16	Hand in Hand Inclusive Development and Services (HHIDS)	31	Samavesh Society for Development and Governance
2	All India Inst. Of Local Self Government	17	Helpage India	32	Sanskar Wahini Gram Vikas Shikshan Sanstha
3	Americares India Foundation	18	IIMPACT	33	Tata Institute of Social Sciences
4	Bodh Shiksha Samiti	19	India Society for Agribusiness Professional (ISAP)	34	Primove Infrastructure Development
5	Centre for Education	20	Indian Institute of Technology- Bombay	35	Teach For India
6	Centre For Environment Education (CEE)	21	Jal Seva Charitable Foundation	36	Vidhyarambam Trust
7	Charities Aid Foundation India	22	Jatan sansthan	37	Vikas Sahayog Pratishthan
8	Child in Need Institute (CINI)	23	Karuna Trust	38	Vikramshila Education Resource Society
9	Developmental Association For Human Advancement (DEHAT)	24	Learning Links Foundation	39	Vision Foundation India
10	Door Step Schools Mumbai	25	Magic Bus India Foundation	40	WASH Institute
11	Family Welfare Agency	26	Paragon Charitable Trust	41	Water For People
12	FINISH Society	27	Plan International (India Chapter)	42	Youth For Unity And Voluntary Action (YUVA)
13	Foundation To Educate Girls Globally	28	Pratham Education Foundation	43	Karadi Path Education
14	Gandhigram Trust	29	QUEST		
15	Gramalaya Trust	30	Registered Engineers for Disaster Relief – India (RedR- India)		

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reason for not spending the amount in its Board Report:

In FY 2018-19, the prescribed CSR expenditure which is 2% of the average net profit of the last three financial years calculated pursuant to Section 135 of the Companies Act 2013, read with Section 198 was ₹26.90 Crores. However the CSR Committee had approved an amount of ₹44.83 Crores in FY 2018 -19 towards new projects to be undertaken by NSE Foundation. The over commitment of ₹17.93 Crores towards new projects will be met from the CSR budgetary allocation of subsequent years. This was done in order to ensure that the amount equivalent to the budget allocation for a particular year is spent in the same year for CSR purpose.

In the year under report, the above ₹26.90 Crores being the amount required to be spent to implement the Corporate Social Responsibility Policy of the Company in the manner laid down in sub-section (5) of section 135 of the Companies Act 2013, the actual amount as transferred to NSE Foundation towards approved projects is ₹26.90 Crores leaving a shortfall of ₹ Nil which is 100% of the amount to be spent at the Company level. The CSR Committee of the Company approves the projects and continues to monitor the projects on an ongoing basis besides the Foundation Board.

Since the effective date of commencement of Section 135 of the Companies Act, 2013 namely April 01, 2014, up to March 31, 2019, the Company was required to spend a cumulative amount of ₹114.90 Crores and as against the same, the Company had fully committed the amount to specific CSR



projects and actually spent ₹59.11 Crores up to March 31, 2019 leaving a balance unspent amount of ₹55.79 Crores which also will be disbursed as per the project milestones prescribed in the respective agreements with the implementation agencies over the next one to three years.

The second proviso to sub-section (5) of section 135 requires the company to specify the reasons for not spending the amount as above. The same is provided below.

The CSR obligation under Section 135 is a continuous obligation for a company like NSE which has been profitable year after year. Hence, CSR activities are also continuous over the years. NSE's intervention in Primary Education, Water Sanitation, Hygiene, Elder Care etc. has of late been in some of the most backward aspirational districts of our country as identified by NITI Aayog. In order to make the interventions sustainable and to make a tangible impact, the interventions have to be continued over the years. It is well documented that the initial physical progress and absorptive capacity of financial investment is slow in such sectors due to limitations imposed by geography and the dearth of physical and human resources at the level of scene of action.

The Company being mindful of maintaining highest standards of operational efficiency, financial propriety and the need to ensure delivery of end-products and outcomes of the highest quality, has also given precedence to sustainability over mechanical achievement of financial thresholds and there is steady improvement in making up on the gap would be evident from the following simplified statement:

Financial Year	Utilisation of CSR Funds (as % of amount required to be spent)	Actual Expenditure (as % of the actual amount spent)
2014-15	3.02%	3.02%
2015-16	9.81%	9.81%
2016-17	37.75%	37.75%
2017-18	100%*	95.61%
2018-19	100%*	93.99%

The decision of the Group to establish a Foundation under Section 8 of the Companies Act, 2013, to carry out implementation and supervision of the CSR policies of the Group Companies was also actuated by a resolve inter alia to speed up the operations under the CSR policy so that the statutory financial thresholds are achieved without compromising the integrity of the delivery system.

In order to ensure further accelerate CSR spend on an annual basis to catch up with the backlog and bring the spend in alignment with the requirement in the same year as early as possible, NSE Foundation has commenced making over commitment and soon hopes to achieve the said requirement.

The Company remains committed to meet its CSR obligations on an annual basis to the extent feasible and contribute to the social and equitable development of the Nation.

7. The implementation and Monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the company.

Vikram Limaye
 DIN: 00488534
 Managing Director and Chief Executive Officer

Naved Masood
 DIN: 02126497
 Chairman-CSR Committee

ANNEXURE 6 TO BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

I. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

National Stock Exchange of India Limited ('NSE' or 'your 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 a recognised stock exchange under Securities Contracts (Regulation) Act, 1956 and is governed under the same and 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. As per Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ('SECC Regulations'), the disclosure requirements and corporate governance norms, specified for listed companies, mutatis mutandis apply to a recognised Stock Exchange. NSE has focused on good governance practices and endeavors to improve the same in the corporate landscape. For the information of its stakeholders, NSE is furnishing this Report on corporate governance for the financial year ended 31st March, 2019.

II. BOARD OF DIRECTORS

A. Composition of the Board and Category of Directors

NSE has broad-based Board of Directors, constituted in accordance with Companies Act 2013, SEBI (Listing Obligation & Disclosure Requirements) 2015 ('Listing Regulations') and SECC Regulations.

Pursuant to the SECC Regulations, the Governing Board of NSE shall include Public Interest Directors, Shareholder Directors and Managing Director such that the number of Public Interest Directors shall not be lesser than the number of Shareholder Directors with the Managing Director being included in the category of Shareholder Director. Public Interest Director is an Independent Director representing the interests of investors in the securities market and who do not have any association directly or indirectly, which in the opinion of SEBI, is in conflict with his role. Directors of a recognised Stock Exchange are required to be "fit and proper persons" at all times.

The Board of NSE presently comprises 8 Directors of which 4 are Public Interest Directors and 4 are Shareholder Directors including a Managing Director & CEO.

Name of Director	Category of Directorship
Mr. Vikram Limaye	Managing Director & CEO
Mr. Naved Masood	Public Interest Director
Mr. T.V. Mohandas Pai	Public Interest Director
Ms. Dharmishta Raval	Public Interest Director
Mr. Dinesh Kanabar	Public Interest Director
Ms. Sunita Sharma	Shareholder Director
Mr. Abhay Havaladar	Shareholder Director
Mr. Prakash Parthasarathy	Shareholder Director

Changes during the year:

1. Ms. Anshula Kant ceased to be Shareholder Director of the Company w.e.f. September 28, 2018.
2. Mr. Ashok Chawla ceased to be Chairman/ Public Interest Director of the company w.e.f. January 11, 2019, on account of his resignation.

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

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

- **Qualifications** - law, finance, accounting, economics, management, administration or any other area relevant to the financial markets.
- **Experience** - capital and financial Market, financial and Management skill, management of the finance function of an enterprise, accounting, economics, financial reporting process, financial securities, commodity



market, derivatives market, futures market, equity market, debt market, index, SME Market, etc.

- **Knowledge** - understanding and knowledge of the entity and applicable regulatory norms, constructive and analytical decision making abilities, understanding of the risk attached with the business structure, understanding of the role, responsibilities and obligations, etc.
- **Technology** - Technical/Professional skills in relation of Company's business, analysing technological trends, innovation, creative ideas for business, research and innovation, digitisation and allied knowledge in the field of science and technology
- **Leadership** - demonstrable leadership skills, leadership experience with regard to managing a company including practical understanding, risk management, processes, strategic planning, guiding and leading management teams to make decisions, facilitation skills, strong interpersonal and communications.
- **Governance** - corporate governance, compliance, transparency, board governance, accountability to stakeholders, corporate ethics and values, strengthening regulatory functions, protecting shareholder interests, law and other areas relevant to business/sector and industry in which company operates.

2. CHAIRMAN OF THE BOARD

Mr. Ashok Chawla, the Chairman of NSE since May 2016, ceased to be the Chairman and PID with effect from January 11, 2019 consequent to his resignation. The new Chairman will be appointed by the Board in due course subject to the approval of SEBI.

3. BOARD MEETINGS

Schedule of Board / Committee meetings

The dates of the Board / Committee and the Annual General Meeting are proposed in advance. The final annual schedule that is fixed is circulated to all the Directors as part of the agenda in the Board meeting for information.

Directors have independent access to the Company Secretary. The Company Secretary attends all Board meetings and generally assists Directors in the discharge of their duties and also ensures good information flow within

the Board and between the Board and Senior Management. In addition, the Company Secretary attends to secretarial and Board governance matters and is responsible for ensuring that Board procedures are followed.

Board agenda

The Board agenda is prepared based on inputs received from different departments within NSE and are finalised in consultation with the Group President, MD & CEO and / or Chairman. The Board agenda and notes thereof are ordinarily sent to the Directors in advance to enable them to read and comprehend the matters to be dealt with and seek further information / clarification, if required.

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

The Board has opted to receive all its agenda papers electronically for all its Board and Committee meetings and has eliminated the need for hard copy of Board Papers. The Agenda papers for Board and Committee meetings are uploaded onto a secure portal which can be accessed on iPad.

At the quarterly Board meetings, the MD & CEO gives a comprehensive update on NSE's business and operations. The CFO presents the financial performance and significant financial highlights. Certain business heads provide an update on their areas of business and Senior Management Personnel are present at Board meetings, when required. Any feedback or observations made by the Board, wherever necessary, form part of the action taken report for their review at the subsequent meetings.

The minutes of Board meetings are prepared with details of the matters considered by the Board. They are normally circulated to the Chairman for his/her review before being circulated to the other Directors for their comments.

B. Number of Board Meetings

The Board of Directors met 7 times during the year as detailed below:

Sr. no.	Date of Board meeting
1	May 04, 2018
2	August 03, 2018
3	August 30, 2018
4	October 31, 2018
5	January 10, 2019
6	February 08, 2019
7	February 26, 2019

During the year under review, the total duration i.e. approximate aggregate number of hours of Board meetings was 19 hours.

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 Listing Regulations, no Director is a member of more than ten Board committees or acts as chairperson of more than five such committees across all entities in which he or she is a Director (see the notes to Table 1). Table No. 1 gives the details of the composition of the Board, attendance and details of Committee Membership and Committee Chairmanships and Table No. 2 - Names of the listed entities where the person is a director and the category of directorship.

- (1) Details of Directors along with the Directorship(s) and Chairmanship(s)/Membership(s) of Committees in other companies as on 31, March 2019:

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	5 [#]	5	Y	-	-	-
Mr. Vikram Limaye	Managing Director	7	7	Y	1	-	-
Ms. Dharmishta Raval **	Public Interest Director	7	7	Y	7	2-Audit Committee	-
Mr. Dinesh Kanabar	Public Interest Director	7	7	Y	1	-	-
Mr. Naved Masood	Public Interest Director	7	6	Y	-	-	-
Mr. T. V. Mohandas Pai	Public Interest Director	7	6	Y	1	-	-
Mr. Abhay Havaladar	Shareholder Director	7	7	Y	1	-	-
Mr. Prakash Parthasarathy	Shareholder Director	7	7	Y	-	-	-
Ms. Sunita Sharma	Shareholder Director	7	1	N	1	-	1-SRC
Ms. Anshula Kant ***	Shareholder Director	3 [#]	1	N	-	-	-

* Ceased to be Chairman and Public Interest Director w.e.f. January 11, 2019, on account of resignation.

** Application made to SEBI for renewal of re-nomination as Public Interest Director with effect from February 5, 2019.

*** Ceased to be Shareholder Director w.e.f. September 28, 2018

[#] Number of Board Meetings held during the tenure of Director



Note

- (i) The Directorships/ Committee memberships held by Directors as mentioned above, do not include private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013
- (ii) Memberships/Chairmanships of only the Audit Committee and Stakeholders Relationship Committee of all Public Companies have been considered.

(2) Names of the listed entities where the existing Director is a director and the category of directorship.

Name of the Director	Name of Listed Entity	Category of Directorship
Mr. Abhay Prabhakar Havaladar	Jubilant Food Works Limited	Non- Executive – Independent Director
Ms. Dharmishta N. Raval	1 Cadila Healthcare Limited 2 Zydus Wellness Limited 3 Torrent Power Limited 4 NOCIL Limited	Non- Executive - Independent Director
Mr. T V Mohandas Pai	Havells India Limited	Non- Executive – Independent Director
Ms. Sunita Sharma	Larsen & Toubro Limited	Non- Executive – Independent Director

(2) **Separation of Offices of Chairman & Chief Executive Officer**
Mr. Vikram Limaye is MD & CEO of your Company. During the year under review, Mr. Ashok Chawla, Chairman (PID) resigned from the Board of Directors of your Company with effect from January 11, 2019. Since then and in view of the near expiry of the term of all the PIDs and no certainty of renewal of their terms, it had been decided that the PIDs shall elect one amongst themselves as the Chairman of the meetings of the Board by rotation, until the Chairman is appointed.

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 entity.
- (2) The Board of Directors and Senior Management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.
- (3) The Board of Directors shall provide strategic guidance to NSE, ensure effective monitoring of the management and shall be accountable to NSE and the shareholders.

- (4) The Board of Directors shall set a corporate culture and the values by which executives throughout the 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 NSE 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 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 entity'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 fulfil 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.

NSE conducts orientation programme for new Directors so as to familiarise them with the various functions being carried out by NSE. The details of familiarization programmes imparted to Independent Directors are given on NSE's website. (Weblink: https://www.nseindia.com/global/content/about_us/Familiarisation_programme.pdf). NSE also provides training in various fields such as operations, risk management, compliance, etc. to all the Directors regularly. 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 NSE to the Board include the following:

- Annual operating plans and capital and revenue budgets and updates
- Quarterly financial results
- Status report on NSE 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 and SECC Regulations, is taken to the Board as and when required.

A quarterly report on compliance of applicable laws, rules and regulations 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 and Code of Ethics

A code of conduct for Directors and Senior Management Personnel of NSE 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 your Company at the following location: (https://nseindia.com/global/content/about_us/NSE_CODE_BOARD.pdf). The MD & CEO has affirmed to the Board of Directors that the Code of Conduct has been complied with by the Directors and Senior Management Personnel. A Declaration to this effect, duly signed by the MD & CEO has been obtained and forms part of this annual report.

NSE, being a recognized Stock Exchange as per SECC Regulations, requires every Director and Key Management Personnel to affirm compliance with the Code of Ethics as prescribed by SEBI under Regulation 26 (2) of SECC Regulations. The Code of Ethics is aimed at maintaining the professional and ethical standards in the functioning of NSE.

During the year under review, the Code of Ethics was amended to align with the SECC Regulations.

F. Independent Directors / Public Interest Directors

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

NSE takes all possible efforts to enable the Independent Directors to perform their functions effectively.

In the opinion of the Board, the Public Interest Directors fulfill the conditions specified in Listing Regulations and are independent of the management.

G. Remuneration of Directors

The compensation paid/payable to the Managing Director & CEO is 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 your Company successfully. The remuneration includes both fixed and variable component.

NSE pays only sitting fees to its Non-Executive Directors. During the year under review, the sitting fees being paid to the Non-Executive Directors for attending the Committees Meetings was rationalized to ₹75,000 in order to align it with Kotak Committee recommendations on Listing Regulations.

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 & CEO of NSE are governed by the resolution passed by the Board of Directors,

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 shall not be offered or provided as part of the compensation for the key management personnel
- D. Compensation will be subject to malus & claw-back arrangement as per prevailing SEBI/SECC Rules & Regulations

NSE has framed Remuneration policy for its Directors, Key Management Personnel and Employees. For details on the Remuneration Policy, please refer to the **Annexure** to the Directors' Report.

None of the Directors of NSE hold any shares or any convertible instruments of NSE. NSE also has in place Directors and Officers Insurance Policy (D&O) for all the Directors for certain risks.

The details of remuneration paid to Managing Director & CEO during FY 2018-19 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	Total
Mr. Vikram Limaye, MD & CEO	6.31	0.77	0.01	0.24	7.33

** Excludes 50% of the Variable Pay of ₹0.77 Crores to be paid on deferred basis after 3 years.

The sitting fees paid to the Non-Executives Directors for attending the meetings of the Board and Committees during the year FY 2018-19 is as follows:

Name	Board meetings		Board Committees meetings		Total (₹)
	No. of meetings attended	Amount (₹)	No. of meetings attended	Amount (₹)	
Mr. Ashok Chawla, Chairman (till January 11, 2019)	5	5,00,000	41	35,75,000	40,75,000
Ms. Dharmishta Raval	7	7,00,000	43	36,25,000	43,25,000
Mr. Dinesh Kanabar	7	7,00,000	28	24,00,000	31,00,000
Mr. Naved Masood	6	6,00,000	61	48,75,000	54,75,000
Mr. T. V. Mohandas Pai	6	6,00,000	28	23,25,000	29,25,000
Mr. Abhay Havaldar	7	7,00,000	18	15,25,000	22,25,000
Mr. Prakash Parthasarathy	7	7,00,000	18	15,50,000	22,50,000
Ms. Anshula Kant (till September 28, 2018)	1	1,00,000	1	1,00,000	2,00,000
Ms. Sunita Sharma	1	1,00,000	2	1,50,000	2,50,000

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.

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

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

1. Recommendation for appointment, remuneration and terms of appointment of auditors of NSE;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditor's report thereon;
4. Approval or any subsequent modification of transactions with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters.
9. Call for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of the financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management.
10. Oversight of the financial reporting process and the disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
11. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
12. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board of NSE for approval, with particular reference to:
 - a. Matters required to be included in the director's responsibility statement to be included in NSE's Board report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial



- statements arising out of audit findings.
- e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report, if any.
13. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 14. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue etc.) the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of the public rights issue, and making appropriate recommendations to the Board to take steps in this matter;
 15. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 16. Reviewing the adequacy of internal audit function, if any, including structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 17. Discussion with internal auditors of any significant findings and follow up there on;
 18. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of NSE;
 19. Discussion with statutory auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 20. To look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
 21. To review the functioning of the whistle blower mechanism;
 22. Approval of appointment of the CFO (i.e, the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 23. The Audit Committee shall mandatorily review the following information:
 - a. management discussion and analysis of financial condition and results of operations;
 - b. statements of significant related party transactions submitted by management;
 - c. management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. internal audit reports relating to internal control weaknesses; and
 - e. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 24. Carrying out any other function as the Audit Committee may deem fit with the approval of the Board.

The Audit Committee earlier comprised of four Directors viz., Mr. Dinesh Kanabar, Mr. Ashok Chawla, Ms. Anshula Kant and Mr. Naved Masood as its Members with Mr. Dinesh Kanabar as its Chairman. The Audit Committee currently comprises of three Directors viz., Mr. Dinesh Kanabar, Chairman, Mr. Naved Masood and Mr. Abhay Havaladar as its Members.

The Committee met 5 times during the year i.e., on May 04, 2018, August 2, 2018, August 17, 2018, October 31, 2018 and February 07, 2019 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	5	5
Mr. Ashok Chawla*	4 [#]	4
Ms. Anshula Kant**	3	1
Mr. Naved Masood	5	5
Mr. Abhay Havaladar***	1 [#]	1

Note:

* Ceased to be a Member w.e.f. January 11, 2019

** Ceased to be a Member w.e.f. September 28, 2018

*** Inducted as member w.e.f. February 05, 2019

Number of Audit Committee Meetings held during the tenure of Director

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 August 03, 2018 to answer shareholders queries.

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

(B) Nomination & Remuneration Committee (NRC)

As per SECC Regulations, the Compensation Committee shall consist of majority of Public Interest Directors and shall be chaired by a Public Interest Director. SEBI, vide its circular dated January 10, 2019 amended the provisions regarding Committees which inter-alia mandated that NRC shall include only Public Interest Directors. However, independent external persons may be part of the committee for the limited purpose of recommendation relating to selection of Managing Director; wherein the number of PIDs shall not be less than the independent external persons.

As per requirements of the Companies Act, 2013, NSE 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 Regulations.

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013, the Listing Regulations and the SECC Regulations. The terms of reference of the Nomination and Remuneration Committee inter-alia include the following:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director;
2. Recommend to NSE's Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
3. Determine the composition of the Board and the sub-committees and address issues of Board diversity;
4. Ensure that appropriate procedures are in place to assess Board membership needs and Board effectiveness;
5. Identifying persons who are qualified to become directors;
6. Recommend to Board the appointment and removal of Directors in accordance with laid down policy and criteria;
7. Shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
8. Recommend on the extension or continuation of the term of appointment of independent director on the basis of performance evaluation of independent directors;
9. Recommend compensation/sitting fee payable to NSE's Non Whole-time Directors;
10. Decide on the annual performance linked pay (variable pay) payable to managing director and chief executive officer and to approve annual increase in the total pay payable to managing director and chief executive officer; assist NSE Board's overall responsibility relating to executive compensation and recommend to NSE's Board appropriate compensation packages for Whole-time Directors and senior management personnel in such a manner so as to attract and retain best available personnel for position of substantial responsibility;
11. Lay down criteria for personnel who may be appointed in senior management;
12. Identify persons who may be appointed in senior management in accordance with the laid down policies and criteria;
13. Recommend to NSE's Board appointment and removal of personnel in senior management in accordance with laid down policies and criteria;



14. Approve release of variable pay of Key Management Personnel under SEBI regulations withheld earlier;
15. To take note of decisions of the managing director and chief executive officer with regard to variable pay and fixed pay of the Key Management Personnel under SEBI regulations;
16. Review, approve and aid the Board in succession and emergency preparedness plan for key executives; and
17. Determine the tenure of Key Management Personnel under SEBI regulations appointed in regulatory department.

Earlier, the NRC comprised of Mr. Dinesh Kanabar, Mr. Abhay Havaladar, Mr. Ashok Chawla and Mr. T.V Mohandas Pai, as its members with Mr. Dinesh Kanabar as its Chairman. In compliance of SEBI circular which mandated reconstitution of

various committee, the Board in its meeting held on February 7, 2019 considered inter alia a proposal for reconstitution of NRC with immediate effect to comprise only Public Interest Directors being Mr. Dinesh Kanabar, Ms. Dharmishta Raval and Mr. T.V Mohandas Pai as its members with Mr. Dinesh Kanabar as its Chairman.

The NRC had approved the performance ratings, fixation of the variable pay for FY 2018-19 and the remuneration for FY 2019-20 of the KMPs under SECC Regulations and other persons under the Senior Management. NRC has laid down performance evaluation criteria for the Board of Directors, Individual Directors (including Independent Directors) and Committees of the Board of Directors. The process for Board Evaluation is given in the Directors' Report.

The Committee met 5 times during the year, i.e. on May 04, 2018, May 21, 2018, October 31, 2018, February 7, 2019 and March 28, 2019. 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
Mr. Ashok Chawla*	3 [#]	3
Mr. Dinesh Kanabar	5	5
Mr. T.V. Mohandas Pai	5	4
Mr. Abhay Havaladar**	4	4
Ms. Dharmishta Raval***	1	1

Note:

*Ceased to be a Member w.e.f. January 11, 2019

** Ceased to be a Member w.e.f. February 08, 2019

Number of Meetings held during the tenure of Director

***Inducted as member w.e.f. February 08, 2019

C) Stakeholders Relationship 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 role of SRC includes:

1. To look into the mechanism for redressal of grievances of shareholders, debenture holders and other security holders.
2. To consider and resolve the grievances of the security holders of the Company.
3. To review the status of redressal of correspondences/complaints, received from the security holders.
4. To review process related to transfer/transmission of securities.

5. To review policies / other issues raised by the brokers / employee community.
6. To consider and review such other matters, as the Committee/Board may deem fit, from time to time.

Earlier, Mr. Abhay Havaladar, Mr. Vikram Limaye, Mr. Ashok Chawla and Mr. T.V Mohandas Pai were the members with Mr. Ashok Chawla as its Chairman. Mr. S Madhavan Company Secretary of NSE is the Compliance Officer, in terms of Regulation 6 of the Listing Regulations. The SRC currently comprises of four Directors viz., Mr. Abhay Havaladar, Non-executive Director, Mr. Vikram Limaye, MD & CEO, Mr. T.V Mohandas Pai, PID and Mr. Prakash Parthasarathy, Non-Executive Director as its members with Mr. T.V. Mohandas Pai as its Chairman.

The Committee met 4 times during the year, i.e. May 03, 2018, August 03, 2018, October 30, 2018 and February 7, 2019. 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 *	3 [#]	3
Mr. T.V. Mohandas Pai	4	3
Mr. Abhay Havaladar	4	4
Mr. Vikram Limaye	4	4
Mr. Prakash Parthasarathy**	-	-

*Ceased to be a member w.e.f. January 11, 2019

Number of Meetings held during the tenure of Director

** Inducted as member w.e.f. February 08, 2019

(D) Risk Management Committee (formerly known as Risk Assessment and Review Committee)

The Committee reviews the efficacy and adequacy of the Risk Management Framework on an ongoing basis. During the year under review, the Committee also reviewed Enterprise Risk Management (ERM) Framework, Risk Governance Structure (i.e., the Governance Structure at the Board and Management Level), Risk Policies, Risk and Control Assessment framework, Risk Monitoring and Reporting and Stress Testing frameworks. The Committee consisted of four Directors viz., Mr. Vikram Limaye,

Ms. Sunita Sharma, Mr. Dinesh Kanabar and Mr. Naved Masood, as its Members with Mr. Dinesh Kanabar as its Chairman. The Committee met once during the year i.e. on February 07, 2019. During the year under review, the Committee was re-constituted on February 08, 2019 in terms of SEBI circular dated January 10, 2019 and comprises of Mr. Dinesh Kanabar, Mr. TV Mohandas Pai and Mr. Abhijit Sen (Independent External Person) as its Members.

The details of the attendance of members of the Committee at their meeting held are given hereunder:-

Name	Number of meeting held during the year	Number of meeting attended
Mr. Dinesh Kanabar	1	1
Ms. Sunita Sharma	1	-
Mr. Naved Masood	1	1
Mr. Vikram Limaye	1	1

(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 NSE from time to time (Mr. T V

Mohandas Pai ceased to be a Member of the Committee with effect from February 8, 2019).The Committee consists of Mr. Naved Masood, Mr. Prakash Parthasarathy and Mr. Vikram Limaye as its Members with Mr. Naved Masood as Chairman of the Committee.

The Committee met 3 times during the year, i.e. on May 3, 2018, August 2, 2018 and October 30, 2018. 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. Prakash Parthasarathy	3	3
Mr. T.V Mohandas Pai*	3	1
Mr. Naved Masood	3	3
Mr. Vikram Limaye	3	3

*ceased to be a Member w.e.f. February 8, 2019



(F) In addition to Committees covered above, the other committees include:

- (i) SEBI mandated Committees
 1. Membership Selection Committee
 2. Standing Committee on Technology
 3. Advisory Committee
 4. Investor Grievance Redressal Committee
 5. Regulatory Oversight Committee

Ms. Priya Subbaraman is the Chief Regulatory Officer and also a Key Management Personnel under SCR (SECC) Regulations heading regulatory functions in the regulatory department and 'Compliance Officer' as per Regulation 30 of SCR (SECC) Regulations.

IV. AUDITORS

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

NSE had engaged the services of M/s. BNP & Associates, Company Secretaries to conduct Secretarial Audit for the financial year ended 31st March, 2019. The report of the Secretarial Auditors is placed before the Audit Committee and the Board.

VI. ANNUAL SECRETARIAL COMPLIANCE REPORT

NSE has undertaken an audit for the financial year 2018-19 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder.

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

VII. CEO/ CFO CERTIFICATION

The CEO and CFO certification of the financial statements for

(G) Distribution of shareholding:

Distribution of Shareholding as on 31st March, 2019

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	65	37.36	80,56,906	1.63
Corporates-Listed	10	5.75	33,590,331	6.79

the financial year 2018-19 is enclosed at the end of the report.

VIII. GENERAL SHAREHOLDER INFORMATION

(A) Annual General Meeting: The 27th Annual General Meeting of NSE will be held on Friday, August 02, 2019 at Exchange Plaza, Plot C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai-400051

(B) Financial year: 2018-19

(C) Dividend

NSE provides the facility of direct credit of the dividend to the member's bank account. Listing Regulations also mandate Companies to credit the dividend to the members electronically.

(i) Interim Dividend payment date for financial year 2018-19:
November 5 and November 6, 2018

(ii) Proposed final dividend for financial year 2018-19:
Around 10 days from the approval of the shareholders at the ensuing AGM.

(E) Registrar and Transfer Agent:

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

M/s. Link Intime India 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 : benpos@linkintime.co.in/equityca@linkintime.co.in;
website : www.linkintime.co.in

(F) 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, when application for approval of transfer is received, adherence to compliance of SECC Regulations is ensured.

Category	No. of shareholders in each category	% of the category	No. of shares held of ₹1 each	% to the total paid up equity capital
Corporates-Unlisted	29	16.67	5,21,98,541	10.54
Financial Institutions/Banks	8	4.60	4,94,10,093	9.98
Insurance Companies	5	2.87	8,35,88,500	16.89
Venture capital fund	7	4.02	2,37,43,292	4.80
Foreign holding	48	27.59	24,19,16,285	48.87
Hindu Undivided Family	1	0.57	21,052	0.00
Trust	1	0.57	24,75,000	0.50
Total	174	100.00	49,50,00,000	100.00

Top 10 Shareholders as on 31st March, 2019

Sr. No.	Name of the shareholder	No. of shares	Percentage of shareholding (rounded off to 2 decimals)
1	Life Insurance Corporation of India	6,19,13,500	12.51
2(a)	Aranda Investments (Mauritius) Pte. Ltd.	2,47,50,000	5.00
2(b)	Veracity Investments Limited	2,47,50,000	5.00
3	Stock Holding Corporation of India Limited	2,20,00,000	4.44
4	State Bank of India	2,18,59,160	4.42
5	SBI Capital Markets Limited	2,14,50,000	4.33
6	GAGIL FDI Limited	1,87,52,382	3.79
7	SAIF II SE Investments Mauritius Limited	1,75,90,000	3.55
8 (a)	GS Strategic Investments Limited	1,48,50,000	3.00
8 (b)	MS Strategic (Mauritius) Limited	1,48,50,000	3.00
8 (c)	PI Opportunities Fund - I	1,48,50,000	3.00
8 (d)	Tiger Global Five Holdings	1,48,50,000	3.00
9	Acacia Banyan Partners	1,23,75,000	2.50
10	IFCI Limited	1,20,66,871	2.44

As per SECC Regulations, NSE is required to ensure that at least 51% of the equity share capital is held by public i.e. not more than 49% to be held by TM/CM/their associates. However, the shareholding threshold of 49% for Trading Member / Clearing Member / their associates in NSE has been breached consequent to Life Insurance Corporation's acquisition of 51% controlling stake in IDBI Bank. The percentage of shareholding in the hands of 'Public' category within the meaning of SCR (SECC) Regulations, 2018 as on March 31, 2019 has reduced to 46.14% as against the minimum requirement of 51%. Your Company had informed SEBI about the same.

SEBI has advised LIC to divest its holdings in NSE by 4.89% by December 27, 2019, while inter- alia advising NSE to:

- (i) Freeze their voting rights and all corporate action in respect of 4.89%.
- (ii) For not causing inconvenience to other bonafide shareholders of NSE allow the transfer of partial stake in NSE between 'Non- Public shareholders' subject to fulfillment of certain conditions, criteria and limits.
- (iii) Issue communications to the shareholders advising them to strictly comply with SECC Regulations, 2018.

The communication to the shareholders has been done, as advised by SEBI.



(H) Dematerialisation of shares:

NSE's shares are fully dematerialised.

(I) 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).

(J) 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' is available on the Website of NSE. https://www.nseindia.com/global/content/about_us/PolicyonMaterialityandDealingwithRelatedPartyTransactions.pdf. During the financial year 2018-19, NSE did not have any material pecuniary relationship or transactions with Non-Executive Directors.

(2) Details of non-compliance by NSE, penalties, strictures imposed on NSE by SEBI or any other statutory authority on any matter related to capital markets during the last 3 years.

SEBI had issued orders dated April 30, 2019 in respect of the Colocation, Dark fibre, Conflict of interest and Governance matters inter-alia as under:

- (a) NSE to disgorge an amount of ₹624.89 crores along with interest at the rate of 12% per annum from April 01, 2014.
- (b) NSE shall be prohibited from accessing the securities market directly or indirectly for a period of six (6) months from the date of this order.
- (c) NSE to disgorge an amount of ₹62.58 Crores along with interest at the rate of 12% p.a. from September 11, 2015 till the actual date of payment along with other directions.
- (d) NSE not to introduce any new derivative product for next six months from the date of this order.
- (e) Passed certain non-monetary directions on NSE.

(3) Vigil Mechanism /Whistle Blower Policy

NSE has established a mechanism for any person to report

concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or ethics policy or law to the Ethics Counselor (Head of HR)/ Ethics Committee/ its Chairman/ Audit Committee, as the case may be. NSE also provides for adequate safeguards against victimisation of employees who avail the mechanism and also allows direct access to the Audit Committee in exceptional cases. No personnel has been denied access to the Audit Committee.

During the year under review, the Vigil Mechanism /Whistle Blower Policy were amended owing to recent developments. The details of the Vigil Mechanism /Whistle Blower Policy forms part of the Directors Report.

Details of Vigil Mechanism have been disclosed on the website of NSE. (Weblink: https://www1.nseindia.com/global/content/about_us/NSE_dtls_VM.pdf)

(4) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

As of March 31, 2019, no complaint was filed during the financial year, and hence no complaint was disposed-off and pending as at the end of the financial year.

(5) Compliance with the 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, like maintaining a Chairman's office at NSE's expense, reimbursement of expenses incurred by Chairman in performance of his duties, separate posts of chairperson and chief executive officer, financial statements with unmodified opinion, Internal Auditors reporting directly to the Audit Committee, etc.

(6) Subsidiary Companies

As per Listing Regulations, "material subsidiary" shall mean a subsidiary whose income or net worth exceeds ten 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 NCL 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 NCL 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' is available on the Website of NSE. https://www.nseindia.com/global/content/about_us/PolicyonDeterminingMaterialsubsidiaries.pdf

(7) 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.

(8) Communication with Shareholders

The data related to quarterly and annual financial results, shareholding pattern, Board meetings, general meetings, terms and conditions of appointment of independent directors, the details of vigil mechanism, press releases, etc., are provided on the website of NSE under 'Investor Relation' section for the information of the shareholders. (Weblink: https://www.nseindia.com/global/content/investor_rel/corporate_structure.htm)

NSE disseminates all material information to its shareholders

through periodic 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 NSE'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.

(9) Redressal of shareholders' complaints

NSE has constituted a Stakeholders Relationship Committee to look into and redress Shareholders and investor complaints. During the year, your 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.

(10) Certificate from a Company Secretary in Practice

M/s NL Bhatia & Associates, Company Secretaries has given a certificate that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as the directors of NSE by the SEBI / MCA or any such statutory authority. The said certificate also forms part of this report.

(11) Total fees for all services paid by NSE and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

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

₹ in crores

Sr No.	Nature of fees paid by NSE to Statutory Auditor	Amount paid to the Auditor
1	Audit fees	0.47
2	Limited review	0.15
3	Certification matters	0.06
4	Other services	0.60
	Total	1.28

IX. GENERAL BODY MEETINGS

Location, date and time of the general meetings held in the last three years till March 31, 2019:-

Type of meeting	Date	Time	Venue	Special Resolution passed
26 th Annual General Meeting	August 3, 2018	11.00 A.M	Exchange Plaza, Bandra -Kurla Complex Bandra (East) Mumbai- 400 051	-
25 th Annual General meeting	August 4, 2017	3.00 P.M	Exchange Plaza, Bandra -Kurla Complex Bandra (East) Mumbai- 400 051	-



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 NSE
24 th Annual General meeting	September 16, 2016	12:00 Noon.	Exchange Plaza, Bandra -Kurla Complex Bandra (East) Mumbai- 400 051	-

NSE 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.

X. PLANT LOCATIONS

None

XI. CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE NORMS

As required in Listing Regulations read with Regulation 33 of SECC Regulation, 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.

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 2018-19.

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, 2019.

Place: Mumbai,
Date : May 16, 2019

Vikram Limaye
MD & CEO

CEO AND CFO CERTIFICATE

To,
The Directors,
National Stock Exchange of India Limited

We, Vikram Limaye, Managing Director & CEO 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, 2019 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.

Vikram Limaye
Managing Director & CEO
Mumbai
May 16, 2019

Yatrik Vin
Chief Financial Officer

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
National Stock Exchange of India Limited

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 March 31, 2019. In terms of Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the disclosure requirements and corporate governance norms as specified for listed companies have become mutatis mutandis applicable to a recognized Stock Exchange. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified for listed company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]

Place: Mumbai
Date: April 30, 2019

B. Narasimhan
Partner
FCS 1303 / CP No. 10440

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of NATIONAL STOCK EXCHANGE OF INDIA LIMITED having CIN U67120MH1992PLC069769 and having registered office at Exchange Plaza, C-1,Block G. Bandra Kurla Complex, Bandra(East), Mumbai - 400051 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below as of 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	MR.DINESH HASMUKHRAI KANABAR	00003252	13/07/2016
2.	MR.MOHANDAS TELlicheERY VENKATARAMAN PAI	00042167	13/07/2016
3.	MR.ABHAY PRABHAKAR HAVALDAR	00118280	13/06/2012
4.	MR.VIKRAM MUKUND LIMAYE	00488534	17/07/2017
5.	MR. PRAKASH PARTHASARATHY	02011709	30/05/2012
6.	MR. NAVED MASOOD	02126497	13/07/2016
7.	MS. DHARMISHTA NARENDRAPRASAD RAVAL*	02792246	05/02/2016
8.	MS.SUNITA SHARMA	02949529	19/10/2016

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

PLACE: MUMBAI
DATE: 3rd May,2019.

For N. L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800

Bharat R.Upadhyay
(Partner)
FCS : 5436
COP : 4457

*Ms. Dharmishta Narendraprasad Raval term expired on 5th February, 2019 as per Regulation 24 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018. The approval by SEBI is awaited for re-nomination of term of Ms. Dharmishta Raval as Public Interest Director, while she continues holding the post.



ANNEXURE 7 TO BOARD'S REPORT

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East),
Mumbai 400051

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by National Stock Exchange of India Limited (hereinafter called the 'Stock Exchange') for the audit period from April 1, 2018 to March 31, 2019 ("the Audit Period"). The 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 Stock Exchange books, papers, minute books, forms and returns filed and other records maintained by the Stock Exchange and also the information provided by the Stock Exchange, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Stock Exchange has, during the Audit Period complied with the statutory provisions listed hereunder and also that the Stock Exchange has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting's made hereinafter.

We have examined the books, papers, minute books, forms, and returns filed, and other records maintained by the Stock Exchange for the Audit Period according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable as a Recognized Stock Exchange pursuant to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. 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;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and

vi. The other laws as are applicable specifically to the Stock Exchange are:

- a) Securities Contracts (Regulation) Act, 1956;
- b) Securities Exchange Board of India Act, 1992 & Circulars, Master Circulars and Regulations issued by SEBI and applicable to the Stock Exchange;
- c) Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations, 2018 and
- d) Prevention of Money Laundering Act, 2002.

We have also examined compliance with the applicable clauses of the Secretarial Standards related to the Board Meeting and General Meeting issued by the Institute of Company Secretaries of India related to meetings and minutes.

During the Audit Period, the Stock Exchange has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

During the Audit Period, provisions of the following regulations were not applicable to the Stock Exchange:

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- f) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings.

We further report that –

- The Board of Directors of the Stock Exchange is duly constituted with the proper balance of Executive Directors, Non-Executive Directors (Shareholders

Director) and Independent Directors (Public Interest Director). The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and where the same were given at shorter notice than seven days, prior consent thereof were obtained 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.
- Decisions at the meetings of the Board of Directors of the Stock Exchange and at Committees were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that there are adequate systems and processes in the Stock Exchange commensurate with the size and operations of the Stock Exchange to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Stock Exchange has not undertaken any major step having a major bearing on its affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]

B. Narasimhan

Partner

Place: Mumbai

Date: May 02, 2019

FCS 1303 / CP No. 10440

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



ANNEXURE A

To,
The Members,
National Stock Exchange of India Limited,

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

1. The compliance of provisions of all laws, rules, regulations, standards applicable to National Stock Exchange of India Limited (the 'Stock Exchange') is the responsibility of the management of the Stock Exchange. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Stock Exchange. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Stock Exchange, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records were produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Stock Exchange.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Stock Exchange nor of the efficacy or effectiveness with which the management has conducted the affairs of the Stock Exchange.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]

Place: Mumbai
Date: May 02, 2019

B. Narasimhan
Partner
FCS 1303 / CP No. 10440

ANNEXURE 8 (i) TO BOARD'S REPORT

- 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 to the median remuneration of the employees of the Company for the financial year is 80 X.
- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial year**
The percentage increase in remuneration of Managing Director & Chief Executive Officer, Company Secretary and Chief Financial Officer in the financial year is 10%, 8% and 10% respectively.
- iii. The percentage increase in the median remuneration of employees in the Financial year**
The percentage decrease in the median remuneration of employees in the financial year is around 13.41%. The percentage median has decreased mainly because 342 employees of NSE Infotech were absorbed on the rolls of NSE w.e.f. June 1, 2018.
- iv. The number of permanent employees on the rolls of the Company**
As on March 31, 2019, there are 888 employees on the rolls of the Company. The head count has gone up from 497 employees to 888 employees mainly because 342 employees of NSE Infotech were absorbed on the rolls of NSE w.e.f. June 1, 2018.
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**
The average percentile increase for the employees has been 10.86% as against 9.94% for the managerial personnel in the last financial year. Apart from the performance based normal increment, there was no other exceptional salary revision was given in FY 2018-19.

Note: KMPs under Companies Act and KMPs under SECC Regulations are considered as managerial personnel.
- vi. Affirmation that the remuneration is as per the remuneration policy of the Company.**
The remuneration is as per the remuneration policy of the Company.

STATEMENT PURSUANT TO RULE 5 (2)& (3) 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	Mr. Vikram Limaye MBA, CA # &	52	Managing Director & CEO	7,32,45,819	4,56,05,704	30	July 17, 2017	Managing Director & CEO IDFC Limited
2	Mr. J. Ravichandran B. Com, B.L., FCS # & \$	58	Group President	6,03,88,730	2,75,15,358	32	August 12, 1994	Dy. Secretary & Manager (Legal), Raymond Synthetics Limited
3	Mr. Ravi Varanasi B. Sc., CAIIB # &	56	Chief Business Development Officer	2,75,58,697	1,61,17,553	31	July 3, 1995	Senior Deputy Manager The Vysya Bank Ltd.
4	Mr. Yatrik Vin M.Com, AICWA # &	52	Chief Financial Officer	2,51,59,043	1,08,49,267	31	February 21, 2000	Manager (Finance & Accounts) Godrej & Boyce Mfg. Co. Ltd.
5	Mr.V. R. Narasimhan M. Com., ACS, MBA, Ph.D @ \$	62	Chief Regulatory Officer	70,25,660	40,34,334	38	August 30, 2013	Sr. Vice President, Kotak Mahindra Bank Ltd.
6	Mr. Hari K. ACS	52	Chief Business Officer	2,14,67,056	1,36,36,520	30	May 29, 1995	Cost Accountant, KCP Ltd.
7	Mr Shiv Kumar Bhasin B.E, M.TECH # & @	48	Chief Technology & Operations Officer	50,99,193	36,63,477	17	January 02, 2019	Chief Technology Officer, State Bank of India
8	Mr. Suprabhat Lala B. Sc. *	52	Senior Vice President	1,22,06,140	98,48,965	29	October 1, 2001	Sr. Vice President, Geojit Securities Ltd.
9	Mr. Sankarson Banerjee B. Tech, MBA @	48	Chief Technology Officer - Projects	1,03,67,017	61,64,782	24	April 15, 2015	Managing Director, Accenture Services Pvt. Ltd.
10	Mr Tirthankar Patnaik B.Sc, PHD @	43	Chief Economist	41,09,327	30,21,351	19	March 01, 2019	Chief Strategist & Head of Research, Mizuho Bank Ltd
11	Mr Somasundaram K S B.E, PGDM # & @	48	Chief Enterprise Risk Officer	93,83,086	61,64,782	23	October 04, 2018	Senior President and Chief Compliance Officer, Yes Bank Limited
12	Mr. Mahesh Haldipur B. E. (Civil), AMIE	59	Head - Premises and Admin	1,59,91,911	78,96,078	36	April 25, 1995	Project Engineer, Tata Electric Company Limited
13	Mr. Nirmal Mohanty MBA	60	Chief Economist	1,47,23,411	85,87,567	33	April 1, 2009	Principal / Vice President, Infrastructure Development Finance Company Ltd.
14	Mr.M Vasudev Rao B. Com., LLB, FCS	51	General Counsel	1,31,90,004	79,66,768	27	November 1, 2012	Associate Vice President, Bennett Coleman & Company Ltd.

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			
15	Mr. Nagendra Kumar SRYS PGDM	46	Chief Business Officer	1,34,02,261	69,10,515	24	July 16, 2009	Manager, Accenture India Ltd
16	Mr. Mayur Sindhwa ICWA, ACS # & \$	44	Chief Operating Officer - Trading	1,44,53,080	89,63,941	23	June 1, 2009	Assistant Vice President, Edelweiss Securities Ltd
17	Mr. Saurov Ghosh Dip in LL&W, MPM	50	Group Head - Human Resource	1,84,04,004	1,17,32,158	25	November 2, 2017	Chief HR Officer - Textiles, Aditya Birla Group
18	Ms. Priya Subbaraman LLB, ACS # &	48	Chief Regulatory Officer	1,44,43,050	97,14,856	22	February 1, 2018	Head - Compliance, Standard Chartered Bank
19	Mr. G. M. Shenoy B.E, M.F.M. # & @	58	Chief Technology Officer - Ops, Trading	1,70,72,435	86,56,514	35	June 1, 2018	Chief Technology Officer - Ops, Trading, NSE Infotech Services 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 ₹21,88,165, ₹4,11,488, ₹11,50,645, ₹29,037, ₹25,94,801, ₹19,03,114, ₹3,70,307, ₹19,38,951, ₹11,64,316 and ₹6,27,612 was paid to Mr. J. Ravichandran, Mr Mahesh Haldipur, Mr Ravi Varanasi, Mr Nagendra Kumar SRVS, Mr Yatrik Vin, Mr Nirmal Mohanty, Mr M Vasudev Rao, Mr V R Narasimhan, Mr Sankarson Banerjee and Mr G M Shenoy respectively and interest on withheld variable pay for FY 2014-15 of ₹11,40,150 ₹2,99,195 and ₹5,86,296 was paid to Mr.J Ravichandran, Mr Mayur Sindhwa and Mr V R Narasimhan respectively. Mr. V R Narasimhan was also paid ₹27,30,390 towards gratuity
- Employees, whose names were marked with '#' are Key Management Personnel under SCR (SECC) Regulations, 2018 of SEBI. The remuneration of employee marked with '&' excludes 50% of their Variable Pay to be paid on deferred basis after 3 years. For employees marked with '\$', remuneration received includes 50% variable pay pertaining to earlier period namely Mr J Ravichandran (Gross ₹42,79,876; Net ₹27,44,256), Mr Mayur Sindhwa (Gross ₹11,23,113; Net ₹7,20,143) and Mr V R Narasimhan (Gross ₹22,00,829 ; Net ₹15,00,979)
- 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 was in permanent employment of the subsidiary's subsidiary company, M/s. NSE Infotech Services Limited till May 31, 2018.
- 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 9 TO BOARD'S REPORT

INFORMATION REQUIRED UNDER REGULATION 27(5) & (6) OF THE SECURITIES CONTRACTS (REGULATION) (STOCK EXCHANGES AND CLEARING CORPORATIONS) REGULATIONS, 2018

KMP compensation - NSEIL			
KMP Name#	KMP Compensation*	Median of compensation of all employees*	Ratio of median of compensation of all employees against KMP compensation
Mr. Vikram Limaye	8,80,00,007	11,00,008	80 x
Mr. J Ravichandran	5,43,31,032	11,00,008	49.39 x
Mr. Ravi Varanasi	3,16,32,957	11,00,008	28.76 x
Mr. Yatrik Vin	2,36,45,611	11,00,008	21.50 x
Ms. Priya Subbaraman	1,90,17,095	11,00,008	17.29 x
Mr. Shiv Kumar Bhasin \$	2,00,00,024	11,00,008	18.18 x
Mr. Somasundaram K S \$	2,00,00,024	11,00,008	18.18 x
Mr. Mayur Sindhwad	1,51,96,276	11,00,008	13.81 x
Mr. G M Shenoy \$	1,78,61,844	11,00,008	16.24 x

Key Managerial Personnel under SCR (SECC) Regulations, 2018 of SEBI.

* Annualised salary/remuneration based on the terms of appointment of the employees who were on the rolls as on March 31, 2019.

\$ Employees whose names have been marked with \$ were employed with the Company for the part of the year. Mr. G. M. Shenoy was in permanent employment of the subsidiary's subsidiary company, M/s. NSE Infotech Services Limited till May 31, 2018.



INDEPENDENT AUDITOR'S REPORT

To the Members of
National Stock Exchange of India Limited

Report on the Audit of the consolidated financial statements as of and for the year ended March 31, 2019

Opinion

1. We have audited the accompanying consolidated financial statements of National Stock Exchange of India Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates, (refer Note 39 to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records, (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2019, of consolidated total comprehensive income (comprising profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in

India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 17 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 18 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

4. A paragraph on material uncertainty related to going concern has been included in the Independent Auditor's Report on the financial statements of NSE Infotech Services Limited, a subsidiary of the Holding Company, issued by an independent firm of chartered accountants vide their report dated April 23, 2019, reproduced by us as under:
"We draw attention to Note 1(a) of the company's financial statements which indicates that the company has not prepared financial statements on going concern basis which indicates that a material uncertainty exists that may cast a significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter."*
*This note is included in Note 43 of the consolidated financial statements.
Our opinion is not modified in respect of this matter.

Emphasis of matter

5. We draw your attention to Note 34 (b) to the consolidated financial statements, relating to the contingent liability, that describes the Orders issued by the Securities and Exchange Board of India (SEBI) on April 30, 2019 wherein disgorgement/demand aggregating Rs. 687.47 crore (excluding interest thereon at 12% p.a. from April 1, 2014 till the actual date of payment for one order and from September 11, 2015 till the actual date of payment for second order) has been raised against the Holding

Company pursuant to an investigation conducted in relation to preferential access to tick by tick data at the Holding Company's Colocation facility, Dark Fiber point to point connectivity and Governance and related matters. SEBI has further directed the Holding Company to undertake certain remedial measures, actions and imposed restrictions. The Holding Company has also received Adjudication notices covering identical matters, facts, circumstances and grounds as stated in each of the above orders, which are currently pending for hearing before SEBI. The Holding Company is in the process of filing appeal to contest the aforesaid orders with the Hon'ble Securities Appellate Tribunal, the future outcome of which is uncertain at this stage. Based on the legal opinion obtained by the Holding

Company, no provision for any liability has been made towards the aforesaid demand in these consolidated financial statements.

Our opinion is not modified in respect of this matter.

Key Audit Matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><u>Assessment of provisions made and contingent liabilities disclosed with regard to legal and tax matters</u></p> <p>[Refer Note 34 to the consolidated financial statements]</p> <p>As of March 31, 2019, the Holding Company has ongoing proceedings with tax authorities involving certain direct and indirect tax matters including disallowance of certain expenses under income tax, applicability of service tax on certain services and various other ongoing litigations including claims by its members and case filed by competitor against under Competition Appellate Tribunal.</p> <p>The Holding Company has assessed the above pending litigations and proceedings and has made provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its consolidated financial statements.</p> <p>This area is considered as a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources, if any, and the recognition of provisions, disclosure of contingent liabilities and related disclosures to be made in the consolidated financial statements.</p>	<p>Our audit procedures related to legal and tax matters included–</p> <ul style="list-style-type: none"> Understanding and evaluating the design and operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the consolidated financial statements in respect of these matters. Obtaining details of litigations on legal and direct and indirect tax matters. Reviewing orders and/or communications with regulatory authorities and management responses thereto. Inspecting the supporting documents to evaluate management's assessment of probability of outcome of ongoing proceedings, the magnitude of potential loss, if any, and testing related provisions and disclosures made in the consolidated financial statements. Evaluating, along with the auditor's experts, the status of the direct and indirect tax matters. Examining expert's legal advice/opinion obtained by the Holding Company's management for evaluating certain legal and tax matters. Assessing the adequacy of disclosures related to these matters. <p>Based on our above procedures, the provisions recognised by the Holding Company, and contingent liabilities disclosed with regard to legal and tax matters is reasonable.</p>



7. The following Key Audit Matter was included in the audit report dated April 30, 2019, containing an unmodified audit opinion on the financial statements of NSE Clearing Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
<p><u>Legal matters and uncertain tax positions</u></p> <p>As of March 31, 2019, the company has various ongoing litigations on legal matters and proceedings with tax authorities involving uncertain direct and indirect tax positions.</p> <p>Refer note 33 and 34 to the standalone financial statements of the company.*</p> <p><u>Uncertain direct and indirect tax positions</u></p> <p>There are various direct and indirect tax cases against the company, including disallowance of certain expenses under income tax, applicability of service tax on certain services etc.</p> <p>This is a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources, if any, provisions and related disclosures to be made in the standalone financial statements.</p>	<p>Audit procedures related to legal matters and uncertain tax positions included–</p> <ul style="list-style-type: none"> • Evaluating the design and operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the standalone financial statements in respect of these matters. • Obtaining details of litigations on legal matters and uncertain direct and indirect tax positions. • Reviewing orders and management responses thereto. • Inspecting the supporting documents to evaluate management’s assessment of probability of outcome of ongoing proceedings, the magnitude of potential loss, if any, and testing related provisions and disclosures made in the standalone financial statements. • Reviewing expert’s legal advice/opinion obtained by the company’s management for evaluating certain legal and tax matters. • Evaluating competence and capabilities of the experts. <p>Based on the above procedure, we noted that the company has reviewed the above pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its standalone financial statements.</p>

* These notes are included in Note 34 of the consolidated financial statements.

Other information

8. The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in Management Discussion and Analysis, Board’s Report including annexures to Board’s Report and Report on Corporate Governance, but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based

on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 17 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

9. The Holding Company’s Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies

included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial reporting in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and



performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

14. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

17. We did not audit the financial statements of twelve subsidiaries whose financial statements reflect total assets of Rs 12,819 Crores and net assets of Rs 2,453 Crores as at March 31, 2019, total revenue of Rs. 1,296 Crores, total comprehensive income (comprising of profit and other comprehensive income) of Rs 536 Crores and net cash flows amounting to Rs 549 Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive loss) of Rs. 31 crores for the year ended March 31, 2019 as considered

in the consolidated financial statements, in respect of one associate company 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 financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and associate and our report in terms of sub-section (3) of Section 143 of the Act including report on Other information insofar as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

18. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive loss) of Rs. 76 Crores for the year ended March 31, 2019 as considered in the consolidated financial statements, in respect of five associate companies whose financial information have not been audited. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these associate companies and our report in terms of sub-section (3) of Section 143 of the Act including report on Other information insofar as it relates to the aforesaid associates, 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. Further, with respect to one associate company referred to in paragraph 17 above, the auditor's report did not include the reporting under section 143(3).

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above 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.

Report on other legal and regulatory requirements

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries, as noted in the Other Matters paragraph:
- i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – refer Note 34 to the consolidated financial statements.
 - ii. The Group had long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Group did not have any derivative contracts as at March 31, 2019 - refer Note 48 to the consolidated financial statements.
 - iii. During the year ended March 31, 2019, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India - refer Note 49 to the consolidated financial statements.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2019.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E / E- 300009

Sumit Seth

Partner

Membership Number 105869

Place: Mumbai

Date: May 16, 2019



Annexure A to Independent Auditor's Report

Referred to in paragraph 19(f) of the Independent Auditor's Report of even date to the members of National Stock Exchange of India Limited on the consolidated financial statements for the year ended March 31, 2019

Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of sub-section 3 of section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to consolidated financial statements of National Stock Exchange of India Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate companies 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 and its associate companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which 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 Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under

section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of internal financial controls with reference to consolidated financial statements

6. A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and

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

Inherent limitations of internal financial controls over financial reporting with reference to consolidated financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2019, based on the internal

control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to twelve subsidiary companies and one 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 reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements does not include the reporting of five associate companies, which are companies incorporated in India whose audit report is not available. In our opinion and according to information and explanations given to us by the Management, the financial information of these five associate companies 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 16, 2019



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Notes	(₹ in Crores)	
		As at 31.03.2019	As at 31.03.2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	549.50	535.35
Capital work-in-progress	2	6.60	31.72
Goodwill	3	123.18	67.35
Other intangible assets	3	89.65	50.30
Intangible assets under development	3	92.75	33.69
Investment in associates accounted for using the equity method	39	787.47	744.93
Financial assets			
- Investments	4	3,122.99	3,403.25
- Other financial assets			
Non-current bank balances	5	1,206.31	1,014.62
Others	5	175.66	60.82
Income tax assets (net)	21	423.96	275.59
Deferred tax assets (net)	19 (c)	8.88	5.49
Other non-current assets	7	17.40	14.64
Total non-current assets		6,604.35	6,237.75
Current assets			
Inventories		-	0.01
Financial assets			
- Investments	9	3,001.58	2,873.89
- Trade receivables	10	452.51	397.68
- Cash and cash equivalents *	11	6,592.61	6,244.14
- Bank balances other than cash and cash equivalents *	12	2,948.07	2,100.94
* Includes Rs.6,076.65 crores (Previous Year : Rs.5,547.04 crores) pertaining to Settlement obligation and margin money from members			
- Other financial assets	6	239.66	202.74
Other current assets	8	139.60	86.85
		13,374.03	11,906.25
Assets classified as held for sale	39	-	82.07
Total current assets		13,374.03	11,988.32
TOTAL ASSETS		19,978.38	18,226.07
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13 a	49.50	49.50
Other equity	13 b	7,737.39	7,300.06
Equity attributable to owners of National Stock Exchange of India Limited		7,786.89	7,349.56
Non Controlling Interest	13 b	1.37	-
Total Equity		7,788.26	7,349.56

CONSOLIDATED BALANCE SHEET (CONTD...)

(₹ in Crores)

Particulars	Notes	As at 31.03.2019	As at 31.03.2018
SETTLEMENT GUARANTEE FUND			
- Core Settlement Guarantee Fund paid	37	2,794.93	2,421.22
- Core Settlement Guarantee Fund payable	37	12.65	12.41
- Settlement Guarantee Fund paid - Commodity Derivatives		250.00	-
		3,057.58	2,433.63
Investor Protection Fund	38 b	0.10	0.10
LIABILITIES			
Non-current liabilities			
Other financial liabilities	15	9.66	9.64
Provisions	17 a	19.79	20.87
Deferred tax liabilities (net)	19 (c)	154.71	156.89
Other non-current liabilities	22	5.39	5.39
Total non-current liabilities		189.55	192.79
Current liabilities			
Financial liabilities			
- Deposits	24	1,891.38	1,915.91
- Trade payables	14		
Total Outstanding dues of micro enterprises and small enterprises		0.14	1.21
Total Outstanding dues of creditors other than micro enterprises and small enterprises		127.99	128.25
- Other financial liabilities*	16	6,267.84	5,697.69
* Includes Rs.6,076.65 crores (Previous Year : Rs.5,547.04 crores) pertaining to Settlement obligation and margin money from members			
		8,287.35	7,743.06
Contract Liabilities	17b	13.02	-
Provisions	18	76.48	61.00
Income tax liabilities (net)	20	124.76	97.87
Other current liabilities	23	441.28	348.06
Total current liabilities		8,942.89	8,249.99
TOTAL LIABILITIES		9,132.44	8,442.78
TOTAL EQUITY AND LIABILITIES		19,978.38	18,226.07
Summary of significant accounting policies	1		
The above consolidated balance sheet should be read in conjunction with the accompanying notes			

This is the Consolidated Balance sheet referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP For and on behalf of the Board of Directors

Chartered Accountants

Firm's Registration no : 304026E / E-300009

Sumit Seth

Partner

Membership No.: 105869

Place : Mumbai

Date : May 16, 2019

Dharmishta Raval

Director

[DIN:02792246]

Dinesh Kanabar

Director

[DIN:00003252]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Yatrik Vin

Chief Financial Officer

S. Madhavan

Company Secretary



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2019	For the year ended 31.03.2018
INCOME			
Revenue from operations	25	3,027.79	2,609.14
Other income	26	486.78	423.42
Total income		3,514.57	3,032.56
EXPENSES			
Employee benefits expense	27	306.39	263.28
Depreciation and amortisation expense	2 & 3	142.02	125.59
Other expenses	28	766.72	568.99
Total expenses		1,215.13	957.86
Profit before, share of net profits of investments accounted for using equity method, profit on sale of investments in associates and tax		2,299.44	2,074.70
Share of net profit of associates accounted for using equity method	39	107.03	122.34
Profit before profit on sale of investment in associates and tax		2,406.47	2,197.04
Profit on sale of investment in associate		169.74	-
Profit before tax		2,576.21	2,197.04
Less : Tax expense			
Current tax expense	19 (a)	857.84	681.05
Deferred tax expense	19 (a)	10.33	54.52
Total tax expenses		868.17	735.57
Net Profit after tax (A)		1,708.04	1,461.47
Other comprehensive income			
Items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	13 b	4.41	(22.78)
Income tax relating to items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	13 b	(1.54)	7.96
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	13 b	(4.33)	(1.08)
Changes in fair value of FVOCI equity instruments	13 b	(2.26)	8.24
Changes in foreign currency translation reserve	13 b	6.20	0.29
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	13 b	1.42	0.17
Changes in fair value of FVOCI equity instruments	13 b	1.17	(1.57)
Total other comprehensive income / (loss) for the year, net of taxes (B)		5.07	(8.77)
Total comprehensive income for the year (A+B)		1,713.11	1,452.70

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (CONTD...)

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2019	For the year ended 31.03.2018
Profit is attributable to :			
Owners of National Stock Exchange of India Limited		1,708.04	1,461.47
Non-Controlling Interests		0.00	-
Other comprehensive income/(loss) is attributable to :			
Owners of National Stock Exchange of India Limited		5.07	(8.77)
Non-Controlling Interests		0.00	-
Total comprehensive income is attributable to :			
Owners of National Stock Exchange of India Limited		1,713.11	1,452.70
Non-Controlling Interests		0.00	-
Earnings per equity share attributable to owners of National Stock Exchange of India Limited (Face value of ₹1 each)	29		
Basic & Diluted (Rs.)		34.51	29.52
Summary of significant accounting policies	1		
The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes			

This is the Consolidated Statement of Profit & loss referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP **For and on behalf of the Board of Directors**

Chartered Accountants

Firm's Registration no : 304026E / E-300009

Sumit Seth

Partner

Membership No.: 105869

Place : Mumbai

Date : May 16, 2019

Dharmishta Raval

Director

[DIN:02792246]

Dinesh Kanabar

Director

[DIN:00003252]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Yatrik Vin

Chief Financial Officer

S. Madhavan

Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(A) EQUITY SHARE CAPITAL	(₹ in Crores)
Balance as at 01.04.2017	49.50
Changes in equity share capital during the year	0.00
Balance as at 31.03.2018	49.50
Changes in equity share capital during the year	0.00
Balance as at 31.03.2019	49.50

Particulars	Reserves and Surplus						Other Reserves			Total other Equity	Non Controlling Interests	Total other Equity
	Securities premium reserve	Retained earnings *	CSR Reserve	Liquidity Enhancement Scheme Incentive Reserve	Other reserves** (Refer Note 13b)	Total Reserves and Surplus	FVOCI equity instruments	FVOCI debt instruments	Foreign Currency Translation Reserve			
Balance as at 01.04.2017	35.50	6,905.38	72.06	-	63.89	7,076.84	85.51	0.28	(2.50)	83.29	7,160.13	7,160.13
Profit for the period	-	1,461.47	-	-	-	1,461.47	-	-	-	-	1,461.47	1,461.47
Transfer to CSR Reserve	-	72.06	(72.06)	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	-	(0.91)	-	-	-	(0.91)	6.67	(14.82)	0.29	(7.86)	(8.77)	(8.77)
Appropriation to Core Settlement Guarantee Fund (net of tax)	-	(165.43)	-	-	-	(165.43)	-	-	-	-	(165.43)	(165.43)
Share Issue Expenses	-	(0.38)	-	-	-	(0.38)	-	-	-	-	(0.38)	(0.38)
Contribution to Investor Protection Fund	-	(0.10)	-	-	-	(0.10)	-	-	-	-	(0.10)	(0.10)
Transfer to Liquidity Enhancement Scheme Incentive Reserve	-	(5.08)	-	5.08	-	-	-	-	-	-	-	-
Liquidity Enhancement Scheme Incentive paid/payable	-	1.50	-	(1.50)	-	-	-	-	-	-	-	-
Transaction with owners in their capacity as owners	-	(1,146.86)	-	-	-	(1,146.86)	-	-	-	-	(1,146.86)	(1,146.86)
Dividend paid (including dividend distribution tax)	35.50	7,121.66	0.00	3.58	63.89	7,224.63	92.18	(14.54)	(2.21)	75.43	7,300.06	7,300.06
Balance as at 31.03.2018	35.50	7,121.66	0.00	3.58	63.89	7,224.63	92.18	(14.54)	(2.21)	75.43	7,300.06	7,300.06

(₹ in Crores)

Particulars	Reserves and Surplus				Other Reserves			Total other Equity	Non Controlling Interests	Total other Equity			
	Securities premium reserve	Retained earnings *	CSR Reserve	Liquidity Enhancement Scheme Incentive Reserve	Other reserves** (Refer Note 13b)	Total Reserves and Surplus	FVOCI equity instruments				FVOCI debt instruments	Foreign Currency Translation Reserve	Total other reserves
Balance as at 01.04.2018	35.50	7,121.66	0.00	3.58	63.89	7,224.63	92.18	(14.54)	(2.21)	75.43	7,300.06	-	7,300.06
Profit for the period	-	1,708.04	-	-	-	1,708.04	-	-	-	-	1,708.04	-	1,708.04
Other Comprehensive Income	-	(2.91)	-	-	-	(2.91)	(1.09)	2.87	6.20	7.98	5.07	-	5.07
Appropriation to Core Settlement Guarantee Fund (net of tax)	-	(11.30)	-	-	-	(11.30)	-	-	-	-	(11.30)	-	(11.30)
Appropriation to Settlement Guarantee Fund (SGF)-Commodity derivatives	-	(250.00)	-	-	-	(250.00)	-	-	-	-	(250.00)	-	(250.00)
Contribution to Investor Protection Fund	-	-	-	-	-	-	-	-	(0.01)	(0.01)	(0.01)	-	(0.01)
Transfer to Liquidity Enhancement Scheme Incentive Reserve	-	(12.11)	-	12.11	-	-	-	-	-	-	-	-	-
Liquidity Enhancement Scheme Incentive paid/payable	-	14.18	-	(14.18)	-	-	-	-	-	-	-	-	-
Transaction with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid (including dividend distribution tax)	-	(1,014.47)	-	-	-	(1,014.47)	-	-	-	-	(1,014.47)	-	(1,014.47)
Non-Controlling Interest on acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	1.37	1.37
Balance as at 31.03.2019	35.50	7,553.09	0.00	1.51	63.89	7,653.99	91.09	(11.67)	3.98	83.40	7,737.39	1.37	7,738.76

Particulars
31.03.2019
31.03.2018

* Includes General Reserves	4,441.04	4,441.04
** Includes capital reserve on consolidation	39.39	39.39
** Includes capital redemption reserve	13.00	13.00
** Includes staff welfare reserve	1.50	1.50
** Includes investor compensation activities	10.00	10.00

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes As per our report attached

For Price Waterhouse & Co Chartered Accountants LLP For and on behalf of the Board of Directors

Chartered Accountants

Firm's Registration no : 304026E / E-300009

Sumit Seth

Partner

Membership No.: 105869

Dharmishta Raval

Director

[DIN:02792246]

Dinesh Kanabar

Director

[DIN:00003252]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Yatrik Vin

Chief Financial Officer

S. Madhavan

Company Secretary



CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crores)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
A) CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	2,576.21	2,197.04
Adjustments for		
Depreciation and amortisation expense	142.02	125.59
Interest income from financial assets at amortised cost	(106.67)	(145.96)
Interest Income from investments	(249.08)	(255.75)
Interest income from investments designated at FVOCI	(40.45)	(38.52)
Rental income	(4.96)	(4.72)
Dividend income	(0.24)	(0.79)
Net fair value gain on financial assets mandatorily measured at FVPL	(145.56)	(142.55)
Net gain on sale of investments	(190.75)	(87.65)
Net gain on sale of investments of associate	(169.74)	-
Net gain on disposal of property, plant and equipment	-	(12.66)
Doubtful debts written off	-	2.35
Provision for doubtful debts	1.64	0.74
Impairment losses on financial assets	80.13	2.93
Asset written off	0.39	11.78
Share of net profit of associates accounted by using equity method	(107.03)	(122.34)
Amortization of Share Issue Expenses	0.38	-
Change In operating assets and liabilities		
(Increase)/Decrease in trade receivables	(39.72)	(86.48)
(Increase)/Decrease inventories	0.01	0.01
Increase/(Decrease) in trade payables	(5.04)	31.99
(Increase)/Decrease in other financial assets	(9.59)	10.09
(Increase)/Decrease in other assets	(43.04)	(18.69)
Increase/(Decrease) in other financial liabilities	525.35	(1,941.29)
Increase/(Decrease) in provisions	9.84	5.19
Increase/(Decrease) in other liabilities	105.10	(88.32)
(Refund) / proceeds of deposits	(24.53)	112.63
Change in Core Settlement Guarantee Fund balance	362.65	259.30
CASH GENERATED/ (USED) FROM OPERATIONS	2,667.31	(186.08)
Income taxes paid	(979.32)	(615.05)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES - TOTAL (A)	1,687.99	(801.13)
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(202.91)	(182.28)
Proceeds from property, plant and equipment	0.93	20.37
Proceeds from rental income	4.96	4.72
(Payment) / proceeds from investments (Net)	418.46	(247.16)
(Payment) / proceeds from investments in deposits with financial institutions (Net)	(125.00)	-
Payment for acquisition of subsidiary	(76.13)	-
(Payment) / proceeds for investment in associates (Net)	246.74	-
(Payment) / proceeds from fixed deposits(Net)	(1,038.82)	187.87
Interest received	391.60	427.94
Dividend received (including dividend from associate companies)	55.12	52.92
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES - TOTAL (B)	(325.05)	264.38

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crores)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid (including dividend distribution tax)	(1,014.47)	(1,146.86)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES - TOTAL (C)	(1,014.47)	(1,146.86)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	348.47	(1,683.61)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	6,244.14	7,927.75
CASH AND CASH EQUIVALENTS AT END OF THE YEAR *	6,592.61	6,244.14
* Includes amount received from members towards settlement obligation and margin money. (Refer Note 11 & 16)		
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	348.47	(1,683.61)
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents	6,592.61	6,244.14
Bank overdrafts	-	-
Balances per statement of cash flows	6,592.61	6,244.14

The above Consolidated Statement of Cash Flows 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 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 16, 2019

For and on behalf of the Board of Directors

Dharmishta Raval

Director

[DIN:02792246]

Yatrik Vin

Chief Financial Officer

Dinesh Kanabar

Director

[DIN:00003252]

S. Madhavan

Company Secretary

Vikram Limaye

Managing Director & CEO

[DIN:00488534]



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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, currency derivatives and commodity derivatives segments.

The consolidated financial statements relates to the Parent Company, its subsidiary companies 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) 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 financial statements for the year ended March 31, 2019 has been approved by the Board of directors of the Company in their meeting held on May 16, 2019.

(i) 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

Level 3 inputs are unobservable inputs for the asset or liability.

(ii) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post - acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note (i) below

v) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of profit 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.

(b) 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.

(c) Revenue recognition

Effective April 1, 2018, the Group has adopted Ind AS 115, Revenue from contracts with customers using the modified retrospective transition approach, which is applied to contracts that were not completed as of April 1, 2018. The adoption of this standard did not have a material impact on the financial results for the year ended March 31, 2019.

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods or services. The Group recognises revenue in the period in which it satisfies its performance obligation by transferring promised goods or services to the customer. The sources of revenue and Group’s accounting policy are as follows:

- (i) Transaction charges – revenue in respect of trading transactions on exchanges is recognised in accordance with the Group’s fee scales at a point in time as an when the transaction is completed.
- (ii) Listing fees - Revenue for listings fees is recognized when the listing event has taken place and on a straight-line basis over the period to which they relate.
- (iii) Book building fees – revenue is recognised at a point in time on completion of the book building process.

- (iv) Revenue from Technology services comprises Application Development and Maintenance services, E-learning Solutions and Infrastructure Management Services. Revenue from time and material and job contracts is recognised using the output method measured by units delivered, efforts expended, number of transactions processed, etc. Revenue related to fixed price maintenance and support services contracts, where the Group is standing ready to provide services is recognised based on time elapsed on a straight line basis over the period of performance. In respect of other fixed-price contracts, revenue is recognised over a period of time using percentage-of-completion method of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations. Revenue from online examination services is recognised on the basis of exams conducted and where there are multiple performance obligations, revenue is recognised using percentage-of-completion method of accounting with contract costs incurred determining the degree of completion of the performance obligation. Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer. The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third party equipment or software are recorded at gross or net basis depending on whether the Group is acting as the principal or as an agent. The Group recognises revenue at the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.
- (v) Subscription and other fees related to data feed and licensing services – revenue is recognised over a period of time to which the fee relates.
- (vi) Other services – all other revenue is recognised in the period in which the performance obligation is satisfied over a period of time or point in time.

The Group considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Group expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting allowances and incentives such as discounts, volume rebates etc. Revenue excludes any taxes and duties collected on behalf of the government.

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 where quantum of accrual cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

(d) 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.

(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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

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.

(f) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(g) 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-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.

(h) 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 other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(i) 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 THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(j) 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.

(k) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

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.

(I) 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(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.

(m) 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.

(n) 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 Group or the counterparty.

(o) 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 Rs. 5,000 or less are depreciated fully in the year of acquisition.

(p) 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.

(q) 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.

(r) 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(s) Provisions

Provisions for legal claims and discounts/incentives are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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.

(t) 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.

(u) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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' 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.

In case of the Parent Company and one of the subsidiary company, SEBI has laid down certain norms in terms of the compensation policy for the key management personnel which are as under :

A. The variable pay component will not exceed one third of the total pay.

B. 50% of the variable pay will be paid on a deferred basis after three years.

(v) **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.

(w) **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.

(x) **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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(y) 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 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).

(z) Non- Current assets held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell. Non-current assets classified as held for sale are presented separately from other assets in the balance sheet.

(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.

(ab) Reclassification

Previous year figures have been reclassified / regrouped wherever necessary.

(ac) 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.

(ad) Recent Accounting Pronouncements

(i) Ind AS 116 – Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing standard, Ind AS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The new standard is mandatory for financial years commencing on or after 1 April 2019. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Group is in the process of assessing the detailed impact of Ind AS 116. Presently, the Group is not able to reasonably estimate the impact that application of Ind AS 116 is expected to have on its financial statements.

(ii) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, which specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group does not expect any significant impact of the amendment on its financial statements.

(iii) Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes'.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group does not expect any material impact from this pronouncement on its financial statements. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. Accordingly, the Group will continue to recognize dividend distribution tax paid on distribution of dividend to its equity shareholders as part of dividend within equity, pending any further clarification.

(iv) Other Amendments :

Amendments to Ind AS 23, Borrowing costs, Ind AS 28, Long term interest in Associates and Joint ventures, Ind AS 103, Business combinations, Ind AS 111, Joint arrangements, Ind AS 19 – plan amendment, curtailment or settlement and Ind AS 109 – Prepayment Features with Negative Compensation are either not applicable to the Group or the Group does not expect any material impact on its financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 2 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Freehold land	Leasehold land	Owned building (Refer note 2.1)	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
Gross carrying amount													
Cost as at 01.04.2017	35.51	107.62	174.51	77.68	104.04	51.72	200.74	28.43	227.72	196.77	31.91	1,236.65	78.90
Additions	-	-	13.54	16.50	11.83	10.86	12.05	6.10	49.63	37.25	2.79	160.56	97.34
Disposals	(3.30)	-	(3.38)	(3.36)	(4.45)	(2.69)	(43.08)	(0.51)	(24.93)	(22.13)	(0.42)	(108.25)	(0.02)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(144.50)
Closing gross carrying amount	32.21	107.62	184.67	90.82	111.42	59.89	169.71	34.02	252.42	211.89	34.28	1,288.96	31.72
Accumulated depreciation													
Accumulated depreciation as at 01.04.2017	-	27.73	38.20	62.68	42.33	31.66	182.38	22.94	160.83	154.50	28.58	751.83	-
Depreciation charge during the period	-	1.29	3.35	8.68	8.61	5.10	10.45	4.31	35.83	22.80	1.90	102.32	-
Disposals	-	-	(1.10)	(3.29)	(3.64)	(2.41)	(43.08)	(0.51)	(24.16)	(21.92)	(0.43)	(100.54)	-
Closing Accumulated depreciation	-	29.02	40.45	68.07	47.30	34.35	149.75	26.74	172.50	155.38	30.05	753.61	-
Net carrying amount as at 31.03.2018	32.21	78.60	144.22	22.75	64.12	25.54	19.96	7.28	79.92	56.51	4.23	535.35	31.72
Gross carrying amount													
Cost as at 01.04.2018	32.21	107.62	184.67	90.82	111.42	59.89	169.71	34.02	252.42	211.89	34.28	1,288.96	31.72
Additions	-	-	-	10.93	3.83	5.66	0.77	2.34	47.18	58.18	0.97	129.84	83.07
Disposals	-	-	-	(0.96)	(0.20)	(0.79)	(0.03)	(1.11)	(34.60)	(69.74)	(16.14)	(123.58)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(108.19)
Currency Fluctuation	-	-	-	0.01	0.03	0.04	-	0.01	0.56	0.06	-	0.70	-
Closing gross carrying amount	32.21	107.62	184.67	100.80	115.07	64.80	170.45	35.25	265.56	200.38	19.11	1,295.92	6.60
Accumulated depreciation													
Accumulated depreciation as at 01.04.2018	-	29.02	40.45	68.07	47.30	34.35	149.75	26.74	172.50	155.38	30.05	753.61	-
Depreciation charge during the period	-	1.29	3.45	8.19	8.04	5.34	9.50	4.21	40.01	33.27	2.11	115.41	-
Disposals	-	-	-	(0.94)	(0.04)	(0.40)	(0.03)	(0.80)	(34.60)	(69.70)	(16.14)	(122.65)	-
Currency Fluctuation	-	-	-	(0.00)	0.00	0.00	-	0.00	0.04	0.01	-	0.05	-
Closing Accumulated depreciation	-	30.31	43.90	75.32	55.30	39.29	159.22	30.15	177.95	118.96	16.02	746.42	-
Net carrying amount as at 31.03.2019	32.21	77.31	140.77	25.48	59.77	25.50	11.23	5.10	87.61	81.43	3.09	549.50	6.60

Note 2.1 : Includes investment property for which cost and fair value details are as follows:

Particulars	31.03.2019	31.03.2018
Net carrying amount of investment property	4.30	4.41
Fair value of investment property	65.73	63.84
Depreciation	0.10	0.10
Rental income	4.96	4.72

Note 2.2: Capital and other Contractual commitment Refer note 33

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 THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 3 : INTANGIBLE ASSETS

(₹ in Crores)

	Goodwill	Other intangible assets			Intangible under development
		Computer software	Software copyrights	Total	
Gross carrying amount					
Cost as at 01.04.2017	67.35	234.88	2.59	237.47	34.98
Additions	-	36.22	-	36.22	35.52
Disposals	-	(12.38)	-	(12.38)	(10.00)
Transfers	-	-	-	-	(26.81)
Currency Fluctuation	-	0.01	-	0.01	-
Closing gross carrying amount	67.35	258.73	2.59	261.32	33.69
Accumulated amortisation					
Accumulated amortisation as at 01.04.2017	-	189.57	2.59	192.16	-
Amortisation charge during the period	-	23.27	-	23.27	-
Disposals	-	(4.41)	-	(4.41)	-
Closing Accumulated amortisation	-	208.43	2.59	211.02	-
Net carrying amount as at 31.03.2018	67.35	50.30	-	50.30	33.69
Gross carrying amount					
Cost as at 01.04.2018	67.35	258.73	2.59	261.32	33.69
Additions (Refer Note no. 45)	55.83	65.83	-	65.83	84.80
Disposals	-	(0.16)	-	(0.16)	(0.72)
Transfers	-	-	-	-	(25.02)
Currency Fluctuation	-	0.18	-	0.18	-
Closing gross carrying amount	123.18	324.57	2.59	327.16	92.75
Accumulated amortisation					
Accumulated amortisation as at 01.04.2018	-	208.43	2.59	211.02	-
Amortisation charge during the period	-	26.61	-	26.61	-
Disposals	-	(0.15)	-	(0.15)	-
Currency Fluctuation	-	0.03	-	0.03	-
Closing Accumulated amortisation	-	234.92	2.59	237.51	-
Net carrying amount as at 31.03.2019	123.18	89.65	-	89.65	92.75

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 2019, the net carrying amount of this software was Rs. 89.65 crores (31 March 2018: Rs. 50.30 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 Rs.65.59 crores relates to the index licensing services business of the Group, Rs.1.76 crores relates to datafeed services and Rs.55.83 crores relates to IT security 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.

The Group has carried out annual goodwill impairment assesment as at March 31, 2019 and March 31, 2018. 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, 2019 and March 31, 2018.

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 THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 4 : NON-CURRENT INVESTMENTS

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
(A) Investment in equity instruments				
(i) Quoted equity instruments at FVOCI				
In other companies				
Multi Commodity Exchange of India Limited	5,000	0.40	5,000	0.33
Total quoted equity instruments		0.40		0.33
(ii) Unquoted equity instruments at FVOCI				
In other companies				
National Commodity & Derivative Exchange Limited	76,01,377	134.17	76,01,377	136.51
Goods And Services Tax Network	10,00,000	0.00	10,00,000	-
Total in other companies		134.17		136.51
Total equity instruments		134.57		136.84
(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	50,00,000	-	50,00,000	-
Total preference shares		-		-
(C) Investment in exchange traded funds (ETF)				
Quoted exchange traded funds at FVPL				
CPSE ETF	1,09,32,095	29.78	1,52,57,095	42.74
SBI-ETF Nifty 50	23,50,000	28.10	41,89,000	42.70
ICICI Prudential Nifty iWIN ETF	23,23,000	28.12	60,06,000	62.65
Kotak Mahindra MF - Kotak Banking ETF	10,03,714	32.93	18,73,628	46.42
R Shares Nifty Bees	4,86,758	59.41	8,33,158	87.42
R Shares Bank Bees	1,81,285	56.53	3,92,285	96.72
Total exchange traded funds		234.87		378.65
(D) Investment in bonds				
Quoted bonds at amortised cost				
(i) Tax free bonds				
7.35% National Bank For Agricultural & Rural Development	5,00,000	51.89	5,00,000	52.01
7.64% National Bank For Agricultural & Rural Development	4,00,000	42.12	4,00,000	42.25
8.67% National Hydroelectric Power Corporation Limited	3,00,000	38.71	3,00,000	38.97
6.86% India Infrastructure Finance Company Limited	2,50,000	24.71	2,50,000	24.64
8.46% Rural Electrification Corporation Limited	350	42.48	650	75.95
8.67% Power Finance Corporation Limited	2,50,000	30.96	2,50,000	31.18
7.18 % Indian Railway Finance Corpn Ltd - Tranche 1 - Series 1	2,50,000	31.49	2,50,000	31.61
7.51% Housing & Urban Development Corporation Limited	2,50,000	25.88	2,50,000	25.94
8.20% Housing & Urban Development Corporation Limited	2,00,000	22.35	2,00,000	22.57
7.39% Housing & Urban Development Corporation Limited	2,00,000	21.87	2,00,000	21.95
7.19% India Infrastructure Finance Company Limited	1,95,000	20.19	1,95,000	20.12
8.20% Power Finance Corporation Limited - Tranche 1 - Series 1	35,436	3.83	1,35,436	14.37
7.27% Power Finance Corporation Limited	1,00,000	11.10	1,00,000	11.15
7.19% Housing & Urban Development Corporation Limited	1,00,000	10.08	1,00,000	10.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
7.43% Rural Electrification Corporation Limited	-	-	1,00,000	10.75
8.66% India Infrastructure Finance Company Limited	1,00,000	11.77	1,00,000	11.83
7.34% Indian Railway Finance Corporation Limited	1,00,000	10.48	1,00,000	10.49
7.35% National Highways Authority Of India	3,50,000	40.70	3,50,000	40.89
7.36% India Infrastructure Finance Company Limited	1,00,000	10.30	1,00,000	10.32
8.40% Indian Railway Finance Corporation Limited	1,00,000	11.69	1,00,000	11.76
8.41% NTPC Limited	1,29,162	14.33	1,29,162	14.53
8.00% Indian Railway Finance Corporation Limited - Tranche 1 - Series 1	65,252	6.91	65,252	6.96
7.93 % Rural Electrification Corporation Limited - Tranche 1 - Series 1	61,238	6.76	61,238	6.85
8.63% National Housing Bank	80,000	47.57	80,000	48.07
7.40% India Infrastructure Finance Company Limited	50,000	5.46	50,000	5.48
8.66% NTPC Limited	50,000	6.16	50,000	6.20
8.54% Power Finance Corporation Limited	50,000	5.88	50,000	5.93
8.20% National Highways Authority Of India - Tranche 1 - Series 1	37,086	3.86	37,086	3.86
8.68% National Housing Bank	10,000	5.89	10,000	5.96
7.28% National Highways Authority of India	1,100	119.82	1,100	119.93
8.09% Power Finance Corporation Limited - Series 80 A	500	5.36	500	5.44
7.19% Indian Railway Finance Corporation Limited	500	53.79	500	53.84
6.89% National Housing Bank	350	35.87	350	36.05
8.46% National Housing Bank - Series V	300	33.78	300	33.95
7.15% NTPC Limited	200	21.11	200	21.14
8.63% NTPC Limited	200	23.42	200	23.66
8.46% India Infrastructure Finance Company Limited	200	22.72	200	22.85
8.35% Indian Railway Finance Corporation Limited	150	16.21	150	16.21
8.48% India Infrastructure Finance Company Limited	150	16.95	150	17.04
7.21% Rural Electrification Corporation Limited	100	10.41	100	10.44
7% Housing & Urban Development Corporation Limited	100	10.34	100	10.34
7.07% Housing & Urban Development Corporation Limited	100	10.35	100	10.35
7.35% Indian Railway Finance Corporation Limited	1,50,000	17.40	1,50,000	17.51
8.46% Power Finance Corporation Limited	50	6.07	50	6.13
Total tax free bonds		969.05		1,027.56
(ii) Taxable bonds				
8.80% Power Grid Corporation of India Limited	500	50.44	500	50.49
8.39% Power Finance Corporation Limited	250	24.92	250	24.90
8.82% Rural Electrification Corporation Limited - Sr 114	150	16.35	150	16.37
11.25% Power Finance Corporation Limited	-	-	-	-
8.40% Power Grid Corporation Of India Limited	50	5.32	50	5.31
8.70% Power Grid Corporation of India Limited	50	5.45	50	5.47
Total taxable bonds		102.47		102.54
Total bonds		1,071.52		1,130.11
(E) Investment in debentures				
Quoted at amortised cost				
7.65% Bajaj Finance Limited	-	-	300	30.31
8.48% HDB Financial Services Limited	-	-	250	26.81



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
0% HDB Financial Services Limited	-	-	250	28.32
7.90% Tata Sons Limited	-	-	250	26.55
8.79% Bajaj Finance Limited	-	-	250	25.60
9.25% Tata Sons Limited	-	-	250	25.54
7.90% Bajaj Finance Limited	-	-	100	10.43
8.25% Bajaj Finance Limited	-	-	100	10.58
7.95% HDFC Limited	-	-	50	52.50
8.72% LIC Housing Finance	-	-	50	5.21
7.80% HDFC Limited	-	-	25	25.74
7.7435% Bajaj Finance Limited	250	26.88	250	26.91
7.70% HDB Financial Services Limited	250	26.60	250	26.65
7.52% HDB Financial Services Limited	250	26.36	250	26.38
7.35% Tata Sons Limited	250	26.12	250	26.08
7.59% Kotak Mahindra Investments Limited	-	-	250	25.79
9.44% LIC Housing Finance	-	-	150	16.04
8.97% Tata Sons Limited	50	5.41	50	5.47
8.97% LIC Housing Finance	-	-	50	5.27
9.47% Bajaj Finance Limited	-	-	50	5.34
9.1106% LIC Housing Finance Limited - Colocation (Refer note 4.1)	250	26.01	-	-
0% Kotak Mahindra Investments Limited - Colocation (Refer note 4.1)	250	22.82	-	-
Total debentures		160.19		431.52
(F) Investment in government securities				
Quoted investment in government securities at FVOCI				
7.61% Government of India	-	154.65	-	154.64
8.60% Government of India	-	76.94	-	76.95
8.15% Government of India	-	69.78	-	68.90
8.97% Government of India	-	141.43	-	140.93
6.97% Government of India	-	58.97	-	58.23
6.79% Government of India	-	24.05	-	24.23
8.67% Maharashtra SDL	-	5.34	-	5.27
Total government securities		531.16		529.17
(G) Mutual Funds				
(i) Quoted Mutual funds at FVPL				
Fixed Maturity Plans				
ICICI Prudential Fixed Maturity Plan - Series 80 - 1187 Days Plan G - Direct-Growth	2,50,00,000	28.90	2,50,00,000	26.81
Reliance Fixed Horizon Fund - XXXIII - Series 4 - 1208 Days	2,50,00,000	28.97	2,50,00,000	26.86
Reliance Fixed Horizon Fund - XXXIII - Series 6 - 1201 Days - Direct - Growth	2,50,00,000	28.86	2,50,00,000	26.78
Reliance Fixed Horizon Fund XXXIII Series 3 - 1215 Days - Direct - Growth	2,50,00,000	28.97	2,50,00,000	26.88
Kotak FMP Series 202 - 1144 Days - Direct - Growth	2,10,00,000	24.17	2,10,00,000	22.46
Birla Sun Life Fixed Term Plan - Series OI (1120 Days)	2,00,00,000	23.14	2,00,00,000	21.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
Kotak Fmp Series 199 - 1147 Days	2,00,00,000	23.15	2,00,00,000	21.52
Reliance Fixed Horizon Fund - XXXIII - Series 7 - 1197 Days - Direct - Growth	2,00,00,000	23.06	2,00,00,000	21.39
Reliance Fixed Horizon Fund XXXII Series 9 - 1285 Days	2,00,00,000	23.19	2,00,00,000	21.51
Reliance Fixed Horizon Fund XXXIII Series 1 - 1222 Days	2,00,00,000	23.22	2,00,00,000	21.51
DSP Blackrock FMP Series 204 - 37M - Direct - Growth	1,50,00,000	17.30	1,50,00,000	16.09
ICICI Prudential Fixed Maturity Plan - Series 80 - 1253 Days Plan J	1,50,00,000	17.40	1,50,00,000	16.14
IDFC Fixed Maturity Plan - Series 131 - 1139 Days - Direct - Growth	1,50,00,000	17.26	1,50,00,000	16.06
Kotak FMP Series 200 - 1158 Days	1,50,00,000	17.33	1,50,00,000	16.11
Birla Sun Life Fixed Term Plan - Series Oe - 1153 Days	1,00,00,000	11.57	1,00,00,000	10.74
Birla Sun Life Fixed Term Plan - Series Og - 1146 Days	1,00,00,000	11.55	1,00,00,000	10.73
Birla Sun Life Fixed Term Plan - Series Oh - 1120 Days	1,00,00,000	11.60	1,00,00,000	10.77
Birla Sun Life Fixed Term Plan - Series OK (1135 Days) - Direct - Growth	1,00,00,000	11.53	1,00,00,000	10.71
DSP Blackrock FMP Series 205 - 37M - Direct - Growth	1,00,00,000	11.54	1,00,00,000	10.72
ICICI Prudential Fixed Maturity Plan - Series 80 - 1227 Days Plan Q	1,00,00,000	11.58	1,00,00,000	10.73
ICICI Prudential Fixed Maturity Plan - Series 80 - 1231 Days Plan P	1,00,00,000	11.59	1,00,00,000	10.74
ICICI Prudential Fixed Maturity Plan - Series 80 - 1225 Days Plan T - Direct - Growth	1,00,00,000	11.54	1,00,00,000	10.69
ICICI Prudential Fixed Maturity Plan - Series 80 - 1233 Days Plan O	1,00,00,000	11.59	1,00,00,000	10.74
IDFC Fixed Maturity Plan - Series 129 - 1147 Days	1,00,00,000	11.56	1,00,00,000	10.77
Invesco India Fixed Maturity Plan - Series 29 - Plan B (1150 Days) - Direct - Growth	1,00,00,000	11.53	1,00,00,000	10.71
UTI Fixed Term Income Fund Series XXVI-VIII (1154 Days) - Direct - Growth	1,00,00,000	11.49	1,00,00,000	10.68
UTI-FTIF-XXVI-VI (1146 Days)	1,00,00,000	11.55	1,00,00,000	10.73
DHFL Pramerica Fixed Duration Fund Series AE	1,50,000	17.37	1,50,000	16.11
Reliance Fixed Horizon Fund Xxiv Series 7 - 1105 Days - Direct - Growth	1,00,00,000	11.27	1,00,00,000	10.47
HDFC FMP 1430D - Series 38 - Direct - Growth	1,00,00,000	11.11	1,00,00,000	10.32
Reliance Fixed Horizon Fund - Xxiv - Series 9 - Direct - Growth	97,50,000	10.92	97,50,000	10.14
Reliance Fixed Horizon Fund - XXXVIII - Series 12 - Direct - Growth	20,00,000	2.14	-	-
Reliance Fixed Horizon Fund - Xxvii - Series 04 - Direct - Growth	25,00,000	2.73	-	-
Balanced Funds				
HDFC Prudence Fund - Direct - Growth	-	-	93,270	4.72
L&T Hybrid Equity - Direct - Growth	58,49,538	16.27	14,48,145	3.90
ICICI Prudential Equity & Debt Fund - Direct - Growth	12,50,437	18.02	3,65,422	4.84
Aditya Birla Sunlife Balanced 95 Fund - Direct - Growth	2,03,120	16.47	50,075	3.90
SBI Equity Hybrid Fund - Direct - Growth	12,05,968	17.15	3,02,971	3.90
HDFC Balanced Fund - Direct - Growth	-	-	2,56,209	3.91
TATA Hybrid Equity - Direct - Growth	7,47,600	16.67	1,86,744	3.91
HDFC Balance Advantage Fund - Direct - Growth	8,83,484	18.47	-	-
HDFC Hybrid Equity Fund - Direct - Growth	30,10,463	17.07	-	-
Total quoted mutual funds		650.78		517.19



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
(ii) Unquoted Mutual funds at FVPL				
Axis Liquid Fund - Direct - Growth	2,16,606	44.91	-	-
Reliance Money Market Fund - Direct - Growth	1,66,307	47.22	-	-
UTI Treasury Advantage Fund - Direct - Growth	29,229	7.61	33,123	8.00
IDFC Low Duration Fund - Direct - Growth	39,28,288	10.51	-	-
Invesco India Liquid Fund - Direct - Growth	1,48,883	38.30	-	-
ICICI Prudential Money Market Fund - Direct - Growth	16,18,753	42.11	-	-
HDFC Money Market Fund - Direct - Growth	1,17,911	46.21	-	-
UTI Money Market - Direct Plan - Growth	1,55,818	32.92	-	-
Mirae Asset Cash Management Fund - Direct - Growth	1,06,474	20.99	-	-
Kotak Liquid Fund - Direct - Growth	8,701	3.29	-	-
SBI Magnum Ultra Short Duration Fund - Direct - Growth	1,09,859	45.81	-	-
ICICI Prudential Ultra Short Term Plan - Direct - Growth	-	-	1,08,01,217	19.76
Axis Treasury Advantage Fund - Growth - Direct Plan	-	-	1,02,211	20.25
Baroda Pioneer Treasury Advantage Fund - Plan B - Direct - Growth	-	-	71,222	14.73
Kotak Treasury Advantage Fund – Direct - Growth	-	-	68,38,294	19.30
Reliance Medium Term Fund - Direct - Growth	-	-	51,46,322	19.13
HDFC Floating Rate Income Fund - Stp - Direct - Growth	-	-	60,98,830	18.53
UTI Floating Rate Fund - Stp - Direct – Growth	-	-	62,902	18.31
IDFC Money Manager - Treasury Plan - Direct - Growth	-	-	64,58,675	18.03
Birla Sun Life Floating Rate Fund - Ltp - Direct - Growth	-	-	8,31,723	17.91
Reliance Liquid Fund - Cash Plan - Direct - Growth	-	-	48,451	13.60
JM High Liquidity Fund - Direct Growth	-	-	27,09,787	12.89
Principal Cash Management - Direct Plan - Growth	-	-	33,926	5.74
IDFC Ultra Short Term Fund - Direct - Growth	-	-	39,28,288	9.74
Reliance Money Manager Fund - Growth - Direct	-	-	25,439	6.20
Aditya Birla Sun Life Cash Manager - Direct - Growth	-	-	4,26,360	18.59
Aditya Birla Sun Life Savings Fund - Direct - Growth	-	-	11,35,875	39.07
Total unquoted mutual funds		339.88		279.77
Total non-current investments		3,122.99		3,403.24
Total non-current investments				
Aggregate Book value - Quoted Investments		2,648.94		2,986.96
Aggregate Book Value - Unquoted Investments		474.04		416.28
Aggregate Market Value of Quoted Investments		2,685.79		3,025.26
Aggregate amount of impairment in the value of investments		12.22		12.22

This represents investment made from amounts transferred in a separate bank account towards transaction charges and colocation services based on SEBI directives after taking Board's approval. These investments costing Rs.48.28 crores (fair value : Rs.48.83 crores) as of March 31, 2019 (March 31, 2018 : Nil, fair value) have been earmarked / restricted pursuant to the SEBI directive in the colocation matter [Refer also Note 34 (b)].

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 5 : OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Non-current bank balances		
Fixed deposits with maturity for more than 12 months	88.90	187.63
Earmarked fixed deposits with maturity for more than 12 months (Refer note 5.1)	87.36	72.46
Earmarked fixed deposits with maturity for more than 12 months towards Core Settlement Guarantee fund	1,030.05	754.53
Total (a)	1,206.31	1,014.62
Others		
Security deposit for utilities and premises	3.83	2.82
Interest accrued on bank deposits(Refer note 5.1)	7.68	17.85
Interest accrued on bank deposits towards Core Settlement Guarantee fund	63.59	40.15
Deposit with financial institution at amortised cost (Refer note 5.2)	100.56	-
Total (b)	175.66	60.82

5.1 Earmarked deposits includes deposits towards listing entities, defaulter members , investor services fund, central KYC project and other restricted deposits.

5.2 This represents amounts transferred in a separate bank account towards transaction charges and colocation services based on SEBI directives which have been subsequently invested in deposits with financial institutions (Refer Note 34 (b))

Note 6 : OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Security deposit for utilities and premises	6.02	4.31
Interest accrued on bank deposits	76.19	68.79
Interest accrued on bank deposits towards Core Settlement Guarantee Fund	80.28	97.24
Contract Asset	18.85	5.32
Deposit with financial institution at amortised cost (Refer note 6.1)	25.33	-
Receivables from related party (Refer Note 32)	2.75	1.28
Other receivables	30.24	25.80
Total	239.66	202.74

6.1 This represents amounts transferred in a separate bank account towards transaction charges and colocation services based on SEBI directives which have been subsequently invested in deposits with financial institutions (Refer Note 34 (b))

Note 7 : OTHER NON-CURRENT ASSETS

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Capital advances	0.67	1.11
Prepaid expenses	5.36	2.94
Securities Transaction Tax paid (Refer note 7.1)	10.59	10.59
Other receivables	0.78	-
	17.40	14.64

7.1 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 Rs.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 Rs. 6.76 crores net of recoveries from members amounting to Rs. 5.39 crores disclosed under contingent liability (Refer note: 34 (e))



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 8 : OTHER CURRENT ASSETS

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Other Advance recoverable	25.99	9.55
Balances with statutory authorities	67.23	40.78
Prepaid expenses	39.85	30.18
Other receivables	6.53	6.34
	139.60	86.85

Note 9 : CURRENT INVESTMENTS

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
(A) Investment in bonds				
Quoted bonds at amortised cost				
(i) Taxable bonds				
11.25% Power Finance Corporation Limited	-	-	100	10.48
Total taxable bonds		-		10.48
Total bonds		-		10.48
(B) Investment in debentures				
(i) Quoted debentures at amortised cost				
0% Kotak Mahindra Investments Limited - Colocation (Refer note 9.1)	700	64.74	-	-
7.55% Kotak Mahindra Prime Limited - Colocation (Refer note 9.1)	500	52.48	-	-
8.10% Tata Capital Financial Services Limited - Colocation (Refer note 9.1)	300	30.79	-	-
8.25% Bajaj Finance Limited - Colocation (Refer note 9.1)	250	26.19	-	-
7.79% Kotak Mahindra Prime Limited - Colocation (Refer note 9.1)	250	26.68	-	-
9.1756% HDB Financial Services limited - Colocation (Refer note 9.1)	250	25.76	-	-
8.16% Tata Capital Financial Services Limited - Colocation (Refer note 9.1)	200	20.90	-	-
8.97% LIC Housing Finance Limited - Colocation (Refer note 9.1)	50	5.20	-	-
7.8834% Bajaj Finance Limited - Colocation (Refer note 9.1)	50	5.17	-	-
7.95% HDFC Limited	50	52.43	-	-
9.44% LIC Housing Finance	400	42.13	-	-
0% HDB Financial Services Limited	250	30.58	-	-
7.65% Bajaj Finance Limited	300	30.31	-	-
8.48% HDB Financial Services Limited	250	26.87	-	-
7.65% Kotak Mahindra Prime Limited	250	26.84	-	-
8.45% Housing Development Finance Corporation Limited	25	26.77	-	-
7.85% Housing Development Finance Corporation Limited	25	26.44	-	-
7.90% Tata Sons Limited	250	26.56	-	-
7.59% Kotak Mahindra Investments Limited	250	25.79	-	-
7.80% HDFC Limited	25	25.75	-	-
8.79% Bajaj Finance Limited	250	25.33	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
9.25% Tata Sons Limited	250	25.16	-	-
9.4554% Sundaram Finance Limited	150	22.66	-	-
8.25% Bajaj Finance Limited	100	10.52	-	-
7.90% Bajaj Finance Limited	100	10.41	-	-
9.47% Bajaj Finance Limited	50	5.26	-	-
8.97% LIC Housing Finance	50	5.22	-	-
8.72% LIC Housing Finance	50	5.17	-	-
8.80% Kotak Mahindra Prime Limited	-	-	450	47.88
8.71% Can Fin Homes Limited	-	-	350	36.98
8.90% IL&FS Financial Services Limited	2,50,000	26.18	2,50,000	25.07
8.77% ICICI Home Finance Company Limited	-	-	500	25.05
8.90% Sundaram Finance Limited	-	-	250	26.74
8.75% Tata Capital Limited	-	-	250	26.45
8.74% Infrastructure Leasing & Financial Services Limited	-	-	2,50,000	26.40
8.58% Tata Motors Finance Limited	-	-	250	26.41
9.90% Tata Sons Limited	-	-	250	26.23
8.70% IL&FS Financial Services Limited	2,50,000	27.17	2,50,000	26.08
8.58% Infrastructure Leasing & Financial Services Limited	2,50,000	26.78	2,50,000	25.71
0% Infrastructure Leasing & Financial Services Limited	-	-	1,50,000	19.30
8.80% Kotak Mahindra Prime Limited	-	-	150	15.96
8.80% Can Fin Homes Limited	-	-	100	10.66
8.71% HDB Financial Services Limited	-	-	100	10.54
8.41% Can Fin Homes Limited	-	-	100	10.39
8.90% HDB Financial Services Limited	-	-	100	10.18
9.05% Fullerton India Credit Company Limited - Series 33-A	-	-	50	5.41
10.25% Mahindra & Mahindra Financial Services Limited	-	-	50	5.28
8.58% Sundaram Finance Limited	-	-	50	5.41
9% Shriram Transport Finance Company Limited	-	-	50	5.42
8.45% Can Fin Homes Limited	-	-	50	5.17
Less : Impairment losses on financial assets (Refer Note 40 D)		(80.13)		
Total quoted debentures		708.11		422.72
(C) Investment in mutual funds				
(i) Unquoted Mutual funds at FVPL				
Aditya Birla Sun Life Cash Manager - Direct - Growth	41,382	1.96	4,06,984	17.74
Aditya Birla Sun Life Floating Rate Fund - LTP - Direct - Growth	6,37,375	14.85	6,37,375	13.72
Aditya Birla Sun Life Floating Rate Fund - LTP - Direct - Growth Lien Marked	1,91,195	4.46	1,93,079	4.16
Aditya Birla Sun Life Low Duration Fund - Direct - Growth	1,79,008	8.47	-	-
Aditya Birla Sun Life Money Manager Fund - Direct - Growth	14,14,555	35.60	-	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
Aditya Birla Sun Life Money Manager Fund - Direct - Growth - Colocation (Refer note 9.1)	79,90,794	201.13	-	-
Aditya Birla Sun Life Savings Fund - Direct - Growth	3,27,773	12.19	6,31,130	21.71
Aditya Birla Sun Life Savings Fund - Direct - Growth - Colocation (Refer note 9.1)	-	-	32,82,008	112.88
Axis Liquid Fund - Direct - Growth	2,55,707	53.02	2,24,037	43.18
Axis Liquid Fund - Direct - Growth - Colocation	1,08,663	22.53	-	-
Axis Liquid Fund - Direct - Growth - Lien Mark	3,584	0.74	1,840	0.35
Axis Treasury Advantage Fund - Growth - Direct Plan	1,02,153	21.92	6,16,224	122.07
DSP Black Rock Ultra Short Term Fund	-	-	16,22,981	2.07
DSP Blackrock Money Manager Fund - Direct - Growth	18,207	4.62	-	-
DSP Blackrock Ultra Short Term Fund - Direct - Growth - Colocation (Refer note 9.1)	-	-	13,67,64,789	174.28
DSP Blackrock Ultra Short Term Fund - Direct - Growth	-	-	1,23,73,638	15.77
DSP Liquidity Fund - Direct - Growth	37,442	10.01	-	-
Edelweiss Liquid Fund - Direct - Growth	1,60,152	38.49	-	-
HDFC Floating Rate Income Fund - Stp - Direct - Growth	-	-	5,45,65,681	165.78
HDFC Liquid Fund - Direct - Growth	13,310	4.90	7,010	2.40
HDFC Money Market Fund - Direct - Growth - Colocation (Refer note 9.1)	6,15,886	241.39	-	-
HDFC Regular Savings Fund - Direct - Growth	-	-	5,83,563	2.06
HDFC Ultra Short Term Fund - Direct - Growth	4,89,344	0.51	-	-
HDFC Regular Savings Fund - Direct - Growth	-	-	-	-
HSBC Cash Fund – Direct - Growth	-	-	1,15,976	20.06
ICICI Prudential Corporate Bond Fund - Direct - Growth	28,46,774	5.60	-	-
ICICI Prudential Flexible Income Plan - Growth - Direct	-	-	41,93,337	140.42
ICICI Prudential Liquid - Direct Plan - Growth	3,88,849	10.75	3,24,711	8.35
ICICI Prudential Money Market Fund - Direct - Growth	1,19,77,466	311.61	39,098	0.94
ICICI Prudential Savings Fund - Direct Plan - Growth	6,60,699	23.84	-	-
ICICI Prudential Ultra Short Term Plan - Direct - Growth	-	-	78,72,005	14.40
IDFC Bond Fund - Short Term Plan - Growth - Direct	30,34,799	12.00	-	-
IDFC Low Duration Fund - Direct - Growth	50,18,809	13.42	-	-
IDFC Money Manager - Direct - Growth	2,47,991	0.74	40,87,652	11.10
IDFC Money Manager - Treasury Plan - Direct - Growth	-	-	33,22,812	9.27
IDFC Ultra Short Term Fund - Dir - Growth - Colocation - Lien Mark	2,56,33,104	68.56	2,56,33,104	63.56
IDFC Ultra Short Term Fund - Direct - Growth	-	-	63,16,387	15.66
Invesco India Liquid Fund - Direct - Growth	73,784	18.98	-	-
Invesco India Money Market Fund - Direct - Growth	68,506	14.87	-	-
Invesco India Money Market Fund - Direct - Growth - Colocation (Refer note 9.1)	4,54,782	98.70	-	-
Invesco India Ultra Short Term Fund - Direct – Growth	-	-	6,552	1.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
Invesco India Ultra Short Term Fund - Direct – Growth - Colocation (Refer note 9.1)	-	-	3,57,392	87.37
Invesco India Liquid Fund - Direct Plan Growth(LF-D1)	29,179	7.51	-	-
JM High Liquidity - Direct – Growth – Lien Mark	-	-	74,539	0.35
JM High Liquidity Fund - Direct Growth	-	-	1,19,44,911	56.82
JM Liquid Fund - Direct - Growth	40,39,133	20.68	-	-
JM Liquid Fund - Direct - Growth - Lien Mark	74,539	0.38	-	-
Kotak Floater - Short Term - Direct - Growth	-	-	13,727	3.91
Kotak Liquid Fund - Direct - Growth	21,370	8.09	31,070	10.94
Kotak Money Market Scheme - Direct Plan - Growth	1,050	0.32	-	-
Kotak Savings Fund - Direct - Growth	1,34,59,843	41.12	-	-
Kotak Treasury Advantage Fund - Direct - Growth	7,33,065	2.24	43,38,879	12.25
L&T Liquid Fund - Direct - Growth	2,51,986	64.57	2,51,986	60.05
L&T Ultra Short Term Fund - Direct - Growth	2,05,04,688	63.85	8,35,99,661	241.04
LIC MF Liquid Fund - Direct - Growth	82,609	28.00	401	0.13
LIC MF Savings Fund - Direct - Growth	44,74,344	13.36	72,45,359	20.01
LIC MF Savings Plus Fund - Direct – Growth - Colocation (Refer note 9.1)	-	-	6,08,74,471	168.12
Mirae Asset Cash Management Fund - Direct Plan - Growth	1,62,256	31.98	55,591	10.19
Reliance Liquid Fund - Direct - Growth	31,956	14.58	1,58,262	44.43
Reliance Low Duration Fund - Growth - Direct	4,908	1.30	-	-
Reliance Medium Term Fund - Direct - Growth	-	-	39,35,964	14.64
Reliance Money Manager Fund - Direct – Growth - Colocation (Refer note 9.1)	-	-	5,58,037	136.01
Reliance Money Manager Fund - Growth - Direct	-	-	4,908	1.20
Reliance Money Market Fund - Direct - Growth	1,89,456	53.79	-	-
Reliance Prime Debt Fund - Direct - Growth	32,65,021	13.10	-	-
Reliance Ultra Short Duration Fund - Direct - Growth	4,688	1.43	-	-
SBI Banking & PSU Fund - Direct - Growth - Lien Marked	9,426	2.02	-	-
SBI Magnum Low Duration Fund - Direct - Growth Lien Marked	1,711	0.42	-	-
SBI Magnum Ultra Short Duration Fund - Direct - Growth	49,886	20.80	-	-
SBI Magnum Ultra Short Duration Fund - Direct - Growth - Colocation (Refer note 9.1)	5,90,839	246.25	-	-
SBI Premier Liquid Fund - Direct - Growth	83,200	24.37	-	-
SBI Shdf - Ultra Short Term - Direct – Growth Lien Marked	-	-	6,434	1.45
SBI Shdf - Ultra Short Term - Growth - Direct Plan	-	-	5,553	1.25
SBI Short Term Debt Fund - Dir - Growth	-	-	5,01,241	1.03
Sundaram Low Duration Fund - Direct - Growth	35,67,336	9.39	-	-
Sundaram Ultra Short Term - Direct Plan - Growth	-	-	97,59,292	23.76
Tata Liquid Fund Direct Plan - Growth	-	-	81,194	26.01



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
Tata Treasury Advantage Fund - Direct - Growth	3,099	0.89	-	-
Tata Ultra Short Term Fund - Direct - Growth	-	-	23,595	6.27
Tata Ultra Short Term Fund - Direct - Growth - Colocation (Refer note 9.1)	-	-	6,93,147	184.17
Templeton India TMA - Direct - Growth	76,651	21.45	76,651	19.92
UTI Floating Rate Fund - Stp - Direct – Growth	-	-	29,502	8.59
UTI Floating Rate Fund - Stp - Direct – Growth Lien Marked	-	-	5,048	1.47
UTI Liquid Fund - Cash Plan -Direct- Growth	2,61,137	79.93	694	0.20
UTI Money Market - Direct Plan - Growth	34,468	7.28	3,88,330	75.71
UTI Money Market - Direct Plan - Growth - Colocation (Refer note 9.1)	7,30,395	154.30	-	-
UTI Money Market Fund - Institutional Plan - Direct - Growth	-	-	2,592	0.51
UTI Treasury Advantage Fund - Direct - Growth	31,234	8.13	51,591	12.45
UTI Treasury Advantage Fund - Direct - Growth - Lien Marked	12,277	3.19	2,954	0.71
UTI Treasury Advantage Fund - Direct - Growth - Colocation (Refer note 9.1)	-	-	9,37,102	226.17
UTI Ultra Short Term Fund - Direct - Growth	37,844	11.88	-	-
Reliance Ultra Short Duration Fund		0.10		
Invesco Asset Management (India) Private Limited	28,879	7.63		
Axis Management Company Limited	93,283	20.02		
Axis Management Company Limited	2,504	0.52		
Reliance Mutual Fund	49,075	12.96		
Reliance Mutual Fund	42,304	12.01		
Sundaram Mutual Fund	52,34,190	13.77		
L&T Mutual Fund	45,05,258	14.03		
Total mutual funds		2,293.47		2,440.69
Total current investments		3,001.58		2,873.89
Aggregate Book value - Quoted Investments		708.11		433.20
Aggregate Book Value - Unquoted Investments		2,293.47		2,440.69
Aggregate Market Value of Quoted Investments		712.74		433.96
Aggregate amount of impairment in the value of investments		80.13		-

9.1 This represents investment made from amounts transferred in a separate bank account towards transaction charges and colocation services based on SEBI directives after taking Board's approval. These investments costing Rs.1,532.77 crores (fair value Rs.1579.76 crores) as of March 31, 2019 (March 31, 2018 : Rs. 1,117.21 crores (fair value Rs.1152.56 crores) have been earmarked / restricted pursuant to the SEBI directive in the colocation matter [Refer also Note 34 (b)].

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 10 : TRADE RECEIVABLES

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Trade Receivables	457.67	397.76
Less : Loss Allowance	(5.16)	(0.71)
	452.51	397.05
Break up of security details		
Trade Receivables considered good - Secured	338.20	310.28
Trade Receivables considered good - Unsecured	119.47	88.11
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
Total	457.67	398.39
Loss allowance	(5.16)	(0.71)
Total Trade Receivables	452.51	397.68

10.1 Trade receivables are secured against deposits and margin money received from members (Refer note: 24 and 16).

Note 11 : CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Balances with banks :-		
In current accounts	423.86	1,450.66
Balance held for the purpose of meeting short term cash commitments (Refer note 11.1)	6,091.97	4,521.30
Earmarked balances towards Core Settlement Guarantee Fund	76.77	272.17
Cash on hand	0.01	0.01
	6,592.61	6,244.14

11.1 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).

Note 12 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
<i>Restricted Balances with banks :</i>		
In current accounts	0.11	0.10
in fixed deposits(Refer note 12.1 and 12.2)	571.39	82.39
<i>Fixed deposits</i>		
- with original maturity for more than 3 months but less than 12 months	44.69	56.31
- with maturity of less than 12 months at the balance sheet date	392.32	516.60
<i>Earmarked Deposits:</i>		
<i>Fixed deposits</i>		
- with original maturity for more than 3 months but less than 12 months (Refer note 12.3)	0.74	15.40
- with original maturity for more than 3 months but less than 12 months towards SGF for Commodity Segment	205.53	136.00
- with maturity of less than 12 months at the balance sheet date towards Core Settlement Guarantee Fund	1,536.64	1,121.23



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 12 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
- with maturity of less than 12 months at the balance sheet date towards SGF for Commodity Segment	13.47	-
- with maturity of less than 12 months at the balance sheet date (Refer note 12.3)	183.18	172.91
	2,948.07	2,100.94

12.1 This represents amounts transferred in a separate bank account towards transaction charges and colocation services based on SEBI directives which have been subsequently invested in Fixed Deposits with banks (Refer Note 34 (b)) and one of the subsidiary company has kept balance towards Core Settlement Guarantee Fund (Refer Note 37).

12.2 The amount includes Rs 2.51 crores towards amount placed as a fixed deposit by NSE Foundation.

12.3 Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor service funds and other deposits.

Note 13 a : EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Authorised 50,00,00,000 Equity Shares of Re. 1 each. (Previous year: 50,00,00,000 equity shares of Re.1 each)	50.00	50.00
Issued, subscribed and paid-up 49,50,00,000 equity shares of Re. 1 each, fully paid up (Previous year: 49,50,00,000 equity shares of Re. 1 each, fully paid up)	49.50	49.50
Total	49.50	49.50

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Re. 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 31.03.2019		As at 31.03.2018	
	(Numbers in Crores)	(₹ in Crores)	(Numbers in Crores)	(₹ in Crores)
At the beginning of the year (Face value of Re.1 each)	49.50	49.50	49.50	49.50
Changes in equity share capital during the year	-	-	-	-
At the end of the year	49.50	49.50	49.50	49.50

Details of shareholders holding more than 5% share in the Company (No. of Shares)

Particulars	31.03.2019	31.03.2018
Life Insurance Corporation of India	6,19,13,500	6,19,13,500
State Bank of India	-	2,57,12,500

Details of shareholders holding more than 5% share in the Company (% shareholding)

Particulars	31.03.2019	31.03.2018
Life Insurance Corporation of India	12.51%	12.51%
State Bank of India	-	5.19%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 13 b : OTHER EQUITY

(₹ in Crores)

Particulars	Reserves and Surplus				Other Reserves			Total other Equity	Non Controlling Interests	Total other Equity					
	Securities premium reserve	Retained earnings *	CSR Reserve	Liquidity Enhancement Scheme Incentive Reserve	Other reserves** (Refer Note 13b)	Total Reserves and Surplus	FVOCI equity instruments				FVOCI debt instruments	Foreign Currency Translation Reserve	Total other reserves		
Balance as at 01.04.2017	35.50	6,905.38	72.06	-	63.89	7,076.84	85.51	0.28	(2.50)	83.29	7,160.13	-	7,160.13	-	7,160.13
Profit for the period	-	1,461.47	-	-	-	1,461.47	-	-	-	-	1,461.47	-	-	-	1,461.47
Transfer to CSR Reserve	-	72.06	(72.06)	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	-	(0.91)	-	-	-	(0.91)	6.67	(14.82)	0.29	(7.86)	(8.77)	-	-	-	(8.77)
Appropriation to Core Settlement Guarantee Fund (net of tax)	-	(165.43)	-	-	-	(165.43)	-	-	-	-	(165.43)	-	-	-	(165.43)
Share Issue Expenses	-	(0.38)	-	-	-	(0.38)	-	-	-	-	(0.38)	-	-	-	(0.38)
Contribution to Investor Protection Fund	-	(0.10)	-	-	-	(0.10)	-	-	-	-	(0.10)	-	-	-	(0.10)
Transfer to Liquidity Enhancement Scheme	-	(5.08)	-	5.08	-	-	-	-	-	-	-	-	-	-	-
Incentive Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquidity Enhancement Scheme Incentive paid/payable	-	1.50	-	(1.50)	-	-	-	-	-	-	-	-	-	-	-
Transaction with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid (including dividend distribution tax)	-	(1,146.86)	-	-	-	(1,146.86)	-	-	-	-	(1,146.86)	-	-	-	(1,146.86)
Balance as at 31.03.2018	35.50	7,121.66	0.00	3.58	63.89	7,224.63	92.18	(14.54)	(2.21)	75.43	7,300.06	-	-	-	7,300.06
Balance as at 01.04.2018	35.50	7,121.66	0.00	3.58	63.89	7,224.63	92.18	(14.54)	(2.21)	75.43	7,300.06	-	-	-	7,300.06
Profit for the period	-	1,708.04	-	-	-	1,708.04	(1.09)	2.87	6.20	7.98	1,708.04	-	-	-	1,708.04
Other Comprehensive Income	-	(2.91)	-	-	-	(2.91)	-	-	-	-	5.07	-	-	-	5.07
Appropriation to Core Settlement Guarantee Fund (net of tax)	-	(11.30)	-	-	-	(11.30)	-	-	-	-	(11.30)	-	-	-	(11.30)
Appropriation to Settlement Guarantee Fund (SGF)- Commodity derivatives	-	(250.00)	-	-	-	(250.00)	-	-	-	-	(250.00)	-	-	-	(250.00)
Contribution to Investor Protection Fund	-	-	-	12.11	-	-	-	-	(0.01)	(0.01)	(0.01)	-	-	-	(0.01)
Transfer to Liquidity Enhancement Scheme	-	(12.11)	-	-	-	-	-	-	-	-	-	-	-	-	-
Incentive Reserve	-	-	-	(14.18)	-	-	-	-	-	-	-	-	-	-	-
Liquidity Enhancement Scheme Incentive paid/payable	-	14.18	-	-	-	-	-	-	-	-	-	-	-	-	-
Transaction with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid (including dividend distribution tax)	-	(1,014.47)	-	-	-	(1,014.47)	-	-	-	-	(1,014.47)	-	-	-	(1,014.47)
Non-Controlling Interest on acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	1.37	-	1.37	1.37
Balance as at 31.03.2019	35.50	7,553.09	0.00	1.51	63.89	7,653.99	91.09	(11.67)	3.98	83.40	7,737.39	1.37	-	1.37	7,738.76

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
* Includes General Reserves	4,441.04	4,441.04
** Includes capital reserve on consolidation	39.39	39.39
** Includes capital redemption reserve	13.00	13.00
** Includes staff welfare reserve	1.50	1.50
** Includes investor compensation activities	10.00	10.00



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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:

In the previous year ended March, 31 2017 the group had created CSR Reserve to undertake CSR activities and transferred unspent amount from Retained earnings to CSR Reserve. During the previous year ended March, 31 2018, the Group has contributed amount of Rs 72.06 crores to NSE Foundation (Section 8 company of the group) towards contribution for CSR activities. Accordingly, CSR reserve created during previous year has been credited to Retained Earning.

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 : The Board of Directors, in their meeting held on May 5, 2017, proposed a dividend of Rs.12.25 /- per equity share which has been approved by the shareholders at the Annual General Meeting held on August 4, 2017 and on November 3, 2017 declared an interim dividend of Rs.7 per equity share of Rs.1/- each of the Company. The total dividend paid during the year ended March 31, 2018 amounts to Rs.952.88 crores excluding dividend distribution tax Rs.169.57 crores.

Note 2 : The Board of Directors, in their meeting held on May 4, 2018, proposed a dividend of Rs.7.75 /- per equity share which has been approved by the shareholders at the Annual General Meeting held on August 3, 2018 and on October 31, 2018 declared an interim dividend of Rs.9.25 per equity share of Rs.1/- each of the Company. The total dividend paid during the year ended March 31, 2019 amounts to Rs.841.50 crores excluding dividend distribution tax Rs.154.54 crores.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 14 : TRADE PAYABLES (CURRENT)

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Trade payables to MSME (Refer note 35)	0.14	1.21
Trade payables	127.27	128.16
Trade payables to related parties (Refer note 32)	0.72	0.09
Total	128.13	129.46

Note 15 : OTHER FINANCIAL LIABILITIES (NON-CURRENT)

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Obligations under finance lease	9.57	9.64
Other liabilities	0.09	-
Total	9.66	9.64

Note 16 : OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Deposits - premises	5.72	5.31
Creditors for capital expenditure	43.44	16.89
Defaulters fund pending claims	89.86	83.01
Margin money from members(Refer note 16.1)	2,586.83	1,286.83
Settlement obligation payable(Refer note 16.1)	3,489.82	4,260.21
Obligations under finance lease	1.83	1.20
Other liabilities	50.34	44.24
Total	6,267.84	5,697.69

16.1 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)

Note 17a : PROVISION (NON CURRENT)

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Employee benefits obligation		
Provision for gratuity	8.12	11.11
Provision for variable pay and allowance	11.67	9.76
Total	19.79	20.87

Note 17b : CONTRACT LIABILITIES - CURRENT

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Contract Liabilities related to listing services	13.02	-
Total	13.02	-

Note 18 : PROVISION (CURRENT)

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Employee benefits obligation		
Provision for gratuity	4.98	4.22
Provision for variable pay and allowance	52.86	36.98
Provision for leave encashment	18.64	19.80
Total	76.48	61.00



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 19 : INCOME TAXES

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
(a) Income tax expense		
Current Tax		
Current tax expense	857.84	681.05
Deferred Tax		
Decrease (increase) in deferred tax assets	(2.25)	(10.26)
Increase (decrease) in deferred tax liabilities	12.58	64.78
Total deferred tax expense (benefit)	10.33	54.52
Total Income tax expenses(Refer note 19.1)	868.17	735.57
19.1 This excludes deferred tax benefit/expense on other comprehensive income	1.05	6.56
This excludes income tax benefit adjusted in other equity	6.16	33.47

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Profit before income tax expense	2,576.21	2,197.04
Tax rate (%)	34.944%	34.608%
Tax at the Indian Tax Rate	900.23	760.35
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
Dividend income	(0.08)	(0.27)
Interest on tax free bonds	(24.37)	(23.96)
Expenditure related to exempt income	8.07	9.29
Net (gain)/loss on financial assets mandatorily measured at fair value through profit or loss	(7.26)	(3.70)
Profit on sale of investments taxed at other than statutory rate	(11.04)	(6.69)
Specific Tax deductions	(2.06)	(1.46)
Profits of associates taxed at different rate	(15.40)	(5.82)
Impairment losses on financial assets	28.00	(5.04)
Others	(7.92)	12.87
Income Tax Expense	868.17	735.57

(c) Deferred tax (liabilities)/assets (net)

The balance comprises temporary differences attributable to:

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Deferred income tax assets		
Property, plant and equipment and investment property	2.16	2.29
Provision for leave encashment	5.25	5.07
Financial Assets at Fair Value through profit and Loss	0.42	0.42
Financial Assets at Fair Value through OCI	6.31	7.89
Others	32.44	28.77
Total deferred tax assets	46.57	44.44
Deferred income tax liabilities		
Property, plant and equipment and investment property	9.28	17.46
Financial Assets at Fair Value through OCI	12.58	13.75
Financial Assets at Fair Value through profit and Loss	73.14	69.15
Tax on undistributed earning of Associates	82.23	75.58
Others	15.17	19.90
Total deferred tax liabilities	192.40	195.84
Net Deferred tax (liabilities) / assets	(145.83)	(151.40)
Deferred tax assets	8.88	5.49
Deferred tax liabilities	(154.71)	(156.89)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(d) Deferred tax assets

Movements in deferred tax assets

(₹ in Crores)

	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 1 April 2017	3.63	4.74	-	(0.07)	17.77	26.07
Charged/(credited)						
- to profit or loss	(1.34)	0.33	0.42		10.84	10.25
- to other comprehensive income	-	-	-	7.96	0.16	8.12
At 31 March 2018	2.29	5.07	0.42	7.89	28.77	44.44
Charged/(credited)						
- to profit or loss	(0.13)	0.18	-	(0.04)	2.25	2.25
- to other comprehensive income	-	-	-	(1.54)	1.42	(0.12)
At 31 March 2019	2.16	5.25	0.42	6.31	32.44	46.57

(e) Movements in deferred tax liabilities

(₹ in Crores)

	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 1 April 2017	25.98	39.31	12.18	60.38	3.44	141.29
Charged/(credited)						
- to profit or loss	(8.52)	29.84	-	25.81	17.64	64.77
- to others	-	-		(10.61)	(1.17)	(11.78)
- to other comprehensive income			1.57		(0.01)	1.56
At 31 March 2018	17.46	69.15	13.75	75.58	19.90	195.84
Charged/(credited)						
- to profit or loss	(8.18)	3.99		21.34	(4.57)	12.58
- to other comprehensive income	-		(1.17)			(1.17)
-to others				(14.69)	(0.16)	(14.85)
At 31 March 2019	9.28	73.14	12.58	82.23	15.17	192.40

*This includes amount of Rs.12.42 Crores reclassified between deferred tax assets and liabilities on financial assets at fair value through other comprehensive income as at March 31, 2018.

(f) 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	31.03.2019	31.03.2018
The taxable temporary differences relating to investment in subsidiaries with respect to undistributed earnings for which a deferred tax liability has not been created:		
Undistributed Earnings	1,341.94	1,290.87
Unrecognised deferred tax liabilities relating to the above temporary differences	275.87	265.37

(g) Deferred tax assets are not recognised for temporary differences where it is not probable that the differences will reverse in the foreseeable future and taxable profits will not be available against which the temporary difference can be utilized. The Group has not recognized deferred tax assets of Rs.33.92 crores in respect of tax effect on intragroup transactions of its various subsidiaries as based on management's projections of future taxable income and existing plans as it is not probable that such difference will reverse in the foreseeable future.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 20 : INCOME TAX LIABILITIES (NET)

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Income tax (net of advances)	124.46	97.58
Fringe Benefit Tax (net of Advances)	0.01	0.02
Wealth tax (net of advances)	0.29	0.27
Total	124.76	97.87

Note 21 : INCOME TAX ASSETS (NET)

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Income tax paid including TDS (net of provisions)	421.71	273.25
Fringe benefit tax (net of provisions)	2.25	2.34
Total	423.96	275.59

Note 22 : OTHER NON-CURRENT LIABILITIES

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Deposit - STT (Refer note no. 7.1)	5.39	5.39
Total	5.39	5.39

Note 23 : OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Securities Transaction Tax payable	230.91	163.72
Statutory dues payable	124.73	89.92
Advance from customers	48.50	60.74
Others	37.14	33.68
Total	441.28	348.06

Note 24 : DEPOSITS

(₹ in Crores)

Particulars	Current 31.03.2019	Current 31.03.2018
Deposits from trading members	1,007.57	1,026.45
Deposits from applicants for membership	9.84	3.05
Deposits from mutual fund distributors	3.07	4.28
Deposits towards equipments	25.13	26.56
Deposits from clearing members	321.74	323.73
Deposits in lieu of bank guarantee/securities from clearing members	73.62	67.93
Deposits from clearing banks	394.05	377.12
Deposits - listing & book building	56.36	86.79
Total	1,891.38	1,915.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 25 : REVENUE FROM OPERATIONS

(₹ in Crores)

	For the year ended 31.03.2019	For the year ended 31.03.2018
Revenue from contracts with customers :		
<i>Trading services</i>		
Transaction charges (Refer note 25.2)	2,034.07	1,745.45
<i>Listing services</i>		
Listing fees	88.96	67.28
Processing fees	17.41	32.86
Book building fees	9.69	30.02
	116.06	130.16
<i>Colocation Charges (Refer note 25.3)</i>	136.97	103.56
<i>Technology services</i>		
Application development & maintenance services	32.15	31.41
Infrastructure management services	1.93	4.20
E-Learning solutions	175.01	92.76
	209.09	128.37
<i>Data Feed services</i>		
Online datafeed service fees	100.64	81.40
<i>Licensing services</i>		
Index licensing & Data subscription fees	72.90	77.46
<i>Clearing & Settlement Services</i>	2.22	0.58
<i>Registration & test enrolment fees</i>	23.55	21.09
<i>Others</i>	52.84	47.10
Total (Refer note 25.1)	2,748.34	2,335.17
Other operating revenues :		
Income on investments(Refer note 25.4)	249.08	255.75
Net fair value gain on financial assets mandatorily measured at FVPL	12.60	16.99
Net gain on sale of financial assets mandatorily measured at FVPL	17.77	1.23
	279.45	273.97
Total	3,027.79	2,609.14

25.1

Reconciliation of revenue recognised with contract price :

Contract Price	2,761.36	-
Adjustments for Contract liabilities	(13.02)	-
Revenue from contracts with customers	2,748.34	-

25.2 Includes revenue from Transaction charges amounting to Rs. 924.74 crores (Previous year : Rs. 717.90) kept in separate bank account based on SEBI directive which have been subsequently invested in fixed deposits, inter corporate deposits, mutual funds and debentures. [Refer Note 4.1, 5.2, 9.1, 12.1 & 34(b)]

25.3 Pertains to revenue from Colocation services amounting to Rs.136.97 crores (Previous year : Rs.103.56) kept in separate bank account based on SEBI directive which have been subsequently invested in fixed deposits, inter corporate deposits, mutual funds and debentures. [Refer Note 4.1, 5.2, 9.1, 12.1 & 34(b)]

25.4 Represent income generated from sources of fund related to operating activity of the Group.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 26 : OTHER INCOME

(₹ in Crores)

	For the year ended 31.03.2019	For the year ended 31.03.2018
Other income		
Dividend income		
- from equity investments designated at FVOCI	0.24	0.27
- from other investments	-	0.52
Interest income from financial assets at amortised cost	106.67	145.96
Interest income from financial assets designated at FVOCI	40.45	38.52
Rental income	5.81	5.88
Miscellaneous income	8.64	6.02
	161.81	197.17
Other gains/ (losses)		
Net gain / (loss) on financial assets mandatorily measured at FVPL	132.96	125.56
Net gain on sale of financial assets measured at FVOCI(Refer note 26.1)	0.51	1.96
Net gain on sale of financial assets mandatorily measured at FVPL	190.24	85.69
Net gain on disposal of property, plant and equipment	-	12.66
Net foreign exchange gains	1.26	0.38
Total other income and other gains/(losses)	324.97	226.25
Total	486.78	423.42

26.1 This includes amount of Rs.Nil reclassified from other comprehensive income on account of sale of investments for the year ended March 31, 2019 (March 31, 2018 : Rs.1.93 crores)

Note 27 : EMPLOYEE BENEFITS EXPENSES

(₹ in Crores)

	For the year ended 31.03.2019	For the year ended 31.03.2018
Salaries, wages and bonus	277.40	240.49
Contribution to provident and other fund (refer note 30)	10.17	8.59
Gratuity	4.76	4.67
Staff welfare expenses	14.06	9.53
Total	306.39	263.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 28 : OTHER EXPENSES

(₹ in Crores)

	For the year ended 31.03.2019	For the year ended 31.03.2018
Repairs & maintenance		
- To computers, trading & telecommunication systems	99.73	88.24
- To buildings	4.26	4.77
- To others	12.51	11.71
SEBI regulatory fees	29.91	26.73
IT management and consultancy charges	8.97	16.96
Software expenses	43.09	40.49
Network infrastructure management charges	9.19	-
Lease line charges	15.56	18.76
Telephone charges	3.28	8.46
Water and electricity charges	38.84	34.05
Rental charges	42.53	29.36
Rates and taxes	6.73	6.56
Directors' sitting fees	2.21	2.81
Legal and professional fees	69.44	39.52
Advertisement and publicity	22.41	14.05
Travel and conveyance	23.14	21.29
Insurance	1.64	2.30
Printing and stationery	1.52	4.28
Corporate social responsibility expenditure	35.72	22.81
Contribution to Investor protection fund trust(Refer note 28.1)	6.34	4.98
Investor education expenses	24.55	17.97
Payment to auditors (Refer note below)	1.54	1.38
Doubtful debts written off	-	2.35
Provision for doubtful debts	1.64	0.74
Liquidity enhancement incentive	14.18	1.50
Technical & Subcontract Charges	33.75	30.72
Impairment losses on financial assets (Refer Note 40 D)	80.13	2.93
Tangible & Intangible assets (including CWIP) w/off	0.39	11.78
Other expenses	133.51	101.49
Total	766.72	568.99
Note :		
Payment to auditors		
As auditors :		
Audit fees	0.83	0.72
Tax audit fee	0.10	0.07
Limited review	0.21	0.20
In other capacities		
Taxation matters	0.15	0.11
Certification matters	0.09	0.06
Other services	0.16	0.22
Total	1.54	1.38

28.1 It represents contribution to National Stock Exchange Investor Protection fund trust formed as required under SEBI regulation.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 29 : EARNINGS PER SHARE

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Profit attributable to the equity holders of the company used in calculating basic earnings per share and diluted earnings per share		
Profit for the period	1,708.04	1,461.47
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (no. in Crores)(Refer note 29.1)	49.50	49.50
Earnings per equity share (basic and diluted)	34.51	29.52

29.1 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.

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	31.03.2019	31.03.2018
Group's contribution towards superannuation fund	1.53	1.41

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 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	31.03.2019	31.03.2018
Group's contribution to the provident fund	6.37	6.94
Interest shortfall liability	2.27	NIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

Particulars	31.03.2019	31.03.2018
a. Approach used	Deterministic	Deterministic
b. Increase in compensation levels	8.00%	8.00%
c. Discount Rate	7.48%	7.68%
d. Attrition Rate	12.00%	12.00%
e. Weighted Average Yield	8.15%	8.90%
f. Weighted Average YTM	8.10%	8.85%
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 (Rs in Crores)	96.35	64.61

(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).

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	31.03.2019		
	Present Value of Obligation	Fair Value of Plan Assets	Total
At the beginning of the year	36.11	(20.78)	15.33
Current service Cost	3.95	-	3.95
Interest cost / (income)	2.14	(1.33)	0.81
Expenses recognised in the Statement of Profit & Loss	6.09	(1.33)	4.76
Remeasurements	-	0.38	0.38
Return on plan assets	-	0.38	0.38
Actuarial (gains)/losses on obligations - due to change in financial assumptions	1.60	-	1.60
Actuarial (gains)/losses on obligations - due to experience	2.35	-	2.35
Net (income)/expense for the period recognized in OCI	3.95	0.38	4.33
Employer Contributions	-	(11.20)	(11.20)
Benefits paid	(2.58)	2.46	(0.12)
At the end of the year	43.57	(30.47)	13.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crores)

Particulars	31.03.2018		
	Present Value of Obligation	Fair Value of Plan Assets	Total
At the beginning of the year	31.78	(15.94)	15.84
Current service Cost	3.54	-	3.54
Interest cost / (income)	2.34	(1.21)	1.13
Expenses recognised in the Statement of Profit & Loss	5.88	(1.21)	4.67
Remeasurements			
Return on plan assets	-	(0.12)	(0.12)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	(0.37)	-	(0.37)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(1.09)	-	(1.09)
Actuarial (gains)/losses on obligations - due to experience	2.66	-	2.66
Net (income)/expense for the period recognized in OCI	1.20	(0.12)	1.08
Employer Contributions	-	(6.26)	(6.26)
Liability transferred	-	-	-
Benefits paid	(2.75)	2.75	-
At the end of the year	36.11	(20.78)	15.33

(ii) The net liability disclosed above relates to funded plans are as follows:

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Fair value of plan assets as at the end of the year	(30.47)	(20.78)
Liability as at the end of the year	43.57	36.11
Net (liability) / asset	13.10	15.33
Non Current Portion	(8.12)	(11.11)
Current Portion	(4.98)	(4.22)

(iii) Sensitivity Analysis

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Projected Benefit Obligation on Current Assumptions	43.57	36.11
Delta Effect of +1% Change in Rate of Discounting	(2.47)	(1.96)
Delta Effect of -1% Change in Rate of Discounting	2.80	2.21
Delta Effect of +1% Change in Rate of Salary Increase	2.75	2.18
Delta Effect of -1% Change in Rate of Salary Increase	(2.48)	(1.97)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.16)	(0.02)
Delta Effect of +1% Change in Rate of Employee Turnover	0.18	0.01

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 THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(iv) Significant actuarial assumptions are as follows:

Particulars	31.03.2019	31.03.2018
Discount Rate	7.48-7.59%	6.77-7.87%
Rate of Return on Plan Assets	7.48-7.59%	7.09-7.87%
Salary Escalation	8%	5.00-8.00%
Attrition Rate	3.00-12.00%	3.00-12.00%

(v) Expected contribution to gratuity plan for the year ending March 31, 2020 is Rs. 5.24 Crores (P.Y. Rs.4.22 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 Managing Director and CEO 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 :** This part of the business offers services related to trading in equity, equity derivatives, debt, currency derivatives and commodity derivatives segments. Revenue includes transaction charges, listing and book building fees, revenue from data centre charges etc.
- 2: Clearing Services:** This part of business offers services related to dissemination of price, volume, order book and trade data relating to securities and various indices to the stock and commodity brokers.
- 3: Datafeed Services:** This part of business offers services related to dissemination of price, volume, order book and trade data relating to securities and various indices to the stock and commodity brokers.
- 4: Index Licensing Fees:** This part of the business is primary provider of indices and related products and services to various participants in capital market in India.
- 5: Strategic Investments:** This part of business is related to making or holding 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, Software application development, and IT security services. The results of these operations are included in the “all other segments”. This column includes head office and group services.

The above business segments have been identified considering :

- a) the nature of products and services
- b) the differing risks
- c) the internal organisation and management structure, and
- d) 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 THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(b) Segment Revenue :

Transactions between segments are carried out at arms length and are eliminated on consolidation. 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. The CODM primarily uses a measure of profit before tax to assess the performance of the operating segments.

(₹ in Crores)

Segments	31st March, 2019				31st March 2018			
	Segment Revenue	Inter-segment revenue	Revenue from external customers	Segment Results	Segment Revenue	Inter-segment revenue	Revenue from external customers	Segment Results
Trading Services	2,450.45	41.31	2,409.14	1,674.96	2,132.72	35.96	2,096.76	1,504.88
Clearing Services	318.86	139.67	179.19	103.15	312.68	120.65	192.03	121.35
Data feed Services	91.34	0.48	90.86	86.97	76.67	0.44	76.23	73.38
Index Licensing Services	88.32	15.42	72.90	43.34	89.13	11.66	77.47	69.62
Strategic Investments	313.36	282.99	30.37	28.49	115.55	97.33	18.22	11.35
Other Segments	372.81	127.48	245.33	(122.89)	361.18	212.74	148.44	(128.12)
Total	3,635.14	607.35	3,027.79	1,814.02	3,087.93	478.78	2,609.14	1,652.46
Add: Unallocable income (Net of expense)				338.30				237.76
Add: Interest income				147.12				184.48
Profit before, share of net profits of investments accounted by using equity method, profit on sale of investments in associates and tax				2,299.44				2,074.70
Add: Share of net profit of associates accounted by using equity method				107.03				122.34
Profit before profit on sale of investment in associate and tax				2,406.47				2,197.04
Add: Profit on sale of investment in associate				169.74				-
Profit before Tax				2,576.21				2,197.04
Less: Tax Expense:								
Current Tax				(857.84)				(681.05)
Deferred Tax				(10.33)				(54.52)
Total Tax Expenses				(868.17)				(735.57)
Net profit after tax				1,708.04				1,461.47

The previous year figures have been reclassified to conform with current year disclosure classifications.

(c) Revenue From External Customers based on geographies

The company is domiciled in India. The amount of Group revenue from external customers broken down by location of customers.

Particulars	31.03.2019	31.03.2018
India	2,898.19	2,489.94
Outside India	129.60	119.20
Total Revenue	3,027.79	2,609.14

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(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	31.03.2019	31.03.2018
Trading Services	2,365.34	2,278.87
Clearing Services*	10,045.48	8,810.87
Data feed Services	9.04	6.36
Index Licensing Services	17.89	19.28
Strategic Investments	805.09	975.11
Other Segments	289.65	177.80
Total Segment Assets	13,532.49	12,268.29
Unallocable Assets	6,445.89	5,957.78
Total Assets	19,978.38	18,226.07

There are no non current assets situated outside India.

Investments held by the Group are not considered to be segment assets but are managed by the central 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 Assets include amount pertaining to Core SGF maintained by NSE Clearing Limited, NSE IFSC Clearing Corporation Limited (NSE IFSC CC) as follows:

Particulars	31.03.2019	31.03.2018
Contribution to Core SGF	2,786.92	2,414.32
Contribution to SGF- Commodity Derivatives	250.00	-
Contribution to Core SGF-NSE IFSC CC	8.01	6.90

(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	31.03.2019	31.03.2018
Trading Services	1,785.29	1,756.22
Clearing Services	9,954.37	8,812.80
Data feed Services	10.54	11.81
Index Licensing Services	1.78	3.89
Strategic Investments	0.15	1.39
Other Segments	128.78	106.22
Total Segment Liabilities	11,880.91	10,692.33
Unallocable Liabilities	309.11	184.08
Settlement Guarantee Fund	(3,057.58)	(2,433.63)
Total Liabilities	9,132.44	8,442.78



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(f) Segment Capital Expenditure

(₹ in Crores)

Segments	31.03.2019	31.03.2018
Trading Services	117.32	85.76
Clearing Services	51.42	6.91
Data feed Services	0.45	7.46
Index Licensing Services	(3.89)	3.00
Other Segments	119.56	30.25
Total Segment Capital Expenditure	284.86	133.38

(g) Segment Depreciation / Amortisation

(₹ in Crores)

Segments	31.03.2019	31.03.2018
Trading Services	116.91	113.53
Clearing Services	4.17	3.37
Data feed Services	1.10	0.27
Index Licensing Services	1.10	0.23
Other Segments	17.57	7.00
Total Segment Depreciation / Amortisation	140.85	124.40
Add: Unallocable Depreciation / Amortisation	1.17	1.19
Total Depreciation / Amortisation	142.02	125.59

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	Associate Company	E-Governance Solutions	25.05%
3	National Securities Depository Limited	Associate Company	Depository Services	24.00%
4	Computer Age Management Services Private Limited	Associate Company	Mutual Fund Transfer Agency	44.99% upto 05.09.2018 & 37.50% w.e.f. 06.09.2018
5	Market Simplified India Limited	Joint Venture Company	Software Industry	30.00%
6	CAMS Investor Services Private Limited	Subsidiary of Associate Company	Mutual Fund Transfer Agency	44.99% upto 05.09.2018 & 37.50% w.e.f. 06.09.2018
7	NSDL Database Management Limited	Subsidiary of Associate Company	Depository Services	24.00%
8	BFSS Sector Skill Council of India	Associate Company	Skill Council	49.00%
9	Receivables Exchange of India Limited	Associate Company	Online Platform for financing receivables (TReDS)	30.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Sr.	List of Key Management Personnel
1	Mr. Vikram Limaye - Managing Director (w.e.f. 17-Jul-2017)
2	Mr. J. Ravichandran - CEO - Incharge (upto 16-Jul-17)
3	Mr. Ashok Chawla (upto 11-Jan-2019)
4	Mr. Ravi Narain (upto 1-Jun-17)
5	Mr. Abhay Havaladar
6	Mr. Dinesh Kanabar
7	Mr. Naved Masood
8	Mr. T. V. Mohandas Pai
9	Mr. Prakash Parthasarathy
10	Ms. Dharmishta Raval
11	Ms. Sunita Sharma nominee of Life Insurance Corporation of India
12	Ms. Anshula Kant nominee of State Bank Of India (upto 26-Sep-2018)

Power Exchange of India Limited		(₹ in Crores)	
Particulars	31.03.2019	31.03.2018	
Nature of Transactions			
Application Development and Maintenance Services	1.05	0.60	
Closing balances (Credit) / Debit	0.35	0.04	

NSDL e-Governance Infrastructure Limited		(₹ in Crores)	
Particulars	31.03.2019	31.03.2018	
Nature of Transactions			
Application Development and Maintenance Services	1.10	0.86	
Dividend received	6.51	6.51	
Sitting Fees Received	0.04	-	
Director Commission	0.23	-	
Closing balances (Credit) / Debit	0.21	0.38	

National Securities Depository Limited		(₹ in Crores)	
Particulars	31.03.2019	31.03.2018	
Nature of Transactions			
Dividend received	2.40	2.40	
STP Charges received	-	0.06	
Application Development and Maintenance Services	0.19	0.23	
Sitting Fees Received	0.15	-	
DP Validation Charges	0.53	1.69	
Closing balances (Credit) / Debit	0.13	0.11	

NSDL Database Management Ltd		(₹ in Crores)	
Particulars	31.03.2018	31.03.2017	
Nature of Transactions			
Application Development and Maintenance Services	0.85	0.09	
Infrastructure Management Services	0.02	0.09	
Closing balances (Credit) / Debit	0.88	0.09	



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

BFSI Sector Skill Council of India

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Nature of Transactions		
Amount paid towards Pradhan Mantri Kaushalya Vikas Yojna(PMKVY) centres*	-	0.20
Closing balances (Credit) / Debit	-	-

Computer Age Management Services Private Limited

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Nature of Transactions		
Dividend Received	45.97	43.22
Sharing of Income	0.64	-
Sitting Fees Received	0.06	0.04
Amount paid towards Rent	0.23	0.24
Closing balances (Credit) / Debit	(0.61)	(0.09)

CAMS Investor Services Private Limited

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Nature of Transactions		
KRA fees received / receivable	0.18	0.37
KRA fees Paid / payable*	0.00	0.00
Closing balances (Credit) / Debit	0.03	0.03

Market Simplified India Limited (formerly known at INXS Technologies Limited)

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Nature of Transactions		
License Fees paid/ payable	0.71	0.76
Closing balances (Credit) / Debit	(0.11)	-

Receivables Exchange Of India Limited

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Nature of Transactions		
Reimbursement received towards expenses incurred	0.23	0.84
Sale of assets	-	0.39
Usage charges received	0.36	1.41
Reimbursement received for expenses on staff on deputation	1.15	2.02
Reimbursement received for space and infrastructure charges	0.61	1.28
Closing balances (Credit) / Debit	1.15	0.63

Key Management Personnel - Mr. Vikram Limaye - Managing Director (w.e.f. 17-Jul-2017)

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Nature of Transactions		
Short-term employee benefits	7.09	3.89
Post-employment benefits(Refer note 32.2)	0.24	0.15
Long-term employee benefits(Refer note 32.1)	0.77	-
Total Remuneration	8.10	4.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Key Management Personnel - Mr. J. Ravichandran - CEO - Incharge (upto 16-Jul-2017) (₹ in Crores)

Particulars	31.03.2019	31.03.2018
Nature of Transactions		
Short-term employee benefits	-	1.51
Post-employment benefits(Refer note 32.2)	-	0.12
Long-term employee benefits(Refer note 32.1)	-	0.18
Total Remuneration	-	1.81

Key Management Personnel (₹ in Crores)

Particulars	31.03.2019	31.03.2018
Nature of Transactions		
Sitting Fees Paid to Directors	2.48	3.63

32.1 includes 50% of the variable pay payable after 3 years subject to certain conditions,

32.2 As the liabilities for defined 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, 2019 and March 31, 2018. The Group has not recorded any impairment of receivables relating to amount owed by related parties.

33. CAPITAL AND OTHER COMMITMENTS (₹ in Crores)

Particulars	31.03.2019	31.03.2018
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided	102.88	29.87
Network infrastructure charges	-	53.80
Other commitments (Primarily in respect of operating expenses and Investor education expenses)	199.95	102.17

34. CONTINGENT LIABILITY & OTHER REGULATORY MATTERS

(₹ in Crores)

a) Particulars	31.03.2019	31.03.2018
Claims against the Group not acknowledged as debts	13.36	15.04

b) Securities and Exchange Board of India (SEBI) had directed NSE to carry out an investigation including forensic examination by independent external agencies in respect of certain aspects of NSE's Colocation facility. NSE got the investigation carried out and submitted the reports to SEBI. Further, SEBI had directed that pending completion of the investigations, all revenues emanating from the colocation facility with effect from September 2016 be transferred to a separate bank account. Accordingly, as of March 31, 2019, an amount of Rs.2,258.71 crores (March 31, 2018 Rs.1,197.26 crores) was transferred to a separate bank account and have been invested. These investments along with accruals have been shown under restricted /earmarked investments and bank balances.

Three show cause notices were issued by SEBI to the Company and to some of its employees, including former employees, in respect of the preferential access to tick by tick data in Colocation facility, Dark Fibre point to point connectivity and Governance and related matters which were responded to. Further, NSE had also filed a Consent Application with SEBI on August 31, 2018 in respect of the said show cause notices.

SEBI vide its letter dated April 30, 2019 has returned the Consent Application filed by NSE and has passed orders in respect of all the three show cause notices. In the first order, it has passed a direction on NSE inter alia to disgorge an amount of Rs.624.89 crores along with interest at the rate of 12% per annum from April 01, 2014 till the actual date of payment



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

and certain non-monetary and restrictive directions prohibiting the Company from raising funds from the market, through issuance of equity, debt or other securities for a period of six months from the date of the order; in the second order it passed a direction to deposit a sum of Rs. 62.58 crores along with interest at the rate of 12% p.a. from September 11, 2015 till the actual date of payment along with other non-monetary and restrictive directions and in the third order it has passed certain non-monetary and remedial directions on NSE.

Additionally, NSE has also received Adjudication notices covering the above three orders which are currently pending for hearing before SEBI.

The Company has received the orders passed by SEBI and has sought legal advice thereon. Having regard thereto, the Company believes that it has strong grounds to contest the above orders including monetary liability (including from adjudication proceedings) raised by SEBI. The company intends to file appeals before the Hon'ble Securities Appellate Tribunal (SAT) against the orders passed by SEBI. Accordingly, no provision for any liability in this regard is considered necessary in the financial statements for the year ended March 31, 2019.

- c) 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	31.03.2019	31.03.2018
Penalty amount	55.50	55.50
Compensation claimed	856.99	856.99

- d) A suit has been filed, jointly and severally against the Parent Company and its subsidiary NSE Clearing Limited for damages / compensation along with interest thereon and has been disputed by the Parent Company. During the year, the suit has been withdrawn and accordingly no contingent liability exist as at March 31, 2019.

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Damages / compensation claimed	-	152.57

- e) On account of disputed demand of:

(₹ in Crores)

Particulars	31.03.2019	31.03.2017
Income tax matters	385.33	66.25
Fringe Benefit Tax matters	2.21	2.22
Wealth tax matters	0.09	0.09
Goods & Service Tax matters	0.37	-
Services tax matters along with penalty thereon	124.60	84.33
Securities Transaction Tax matters (Refer note 7.1)	6.76	6.76
Sales Tax / VAT	-	5.79

The Group's pending litigations comprise of claims against the Company and proceedings pending with Statutory and Tax Authorities. The Group 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 Group does not expect the outcome of these proceedings to have a material impact on its financial position.

(₹ in Crores)

- f)

Particulars	31.03.2019	31.03.2018
Bank guarantees	28.39	5.31

- g) During the year, subsidiary company has settled a suit filed against it by a customer for damages / compensation and accordingly no contingent liability exist as at March 31, 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

35. DETAILS UNDER THE MSMED ACT, 2006 FOR DUES TO MICRO AND SMALL, MEDIUM ENTERPRISES (₹ in Crores)

Particulars	31.03.2019	31.03.2018
Outstanding	0.14	1.21

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.

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.

Lease obligations (₹ in Crores)

	As at 31.03.2019	As at 31.03.2018
	Minimum lease payments	Minimum lease payments
- Not later than one year	1.83	1.20
- Later than one year and not later than five years	7.36	7.35
- Later than five years	127.13	128.42
Total minimum lease commitments	136.32	136.97
Less: future finance charges	124.92	126.15
Present value of minimum lease premium	11.40	10.82
Other financial liabilities - current	1.83	1.20
Other financial liabilities - non current	9.57	9.64

Lease obligations (₹ in Crores)

	As at 31.03.2019	As at 31.03.2018
	Present value of minimum lease payments	Present value of minimum lease payments
- Not later than one year	1.83	1.20
- Later than one year and not later than five years	4.39	4.19
- Later than five years	5.18	5.43
Total minimum lease commitments	11.40	10.82

The finance lease has escalation clause and there is no right to renew or purchase option.

The Group has taken certain premises on operating lease. The following is the summary of future minimum lease rental payment under operating lease arrangement entered into by the Group.

Lease obligations (₹ in Crores)

	As at 31.03.2019	As at 31.03.2018
	Minimum lease payments	Minimum lease payments
- Not later than one year	11.00	9.01
- Later than one year and not later than five years	18.51	3.53
- Later than five years	9.20	-
Total minimum lease commitments	38.71	12.54

The group leases various offices under non-cancellable operating leases expiring within two to eight years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- 37 a)** Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, interlia, has issued norms related to the computation and contribution to the Core Settlement Guarantee Fund by the Clearing Corporation (minimum 50%), Stock Exchange (minimum 25%) and members (maximum 25%). 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

I Details of Core SGF a on March 31, 2019 are as follows :

(₹ in Crores)

Details of MRC of Core SGF	CM	FO	CD	Debt	TRI Party	Commodity	Total
NCL own contribution	77.96	593.00	47.00	3.00	8.50	5.00	734.46
Interest Adjusted towards NCL's Contribution	21.04	31.00	8.00				60.04
Contribution by NSE on behalf of Member	42.93	296.00	23.00				361.93
Interest Adjusted towards member's Contribution	6.07	16.00	4.00				26.07
Contribution by NSE	40.65	297.00	24.00	1.00	8.50	5.00	376.15
Interest Adjusted towards NSE's Contribution	9.35	15.00	4.00				28.35
Total	198.00	1,248.00	110.00	4.00	17.00	10.00	1,587.00
Previous Year	148.00	1,248.00	94.00	4.00	-	-	1,494.00

II Details of Core SGF as on March 31, 2018 are as follows :

(₹ in Crores)

I. Contribution to Corpus of Core SGF	CM	FO	CD	Debt	TRI Party	Commodity	Other	Total
a. NCL own contribution	74.00	624.00	47.00	3.00	0			748.00
b. Contribution by NSE on behalf of Member	37.00	312.00	23.00	-			-	372.00
c. Contribution by NSE	37.00	312.00	24.00	1.00			350.59	724.59
1. Total (a+b+c)	148.00	1,248.00	94.00	4.00	-	-	350.59	1,844.59
2. Penalty*	39.62	245.80	17.27	-	-	-	-	302.68
3. Income on Investments*	41.91	159.57	24.87	0.68	-	-	40.03	267.05
Grand Total (1+2+3)	229.53	1,653.36	136.14	4.68	-	-	390.62	2,414.32

III Contribution made during the year 2018-19

(₹ in Crores)

Contribution during the year	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
NCL own contribution								
Direct Contribution	3.96	-	-	-	8.5	5.00	-	17.46
Adjusted from Interest Income **	21.04	-	8.00	-			-	29.04
Total	25.00	-	8.00	-	8.50	5.00	-	46.50

(₹ in Crores)

Contribution by NSE on behalf of Member	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
Direct Contribution							-	
Contribution adjusted from NSE Other Contribution #	5.93						-	5.93
Adjusted from Interest Income **	6.07		4.00				-	10.07
Total	12.00	-	4.00	-	-	-	-	16.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crores)

Contribution by NSE	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
Direct Contribution	-	-	-	-	-	-	-	-
Adjusted against NSE's Own and member's contribution	-	-	-	-	-	-	-	-
Contribution adjusted from NSE Other Contribution #	3.65	-	-	-	8.50	5.00	(23.08)	(5.93)
Adjusted from Interest Income **	9.35	-	4.00	-	-	-	-	13.35
Total	13.00	-	4.00	-	-	-	(23.08)	7.42

(₹ in Crores)

Income during the period (Net Off adjustment towards MRC) **	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
Penalty	13.75	160.61	8.66	-	-	-	-	183.03
Income on Investments	17.29	119.62	9.40	0.12	0.99	0.14	24.53	172.10
Less : Income adjusted against MRC**	36.46	-	16.00	-	-	-	-	52.46
Income on Investments (Net Off adjustment towards MRC)	(19.17)	119.62	(6.60)	0.12	0.99	0.14	24.53	119.65

IV Details of Core SGF a on March 31, 2019 are as follows

Out of the above the details of the Cash contributions and investment of the same are as follows : (₹ in Crores)

I. Contribution to Corpus of Core SGF	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
a. NCL own contribution	99.00	624.00	55.00	3.00	8.50	5.00	-	794.50
b. Contribution by NSE on behalf of Member	49.00	312.00	27.00	-	-	-	-	388.00
c. Contribution by NSE	50.00	312.00	28.00	1.00	8.50	5.00	327.51	732.01
1. Total (a+b+c+d)	198.00	1,248.00	110.00	4.00	17.00	10.00	327.51	1,914.51
2. Penalty*	53.37	406.41	25.93	-	-	-	-	485.71
3. Income on Investments (After allocation towards MRC)*	22.74	279.19	18.27	0.80	0.99	0.14	64.56	386.70
Grand Total (1+2+3)	274.11	1,933.60	154.20	4.80	17.99	10.14	392.07	2,786.92

(₹ in Crores)

II. Details of Investment	CM	FO	CD	Debt	TRI Party	Commodity	Other	Total
1. Mutual Funds	-	-	-	-	-	-	-	-
2. Fixed Deposit with Banks	234.29	1,785.93	123.97	1.82	17	10	362.68	2,535.69
3. Flexi Fixed Deposits	18.96	31.23	18.75	-	-	-	1.10	70.04
4. Balance in Bank Accounts	1.09	0.98	1.94	2.73	-	-	-	6.74
5. Accrued interest	16.70	94.82	7.77	0.21	0.89	0.13	23.34	143.86
6. Prepaid taxes	3.07	20.64	1.77	0.04	0.10	0.01	4.96	30.59
Grand Total (1+2+3+4+5+6)	274.11	1,933.60	154.20	4.80	17.99	10.14	392.07	2,786.92
Previous year	229.53	1,653.36	136.14	4.68	-	-	390.62	2,414.32



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- 37.1** * Net of applicable corporate tax Rs. 9.38 Crores , if any, on cash basis.
- 37.2** # Other contribution is balance amount of transfer from NSE pertain to 25% of NSE ` s Annual profits as contribution to Core SGF . SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05, 2016 advised Stock Exchange to transfer 25% of its annual profits upto August 2015 to Core SGF and utilise the same for contribution required by Members and NSE.
- ** SEBI vide its letter reference no. SEBI/HO/MRD/DRMNP/OW/P/2018/4559/1 dated February 12, 2018 has clarified that "Clearing Corporations may adjust incremental requirement of Minimum Required Corpus (MRC) against the interest accrual on the cash contribution of respective contributors before taking additional contribution from them
- 37.3** During the year, NSE Clearing Limited has received approval from SEBI to start clearing & settlement activities in Commodity Derivatives. As required by SEBI minimum amount of Rs.250 crores has been earmarked towards a separate fund for the purpose of augmenting Settlement Guarantee Fund for Commodity Derivatives by way of appropriation from General Reserves. Further, the company has also earmarked investments amounting to Rs. 250 crores towards the same. The operations in Commodity Derivatives commenced w.e.f. October 12, 2018.
- 37.4** SEBI vide circular no. SEBI/HO/MRD/DSA/ CIR / P/2016/125 dated November 28, 2016 has issued norms for set up of a fund and minimum corpus of such fund to guarantee the settlement of trades executed in the stock exchanges in International Financial Service Centre (IFSC). Accordingly, NSE's subsidiary- NSE IFSC Clearing Corporation Limited has contributed Rs.8 crs (March 18 : Rs.7 crs) towards its Core SGF.
- 38 a)** SEBI vide its circular dated August 10,2017 has permitted exchanges in GIFT IFSC to introduce Liquidity Enhancement Scheme (LES) to enhance liquidity. Considering, the nascent stage of business SEBI has granted exemption to comply with the conditions of giving the incentive out of accumulated free reserves of the exchange.Further, SEBI has advised exchanges to create a reserve specifically to meet LES Incentive and the same would not be included in the networth calculation of the exchange. Exchange has received approval from SEBI for Introduction of LES and the same was launched from November 1, 2017. Based on the condition to create the reserve, Exchange had created a reserve equivalent to Rs. 5.08 crores for period of six months from November 1, 2017 to April 30,2018, out of which Rs.1.50 crores was spent as incentive paid/payable to the trading members till March 31, 2018 leaving a balance of Rs.3.58 crores in LES Incentive reserve as at March 31, 2018. Further, during the current year, exchange has credited amount equivalent to Rs.12.11 crores to LES Incentive reserve and Rs. 14.18 crores was spent as incentive paid/payable to the trading members leaving a balance of Rs.1.50 crores in LES Incentive reserve as at March 31, 2019. Based on the past trend, the management is of the view that the balance in LES reserve as at March 31, 2019 is sufficient to meet the LES incentive payout for the following month.
- b) NSE IFSC LTD. in GIFT IFSC has set aside USD 15,000 (Rs.0.10 crores) in a separate bank account as amount earmarked for Investor Protection Fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 Investment 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, 2019	March 31, 2018	
NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	31-Aug-95	India	100.00	100.00	Clearing and Settlement
NSE Investments Ltd (formerly known as NSE Strategic Investment Corporation Limited)	31-Jan-13	India	100.00	100.00	Investment entity
NSEIT Limited	29-Oct-99	India	100.00	100.00	IT services
NSEIT (US) Inc.	04-Dec-06	United States of America	100.00	100.00	IT services
NSE Indices Ltd (formerly known as India Index Services & Products Limited)	02-Aug-06	India	100.00	100.00	Index services
NSE Data & Analytics Limited (formerly known as DotEx International Limited)	02-Jun-00	India	100.00	100.00	Data Feed Services
NSE Infotech Services Limited	02-Aug-06	India	100.00	100.00	IT services
NSE IFSC Limited	29-Nov-16	India	100.00	100.00	Stock Exchange Services
NSE IFSC Clearing Corporation Limited	02-Dec-16	India	100.00	100.00	Clearing and Settlement
NSE Academy Limited	12-Mar-16	India	100.00	100.00	Financial literacy programmes
NSE Foundation (Section 8 Company)	05-Mar-18	India	100.00	100.00	CSR activities
Aujas Networks Private Limited	22-Mar-19	India	95.39	-	IT security services

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(b) Interests in associates and joint ventures

- i. Set out below are the associates 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 / (Losses) from Associates	
			March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
			(₹ in Crores)						
National Securities Depository Limited	India	Associate	24.00	24.00	Equity method	154.00	135.41	21.48	21.33
Power Exchange India Limited	India	Associate	30.95	30.95	Equity method	-	-	-	-
NSDL e-Governance Infrastructure Limited	India	Associate	25.05	25.05	Equity method	216.36	192.90	31.31	33.82
Market Simplified India Limited (Refer note 39.3)	India	Associate	30.00	30.00	Equity method	-	-	-	-
Computer Age Management Services Private Limited (Refer note 39.2)	India	Associate	37.50	44.99	Equity method	412.28	492.83	55.28	68.85
BFSI Skill Sector Council of India (Refer note 39.1)	India	Associate	49.00	49.00	NA	1.00	1.00	-	-
Receivables Exchange of India Limited	India	Associate	30.00	30.00	Equity method	3.83	4.87	(1.04)	(1.66)
Total						787.47	827.01	107.03	122.34
Less : Non Current Investments Held for Sale									
Computer Age Management Services Private Limited (Refer note 39.2)	India	Associate	-	7.49	Equity method	-	(82.07)	-	-
Total equity accounted investments						787.47	744.94	107.03	122.34

Note 39.1BFSI 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.

Note 39.2 During the current year, the Group has sold 7.49% (i.e., 36,53,400 equity shares) of its equity stake in Computer Age Management Services Limited, for a consideration of Rs.249.13 crores and paid legal and advisory Fees of Rs.2.39 crores in connection with sale resulting in net profit on sale of Rs.169.74 crores.

Note 39.3 During the previous year, the Group had provided for impairment amounting to Rs. 2.93 crores in respect of Market Simplified India Limited, since the company has been continuously making losses. The impairment has been debited to the consolidated statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 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 generated funds and investments.

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 avoidable costs. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in Group's cash flow could undermine the Group's credit rating and impair investor confidence.

The Group maintained a cautious funding strategy, with a positive cash balance throughout the years ended 31st March, 2019 and 31st March, 2018. This was the result of cash delivery from the business. Cash flows from operating activities provides the funds to service the financing of financial liabilities on a day-to-day basis.

The Group'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 operations, 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 deposits and other marketable debt investments including the government securities, mutual funds and exchange traded funds with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

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.

Particulars	Notes	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31, 2019					
Trade payables	14	128.13	128.13	-	128.13
Deposits	16, 24	1,897.10	1,897.10	-	1,897.10
Obligations under finance lease	16, 34	11.40	1.83	134.49	136.32
Other liabilities	16	6,260.29	6,260.29	-	6,260.29
As at March 31, 2018					
Trade payables	14	129.46	129.46	-	129.46
Deposits	16, 24	1,921.22	1,921.22	-	1,921.22
Obligations under finance lease	16, 34	10.84	1.20	135.77	136.97
Other liabilities	16	5,691.18	5,691.18	-	5,691.18



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
1. PRICE RISK		
<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 2019, the exposure to price risk due to investment in mutual funds amounted to Rs. 3,284.13 crores (March 31, 2018: Rs. 3,237.65 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. 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 an additional Rs. 8.21 crores gain in the Statement of Profit and Loss (2017-18: Rs. 8.09 crores gain). A 0.25% decrease in prices would have led to an equal but opposite effect.</p>
<p>At 31st March 2019, the exposure to price risk due to investment in exchange traded fund amounted to Rs. 234.87 crores (March 31, 2018: Rs. 378.65 crores).</p>		<p>For exchange traded fund, a 10% increase in prices would have led to approximately an additional Rs. 23.49 crores gain in the Statement of Profit and Loss (2017-18: Rs. 37.86 crores gain). A 10% decrease in prices would have led to an equal but opposite effect.</p>
<p>At 31st March 2019, the exposure to price risk due to investment in equity instruments amounted to Rs. 134.57 crores (March 31, 2018: Rs. 136.84 crores).</p>		<p>For equity instruments, a 10% increase in prices would have led to approximately an additional Rs. 13.46 crores gain in the Statement of Profit and Loss (2017-18: Rs. 13.68 crores gain). A 10% decrease in prices would have led to an equal but opposite effect.</p>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
2. INTEREST RATE RISK		
<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 which impacts the price of these investments.</p> <p>As at 31st March, 2019, the exposure to interest rate risk due to investment in government securities amounted to Rs. 531.16 crores (March 31, 2018: Rs. 529.17 crores).</p>	<p>In order to manage its interest rate risk arising from investments in 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 an additional Rs. 8.71 crores loss in the Statement of Profit and Loss (2017-18: Rs. 9.29 crores gain). A 0.25% decrease in interest rates would have led to an equal but opposite effect.</p>

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. Based on 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 / financial institutions, investments in marketable debt instruments including government securities, 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, 2019 and March 31, 2018 is the carrying value of each class of financial assets as disclosed in note 4, 5, 6, 9, 10, 11 and 12.

D EXPECTED CREDIT LOSS ON FINANCIAL ASSETS

The Group's investment in NCD of IL&FS Group amounting to Rs 80.13 crores have been classified as credit impaired during the current year on account of significant financial difficulty of the issuer, disappearance of an active market for their securities and credit rating downgrade from "AAA" to "D". Accordingly, the Group has recognized impairment loss of Rs 80.13 crores on such financial assets in the profit and loss account.

E 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 aims to manage 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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 Group 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 Group's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods. Refer note 47 & 13 (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, 2018, NSE shall have a minimum networth of Rs. 100 crore at all times.

Capital requirement of NCLs is regulated by Securities and Exchange Board of India (SEBI). As per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, Clearing corporation shall have a minimum net worth of Rs.300 crores at all times. Minimum requirement of Net worth is maintained throughout the year ended March 31, 2019.

Further, SEBI vide Regulation 14(3) of SECC Regulations 2018 adopted risk-based approach towards computation of capital and net worth requirement for Clearing Corporations(CC) to adequately cover counterparty credit risk, business risk, orderly Wind-down and operational & legal risk. As per Regulation 14(3) (c) of SECC Regulations 2018 every CC shall have a minimum net worth of Rs.100 crores or networth Computed as per the risk-based approach as may specified by SEBI from time to time, whichever is higher.

Accordingly, SEBI vide circular Ref No: SEBI/HO/MRD/DRMP/CIR/P/2019/55 dated April 10, 2019 issued granular norms related to computation of risk based capital and net worth requirement for CCs effective from FY2019-20. The networth requirement for the Company calculated as prescribed by SEBI in the above circular works out to around Rs.1100 crores. The Company has sufficient resources to meet this networth requirement.

Capital requirement of NSE IFSC Limited is regulated by SEBI. As per SEBI (International Financial Services Centres) Guidelines, 2015, every permitted stock exchange shall have a minimum networth equivalent of Rs 25 crores initially and it shall enhance its networth to a minimum equivalent of Rs 100 crores over the period of three years from the date of approval.

Capital requirement of NSE IFSC Clearing Corporation Limited is regulated by SEBI. As per SEBI (International Financial Services Centres) Guidelines, 2015, every permitted clearing corporation shall have a minimum networth equivalent of Rs 50 crores initially and it shall enhance its networth to a minimum equivalent of Rs 300 crores over the period of three years from the date of approval.

The parent company and its subsidiaries are in compliance with the said requirement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

40 FAIR VALUE MEASUREMENTS

E - Financial Instruments by category

(₹ in Crores)

Particulars	31-Mar-19			31-Mar-18		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
Equity Instruments	-	134.57	-	-	136.84	-
Debentures	-	-	868.30	-	-	854.24
Taxable Bonds	-	-	102.47	-	-	113.02
Taxfree Bonds	-	-	969.05	-	-	1,027.56
Fixed Deposits with Banks	-	-	4,382.01	-	-	3,339.49
Deposits with financial institutions	-	-	125.89	-	-	-
Government Securities	-	531.16	-	-	529.17	-
Mutual Funds	3,284.13	-	-	3,237.65	-	-
Exchange Traded Funds	234.87	-	-	378.65	-	-
Trade receivables	-	-	452.51	-	-	397.68
Cash and Cash equivalents	-	-	6,592.61	-	-	6,244.14
Contract Assets	-	-	18.85	-	-	5.32
Security deposits	-	-	9.85	-	-	7.13
Other receivables	-	-	30.24	-	-	25.80
Total financial assets	3,519.00	665.73	13,551.79	3,616.30	666.01	12,014.39
Financial liabilities						
Trade payables	-	-	128.13	-	-	129.46
Deposits	-	-	1,897.10	-	-	1,921.22
Obligations under finance lease	-	-	11.40	-	-	10.84
Other liabilities	-	-	6,260.29	-	-	5,691.18
Total financial liabilities	-	-	8,296.92	-	-	7,752.70



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(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 31.03.2019 (₹ in Crores)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Investments at FVPL					
Mutual Fund - Growth Plan	4 & 9	2,753.46	-	-	2,753.46
Mutual Fund - Fixed Maturity Plan	4	-	530.68	-	530.68
Exchange Traded Funds	4	234.87	-	-	234.87
Financial Investments at FVOCI					
Debt Instrument at FVOCI - Government Securities	4	-	531.16	-	531.16
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd.	4	-	-	134.17	134.17
Quoted Equity Investments	4	0.40	-	-	0.40
Total Financial Assets		2,988.73	1,061.84	134.17	3,654.06

Financial Assets measured at Fair Value - recurring fair value measurements at 31.03.2018 (₹ in Crores)

Particulars	Notes	Level 1	Level 2	Level 3	Total 31-Mar-2017
Financial Assets					
Financial Investments at FVPL					
Mutual Fund	4 & 9	2,749.54	488.11	-	3,237.65
Exchange Traded Funds	4	378.65	-	-	378.65
Preference Shares	4	-	-	-	-
Financial Investments at FVOCI					
Debt Instrument at FVOCI - Government Securities	4	-	529.17	-	529.17
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd.	4	-	-	136.51	136.51
Quoted Equity Investments	4	0.33	-	-	0.33
Total Financial Assets		3,128.52	1,017.28	136.51	4,282.30

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:

This 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 on the stock exchanges are valued using the closing price as at the end of the reporting period. Listed Mutual Funds are valued using the closing quoted NAV.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- Level 2:

The fair value of financial instruments that are not traded in an active market (for example, government securities is determined using Financial Benchmarks India Private Limited valuation techniques which maximise the use of observable market data, fixed maturity plan based on NAV declared by the fund) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

- The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

- There were no transfers between levels during the year ended March 31, 2019.

ii) Valuation technique used to determine fair value :

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments

- The fair value of the remaining financial instruments is determined using discounted cash flow analysis and price to book value multiple as applicable.

(iii) Fair value measurements using significant unobservable inputs (level 3)

- The following table presents the changes in level 3 items for the periods ended 31 March, 2019 and 31 March, 2018:

Particulars	(₹ in Crores)
	Unlisted Equity security
As at 1 April 2017	68.46
Gains (losses) recognised in Other Comprehensive Income	8.51
As at 31 March 2018	76.97
Gains (losses) recognised in Other Comprehensive Income	(2.34)
As at 31 March 2019	74.63



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(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	Fair Value	Significant Unobservable inputs*	Fair Value	Fair Value
	31/03/19	31/03/18		31/03/19	31/03/18
Unquoted Equity Shares - NCDEX	134.17	136.51	P/B Multiple	6.0x	5.0x
			Business Risk Discount	60%	60%
			Resultant P/B multiple	2.4x	2.0x
			Liquidity Discount	30%	30%
			Applicable P/B Multiple	1.7x	1.4x
			P/B multiple based on latest available transactions	2.4x	2.4x
			Average P/B multiple arrived at	2.0x	1.9x
			Estimated Book value as at balance sheet date (Rs. In Crores)	438.60	479.00
			Equity valuation of NCDEX (Rs. In Crores)	894.50	910.20
			Valuation of 15% stake (Rs. In Crores)	134.17	136.51

* There were no significant inter relationship between unobservable inputs that materially affect fair value

(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) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the reporting periods.

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

(₹ in Crores)

	Notes	31/03/19		31/03/18	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
Debentures	4 & 9	868.30	872.32	854.24	853.49
Taxable Bonds	4 & 9	102.47	105.46	113.02	116.43
Taxfree Bonds	4 & 9	969.05	1,003.52	1,027.57	1,051.13
Fixed Deposits with Banks	5, 6 & 12	4,382.01	4,364.60	3,339.49	3,341.66
Deposits with financial institutions	5 & 6	125.89	125.81	-	-
Security Deposits	5 & 6	9.85	9.85	7.13	7.13
Total Financial Assets		6,457.57	6,481.56	5,341.45	5,369.84
Financial Liabilities					
Obligations under Finance Lease	15 & 16	11.40	12.91	10.84	12.65
Total Financial Liabilities		11.40	12.91	10.84	12.65

- 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, fixed deposits, deposits with financial institutions 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

41 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.

42 i) Gross amount required to be spent by the Group on Corporate Social Responsibility activities for the year ended March 31, 2019 is Rs 35.39 crores.(Previous year: Rs.32.38 Crores)

ii) Amount spent during the years towards Primary Education, Elder Care, etc : (₹ in Crores)

Particulars	31.03.2019		
	In cash	Yet to be paid in cash	Total
(i) Construction / acquiring of any asset	-	-	-
(ii) Contribution to NSE Foundation towards CSR	35.39	-	35.39
(iii) On purposes other than (i) & (ii) above incurred by NSE Foundation towards CSR	36.83	-	36.83

(₹ in Crores)

Particulars	31.03.2019		
	In cash	Yet to be paid in cash	Total
(i) Construction / acquiring of any asset	-	-	-
(ii) Contribution to NSE Foundation towards CSR [Refer note 42(iii)]	82.56	-	82.56
(iii) On purposes other than (i) & (ii) above [Refer note 42(iia)]	22.78	-	22.78

iii) Amount transferred from/(to) Retained Earnings to/(from) CSR Reserve (₹ in Crores)

Particulars	31.03.2019	31.03.2018
Amount transferred from/(to) Retained Earnings to/(from) CSR Reserve	-	(72.06)

An amount of Rs.35.39 crores (Previous Year : Rs.10.49 crores) was contributed to NSE Foundation (Section 8 company of the Group) towards contribution for CSR activities. Additionally the Group has also contributed amount of Rs. NIL (Previous Year : Rs.72.06) crores from the CSR Reserve created in previous year ended March, 31 2017 to NSE Foundation (Section 8 company of the group) towards contribution for CSR activities. Accordingly, CSR reserve created in earlier year has been credited to Retained Earning.[Refer note 13(b)]

43. In case of its subsidiary, NSE Infotech Limited (NSETECH), during the financial year 2018-19, the Parent company NSE decided to coopt the technology function internally and decided to absorb all the employees of NSETECH within NSE. Accordingly, effective 1st June 2018, all the employees of NSETECH were transferred to NSE. Pursuant to the transfer, the core operations of NSETECH in the nature of IT management and support services to NSE and its Group Companies ceased to exist. Accordingly, effective 1st June 2018 there was no revenue generated from the operations by NSETECH. In view of the same it is not practical for NSETECH to prepare its financial statements on a going concern basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

44 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
Parent Company								
National Stock Exchange of India Limited								
31st March, 2019	69.36%	5,401.76	80.90%	1,381.72	3.35%	0.17	80.67%	1,381.89
31st March, 2018	67.35%	4,950.25	85.08%	1,243.43	93.96%	(8.24)	85.03%	1,235.19
Subsidiaries (group's share)								
NSE Clearing Limited								
31st March, 2019	5.31%	413.87	4.04%	69.03	-3.55%	(0.18)	4.02%	68.85
31st March, 2018	7.50%	551.26	6.07%	88.73	2.62%	(0.23)	6.09%	88.50
NSE Indices Limited								
31st March, 2019	3.18%	247.97	2.40%	40.93	0.20%	0.01	2.39%	40.94
31st March, 2018	3.20%	235.45	4.09%	59.76	0.00%	-	4.11%	59.76
NSE Data & Analytics Limited								
31st March, 2019	2.44%	190.18	3.36%	57.34	-0.20%	(0.01)	3.35%	57.33
31st March, 2018	2.23%	164.01	3.28%	48.00	0.11%	(0.01)	3.30%	47.99
NSE Infotech Services Limited								
31st March, 2019	0.04%	3.39	-0.82%	(14.05)	0.00%	-	-0.82%	(14.05)
31st March, 2018	0.08%	5.77	-4.08%	(59.64)	11.06%	(0.97)	-4.17%	(60.61)
NSEIT Limited								
31st March, 2019	1.58%	122.67	-1.43%	(24.48)	-22.09%	(1.12)	-1.49%	(25.60)
31st March, 2018	1.62%	119.26	-2.34%	(34.20)	-4.68%	0.41	-2.33%	(33.79)
NSE Academy Limited								
31st March, 2019	0.18%	13.67	0.63%	10.75	0.00%	-	0.63%	10.75
31st March, 2018	0.03%	2.36	0.26%	3.87	0.00%	-	0.27%	3.87
NSE Investment Limited								
31st March, 2019	5.26%	409.93	9.19%	156.99	0.00%	-	9.16%	156.99
31st March, 2018	4.48%	329.14	0.73%	10.64	0.00%	-	0.73%	10.64
NSE IFSC Limited								
31st March, 2019	0.45%	35.05	-1.95%	(33.36)	49.11%	2.49	-1.80%	(30.87)
31st March, 2018	0.41%	30.14	-0.91%	(13.36)	0.68%	(0.06)	-0.92%	(13.42)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ 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
NSE IFSC Clearing Corporation Limited								
31st March, 2019	0.68%	52.97	-0.37%	(6.34)	64.30%	3.26	-0.18%	(3.08)
31st March, 2018	0.70%	51.62	-0.59%	(8.63)	-3.76%	0.33	-0.57%	(8.30)
NSE Foundation								
31st March, 2019	1.09%	85.08	-1.91%	(32.59)	0.00%	-	-1.90%	(32.59)
31st March, 2018	1.12%	82.51	-0.01%	(0.09)	0.00%	-	-0.01%	(0.09)
Aujas Networks Private Limited								
31st March, 2019	0.36%	28.25	0.00%	-	0.00%	-	0.00%	-
Foreign Subsidiaries								
NSE.IT (US) Inc.								
31st March, 2019	-0.07%	(5.38)	-0.29%	(4.93)	8.88%	0.45	-0.26%	(4.48)
31st March, 2018	0.01%	0.79	0.04%	0.62	0.00%	-	0.04%	0.62
Non-Controlling Interest in all subsidiaries								
31st March, 2019	0.02%	1.37	0.00%	-	0.00%	-	0.00%	-
31st March, 2018	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Associates (Investment as per equity method)								
National Securities Depository Limited								
31st March, 2019	1.98%	154.00	1.26%	21.48	0.00%	-	1.25%	21.48
31st March, 2018	1.84%	135.41	1.46%	21.33	0.00%	-	1.47%	21.33
NSDL e-Governance Infrastructure Limited								
31st March, 2019	2.78%	216.36	1.83%	31.31	0.00%	-	1.83%	31.31
31st March, 2018	2.62%	192.90	2.31%	33.82	0.00%	-	2.33%	33.82
Computer Age Management Services Private Limited								
31st March, 2019	5.29%	412.28	3.24%	55.28	0.00%	-	3.23%	55.28
31st March, 2018	6.71%	492.83	4.71%	68.85	0.00%	-	4.74%	68.85



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ 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
Receivables Exchange Of India Limited								
31st March, 2019	0.05%	3.83	-0.06%	(1.04)	0.00%	-	-0.06%	(1.04)
31st March, 2018	0.07%	4.87	-0.11%	(1.66)	0.00%	-	-0.11%	(1.66)
BFSI Skill Sector Council of India								
31st March, 2019	0.01%	1.00	0.00%	-	0.00%	-	0.00%	-
31st March, 2018	0.01%	1.00	0.00%	-	0.00%	-	0.00%	-
Joint Venture (Investment as per equity method)								
Market Simplified India Limited								
31st March, 2019	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31st March, 2018	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Adjustment arising out of consolidation								
31st March, 2019	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31st March, 2018	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total								
31st March, 2019	100.00%	7,788.26	100.00%	1,708.04	100.00%	5.07	100.00%	1,713.11
31st March, 2018	100.00%	7,349.56	100.00%	1,461.47	100.00%	(8.77)	100.00%	1,452.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

45. Business Combination

Acquisition of Aujas Networks Pvt. Ltd., Subsidiary Company

On November 28, 2018, the Company entered into a Share Purchase and Shareholder's Agreement ("SPSHA") for acquisition of Aujas Networks Private Limited, ("Aujas") for a total consideration of Rs.97.50 crores (Rs.93.45 crores for acquisition of 100% equity shareholding and Rs.4.05 crores by way of rights issue) Aujas is engaged in business of Information Security Consulting and having expertise in Risk Advisory, Identity & Access Management, Threat Management, Secure Engineering Services, Security Intelligence & Operations, and Digital Security. On March 22, 2019, NSEIT acquired 95.39% of equity shareholding of Aujas for a cash consideration of Rs.76.13 crores and deferred consideration of upto Rs.7.95 crores aggregating to Rs.84.08 crores.

The assets and liabilities recognised as a result of the acquisition are as follows:-

Details of Assets and Liabilities of acquired	Fair Value (Rs. Crores)
Tangible and Intangible Fixed Assets	1.43
Financial Assets	32.67
Other Assets	12.96
Financial Liabilities	(4.09)
Other Liabilities & Provisions	(13.35)
Net Identifiable Assets acquired	29.62
Calculation of goodwill	
	Rs. Crores
Consideration	84.08
Non Controlling Interest acquired	1.37
Less :- Net Identifiable Assets acquired	(29.62)
Goodwill	55.83

46 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(₹ in Crores)

	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
31.03.2019						
Financial Assets						
Trade Receivables	338.20	-	338.20	-	(1,007.57)	(669.36)
31.03.2018						
Financial Assets						
Trade Receivables	310.28	-	310.28	-	(1,026.45)	(716.17)

*The collateral includes deposits from trading members.



47 OTHER EVENTS AFTER THE REPORTING PERIOD

(i) Dividend:

The Board of Directors have recommended the payment of final dividend of Rs.8/- per fully paid equity shares (FV Re.1 each) (March 31, 2018 : Rs.7.75/- per fully paid equity share (FV Re.1 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 Rs.477.40 Crores including Corporate Dividend Distribution Tax of Rs.81.40 crores.

48 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, 2019 and March 31, 2018.

49 For the year ended March 31, 2019 and March 31, 2018, 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.

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 16, 2019

For and on behalf of the Board of Directors

Dharmishta Raval

Director

[DIN:02792246]

Dinesh Kanabar

Director

[DIN:00003252]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Yatrik Vin

Chief Financial Officer

S. Madhavan

Company Secretary

FORM AOC - 1

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	₹ in Crores)											
	NSE Clearing Limited (Formerly known as National Securities Clearing Corporation Limited)	NSE Investments Limited (Formerly known as NSE Strategic Investments Limited) (Note 1)	NSE IFSC Limited	NSE Data & Analytics Limited (Formerly known as Dotex International Limited) (Note 1)	NSE Indices Limited (Formerly known as India Index Services & Products Limited) (Note 1)	NSEIT Ltd (Note 1)	NSE Academy Limited (Note 1)	NSE Infotech Services Ltd (Note 1)	NSEIT (US) Inc. (Note 2)	NSE IFSC Clearing Corporation Limited (Note 3)	NSE Foundation (Note 4)	Aujas Networks Private Limited (Note 5)
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	05-Mar-18	22-Mar-19
Reporting date	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
Share Capital	45.00	825.99	90.00	9.00	1.30	10.00	10.00	0.05	5.34	75.00	0.05	26.51
Reserves and Surplus	443.87	321.67	-54.96	181.18	250.33	150.89	3.67	3.34	-10.72	-22.03	85.03	3.04
Total Assets	10,528.92	1,148.45	66.88	223.24	263.57	339.17	16.43	3.93	10.41	84.31	85.59	47.81
Total Liabilities	10,528.92	1,148.45	66.88	223.24	263.57	339.17	16.43	3.93	10.41	84.31	85.59	47.81
Investments	3,477.42	339.88	-	132.29	236.18	152.14	5.66	-	-	-	-	0.10
Turnover	380.86	313.73	0.45	134.53	110.26	276.04	23.40	12.11	1.81	-	40.88	94.72
Profit before Taxation	268.63	310.55	-37.59	67.12	76.04	49.20	2.23	0.33	-6.67	-6.40	2.57	-2.78
Provision for Taxation	96.11	41.61	-	18.15	20.68	15.06	0.67	2.76	-0.05	-	-	-
Profit after Taxation	172.51	268.94	-37.59	48.96	55.36	34.14	1.56	-2.43	-6.62	-6.40	2.57	-2.78
Proposed Dividend	81.00	12.39	-	24.75	27.76	1.00	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	95.39%

Notes:-

1. NSE Data & Analytics Limited, NSE Indices Limited, NSEIT Ltd, Nse Infotech Services Ltd. and NSE Academy Limited are wholly owned subsidiaries of NSE Investments Limited.
2. NSEIT (US) INC is a wholly owned subsidiary of NSEIT LTD. The reporting currency of the company is USD. The financial information of NSEIT (US) INC. have been translated into INR at the closing rate at March 29, 2019 of 1 USD = Rs. 69.1713
3. NSE IFSC Clearing Corporation Limited is a wholly owned subsidiary of NSE Clearing Limited.
4. NSE Foundation is incorporated under Section 8 of Companies Act, 2013.
5. Aujas Networks Private Limited is a subsidiary of NSEIT LTD.



Part “B” Associates/Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Crores)

Name of Associates/Joint Ventures	National Securities Depository Limited	Computer Age Management Services 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 31,2019	March 31,2018	March 31,2019	March 31,2016	March 31,2018	March 31,2018	March 31,2019
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
Share of Associate held by the group at the above mentioned reporting date							
Number of Equity Shares	96,00,000.00	1,82,85,000.00	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	343.50	55.10	4.51	15.04	7.50	1.00
Extend of Holding %	24.00%	37.50%	25.05%	30.00%	30.95%	30.00%	49.00%
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	176.46	168.67	166.72	8.87	-2.94	5.01	4.37
Profit/Loss for the year							
i. Considered in Consolidation	21.48	55.28	31.31	-	-	-1.04	-
ii. Not considered in Consolidation	-	-	-	-	-	-	Note 2

Notes:-

- 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.
- BFSI Sector Skill Council of India is a company incorporated under section 8 of Companies Act, 2013, and has 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.

For and on behalf of the Board of Directors

Dharmishta Raval
Director
[DIN:02792246]

Dinesh Kanabar
Director
[DIN:00003252]

Vikram Limaye
Managing Director & CEO
[DIN:00488534]

Yatrik Vin
Chief Financial Officer

S. Madhavan
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of
National Stock Exchange of India Limited

Report on the audit of the standalone financial statements as of and for the year ended March 31, 2019

Opinion

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, 2019, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Emphasis of matter

4. We draw your attention to Note 31 (i) (a) to the standalone financial statements, relating to the contingent liability, that describes the Orders issued by the Securities and Exchange Board of India (SEBI) on April 30, 2019 wherein disgorgement/demand aggregating Rs. 687.47 crore (excluding interest thereon at 12% p.a. from April 1, 2014 till the actual date of payment for one order and from September 11, 2015 till the actual date of payment for second order) has been raised against the Company pursuant to an investigation conducted in relation to preferential access to tick by tick data at the Company's Colocation facility, Dark Fiber point to point connectivity and Governance and related matters. SEBI has further directed the Company to undertake certain remedial measures, actions and imposed restrictions. The Company has also received Adjudication notices covering identical matters, facts, circumstances and grounds as stated in each of the above orders, which are currently pending for hearing before SEBI. The Company is in the process of filing appeal to contest the aforesaid orders with the Hon'ble Securities Appellate Tribunal, the future outcome of which is uncertain at this stage. Based on the legal opinion obtained by the Company, no provision for any liability has been made towards the aforesaid demand in these standalone financial statements. Our opinion is not modified in respect of this matter.

Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key audit matter	How our audit addressed the key audit matter
<p><u>Assessment of provisions made and contingent liabilities disclosed with regard to legal and tax matters</u></p> <p>[Refer Note 31 to the standalone financial statements]</p> <p>As of March 31, 2019, the Company has ongoing proceedings with tax authorities involving certain direct and indirect tax matters including disallowance of certain expenses under income tax, applicability of service tax on certain services and various other ongoing litigations including claims by its members and case filed by competitor against the Company under Competition Appellate Tribunal.</p> <p>The Company has assessed the above pending litigations and proceedings and has made provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its standalone financial statements.</p> <p>This area is considered as a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources, if any, and the recognition of provisions, disclosure of contingent liabilities and related disclosures to be made in the standalone financial statements.</p>	<p>Our audit procedures related to legal and tax matters included–</p> <ul style="list-style-type: none"> • Understanding and evaluating the design and operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the standalone financial statements in respect of these matters. • Obtaining details of litigations on legal and direct and indirect tax matters. • Reviewing orders and/or communications with regulatory authorities and management responses thereto. • Inspecting the supporting documents to evaluate management’s assessment of probability of outcome of ongoing proceedings, the magnitude of potential loss, if any, and testing related provisions and disclosures made in the standalone financial statements. • Evaluating, along with the auditor’s experts, the status of the direct and indirect tax matters. • Examining expert’s legal advice/opinion obtained by the Company’s management for evaluating certain legal and tax matters. • Assessing the adequacy of disclosures related to these matters. <p>Based on our above procedures, the provisions recognised by the Company, and contingent liabilities disclosed with regard to legal and tax matters is reasonable.</p>

Other information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to Board's Report and Report on Corporate Governance, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the standalone financial statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the standalone financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- Report on other legal and regulatory requirements**
14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 15. 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, the Statement of Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 31 to the standalone financial statements;
- ii. The Company has long-term contracts for which there were no material foreseeable losses. The Company did not have derivative contracts as at March 31, 2019 – Refer Note 41 to the standalone financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019 – Refer Note 42 to the standalone financial statements;
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E / E- 300009

Sumit Seth

Partner

Membership Number 105869

Place: Mumbai

Date: May 16, 2019



Annexure A to Independent Auditor's Report

Referred to in paragraph 15 (f) of the Independent Auditor's Report of even date to the members of National Stock Exchange of India Limited on the standalone financial statements for the year ended March 31, 2019.

Report on the internal financial controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of National Stock Exchange of India Limited ("the Company") as of March 31, 2019 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.

Auditor's responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing 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 with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to standalone financial statements.

Meaning of internal financial controls with reference to standalone financial statements

6. A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are

recorded as necessary to permit preparation of standalone 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 standalone financial statements.

Inherent limitations of internal financial controls with reference to standalone financial statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements 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 Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2019, 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 16, 2019



Annexure B to Independent Auditor's Report

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of National Stock Exchange of India Limited on the standalone financial statements as of and for the year ended March 31, 2019.

- 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 fixed assets 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 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 service 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, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 33 to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, duty of customs, duty of excise, goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, wealth tax, security transaction tax and service tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Sr.No.	Name of the Statute	Nature of the Dues	Period to which amount relates (Financial year)	Amount (Rs. 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)
			2015-2016	40.92*	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
4.	Chapter V of Finance Act, 1994	Service Tax	2004-2005 to 2008-2009	28.10	Commissioner of Service tax, Mumbai
			2008-09 to 2011-12	21.35	Customs, Central Excise and Service Tax Appellate Tribunal, Mumbai
			April 2012 to June 2012	0.57	Customs, Central Excise and Service Tax Appellate Tribunal, Mumbai
5	The Competition Act, 2002	Penalty	2007-2008 to 2009-2010	55.50	Supreme Court of India

* Rs. 8.18 crore paid under protest.

- 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.

- 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 Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E / E- 300009

Sumit Seth

Partner

Membership Number 105869

Place: Mumbai

Date: May 16, 2019



BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Notes	(₹ in Crores)	
		As at 31.03.2019	As at 31.03.2018
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	492.83	502.45
Capital work-in-progress	2	3.22	22.55
Other intangible assets	3	62.49	36.40
Intangible assets under development	3	22.55	20.04
Investment in subsidiaries, associates and joint ventures	4	981.67	941.67
Financial assets			
- Investments	4	2,700.01	3,039.41
- Other financial assets			
Non-current bank balances	5 (a)	79.30	58.70
Others	5 (b)	107.40	6.46
Income tax assets (net)	18	343.44	250.05
Other non-current assets	6	16.05	14.48
Total non-current assets		4,808.96	4,892.21
Current assets			
Financial assets			
- Investments	7	2,201.91	2,246.55
- Trade Receivables	8	368.61	328.28
- Cash and cash equivalents	9	39.38	44.81
- Bank balances other than cash and cash equivalents	10	701.86	179.73
- Other financial assets	5(b)	80.28	42.97
Other current assets	6	96.52	66.36
Total current assets		3,488.56	2,908.70
TOTAL ASSETS		8,297.52	7,800.91
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11a	49.50	49.50
Other equity	11b	6,333.94	5,921.26
TOTAL EQUITY		6,383.44	5,970.76
LIABILITIES			
Non-current liabilities			
Other financial liabilities	13	9.57	9.64
Provisions	15	12.01	11.03
Deferred tax liabilities (net)	16(c)	32.92	44.91
Other non-current liabilities	19	5.39	5.39
Total non-current liabilities		59.89	70.97
Current liabilities			
Financial liabilities			
Deposits	20	1,092.68	1,139.08
Trade payables	12		
Total Outstanding dues of micro enterprises and small enterprises		0.01	1.20
Total Outstanding dues of creditors other than micro enterprises and small enterprises		80.32	129.40
Other financial liabilities	13	155.00	125.21
		1,328.01	1,394.89
Contract Liabilities	14	13.02	-
Provisions	15	59.25	41.43
Income tax liabilities (net)	17	68.78	12.38
Other current liabilities	19	385.13	310.48
Total current liabilities		1,854.19	1,759.18
TOTAL LIABILITIES		1,914.08	1,830.15
TOTAL EQUITY AND LIABILITIES		8,297.52	7,800.91
Summary of significant accounting policies	1		

The above Balance Sheet should be read in conjunction with the accompanying notes

This is the Balance Sheet referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm's Registration no : 304026E / E-300009

For and on behalf of the Board of Directors

Sumit Seth
Partner
Membership No.: 105869

Dharmishta Raval
Director
[DIN:02792246]

Dinesh Kanabar
Director
[DIN:00003252]

Vikram Limaye
Managing Director & CEO
[DIN:00488534]

Place : Mumbai
Date : May 16, 2019

Yatrik Vin
Chief Financial Officer

S. Madhavan
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2019	For the year ended 31.03.2018
INCOME			
Revenue from operations	21	2,450.44	2,132.72
Other income	22	578.31	459.51
Total income		3,028.75	2,592.23
EXPENSES			
Employee benefits expense	23	170.12	109.24
Clearing & settlement charges		139.67	120.65
Depreciation and amortisation expense	2, 3	118.07	114.70
Other expenses	24	557.52	541.42
Total expenses		985.38	886.01
Profit before tax		2,043.37	1,706.22
Less: Income tax expense			
Current tax	16(a)	665.00	533.15
Deferred tax	16(a)	(11.50)	11.26
Total tax expenses		653.50	544.41
Profit for the year (A)		1,389.87	1,161.81
Other comprehensive income			
Items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	11b	4.41	(22.78)
Income tax relating to items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	11b	(1.54)	7.96
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	11b	(2.46)	(0.13)
Changes in fair value of FVOCI equity instruments	11b	(2.26)	8.24
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	11b	0.86	0.04
Changes in fair value of FVOCI equity instruments	11b	1.17	(1.57)
Total other comprehensive income / (loss) for the year, net of taxes (B)		0.18	(8.24)
Total comprehensive income /(loss) for the year (A)+(B)		1,390.05	1,153.57
Earnings per equity share (Face value of ₹ 1 each)			
- Basic and Diluted (₹)	25	28.08	23.47
Summary of significant accounting policies	1		
The above statement of profit and loss should be read in conjunction with the accompanying notes			

This is the Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP For and on behalf of the Board of Directors

Chartered Accountants

Firm's Registration no : 304026E / E-300009

Sumit Seth

Partner

Membership No.: 105869

Place : Mumbai

Date : May 16, 2019

Dharmishta Raval

Director

[DIN:02792246]

Dinesh Kanabar

Director

[DIN:00003252]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Yatrik Vin

Chief Financial Officer

S. Madhavan

Company Secretary



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(A) EQUITY SHARE CAPITAL

(₹ in Crores)

Balance as at 01.04.2017	49.50
changes in equity share capital during the year	-
Balance as at 31.03.2018	49.50
Balance as at 01.04.2018	49.50
changes in equity share capital during the year	-
Balance as at 31.03.2019	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 as at the April 1, 2017	35.50	5,732.50	53.43	11.50	5,832.93	56.94	0.27	57.21	5,890.14
Profit for the year	-	1,161.81	-	-	1,161.81	-	-	-	1,161.81
Transfer from CSR Reserve [Refer note 34(c)]	-	53.43	(53.43)	-	-	-	-	-	-
Other Comprehensive Income	-	(0.09)	-	-	(0.09)	6.67	(14.82)	(8.15)	(8.24)
Transaction with owners in their capacity as owners									
Dividend paid (including dividend distribution tax)	-	(1,122.45)	-	-	(1,122.45)	-	-	-	(1,122.45)
Balance as at March 31, 2018	35.50	5,825.19	-	11.50	5,872.19	63.61	(14.55)	49.06	5,921.26
Balance as at the April 1, 2018	35.50	5,825.20	-	11.50	5,872.20	63.61	(14.55)	49.06	5,921.26
Profit for the year	-	1,389.87	-	-	1,389.87	-	-	-	1,389.87
Other Comprehensive Income	-	(1.60)	-	-	(1.60)	(1.10)	2.87	1.77	0.18
Transaction with owners in their capacity as owners									
Dividend paid (including dividend distribution tax)	-	(977.36)	-	-	(977.36)	-	-	-	(977.36)
Balance as at March 31, 2019	35.50	6,236.11	-	11.50	6,283.11	62.51	(11.68)	50.83	6,333.94

The above statement of changes in equity should be read in conjunction with the accompanying notes

This is the statement of changes in equity referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP For and on behalf of the Board of Directors

Chartered Accountants

Firm's Registration no : 304026E / E-300009

Sumit Seth

Partner

Membership No.: 105869

Place : Mumbai

Date : May 16, 2019

Dharmishta Raval

Director

[DIN:02792246]

Yatrik Vin

Chief Financial Officer

Dinesh Kanabar

Director

[DIN:00003252]

S. Madhavan

Company Secretary

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2019	For the year ended 31.03.2018
A) CASH FLOWS FROM OPERATING ACTIVITIES			
PROFIT BEFORE TAX		2,043.37	1,706.22
Adjustments for			
Depreciation and amortisation expense	2, 3	118.07	114.70
Impairment losses on financial assets	24	80.13	-
Interest income from financial assets at amortised cost	22	(65.21)	(94.69)
Interest income from financial assets designated at fair value through other comprehensive income	22	(40.45)	(38.52)
Income on Investments		(87.63)	(79.84)
Dividend income	22	(183.19)	(123.10)
Rent income		(4.96)	(4.72)
Net fair value gain on financial assets mandatorily measured at fair value through profit or loss	22	(90.17)	(91.06)
Net gain on sale of financial assets measured at fair value through other comprehensive income		(0.51)	(1.96)
Net gain on sale of investments mandatorily measured at fair value through profit or loss	22	(175.78)	(79.84)
Loss on sale of property, plant and equipment		0.04	(12.66)
Change In operating assets and liabilities			
(Increase)/Decrease in trade receivables	8	(40.33)	(61.76)
Increase/(Decrease) in trade payables	12	(50.27)	39.64
(Increase)/Decrease in other financial assets	5	(2.01)	29.68
(Increase)/Decrease in other assets	6	(32.17)	(24.17)
Increase/(Decrease) in other financial liabilities	13	4.85	18.37
Increase/(Decrease) in contract liabilities	14	13.02	-
Increase/(Decrease) in provisions	15	16.35	(2.49)
Refund /(Proceeds) of deposits from trading member / applicant	20	(46.40)	23.40
Increase/(Decrease) in other liabilities	19	74.65	(371.18)
CASH GENERATED FROM OPERATIONS		1,531.40	946.01
Income taxes paid	17, 18	(701.99)	(491.81)
NET CASH INFLOWS FROM OPERATING ACTIVITIES - TOTAL (A)		829.41	454.20
B) CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment & intangibles	2, 3	(92.45)	(119.50)
Proceeds from rent income		4.96	4.72
Proceeds from property, plant and equipment		-	20.33
Payment for investment in subsidiaries and associates		(40.00)	(25.00)
Proceeds from sale of investments		16,303.23	13,951.80
Payment for purchase of investments		(15,756.93)	(14,107.04)
Proceeds from fixed deposits with banks		198.51	1,200.01
Payment for investment in fixed deposits with banks		(740.50)	(711.90)
Payment for investment in deposits with financial institutions	5	(125.00)	-
Interest received	5, 22	207.51	281.93
Dividend received	22	183.19	123.10
NET CASH INFLOWS / (OUTFLOWS) FROM INVESTING ACTIVITIES - TOTAL (B)		142.52	618.45



STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2019	For the year ended 31.03.2018
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid (including dividend distribution tax)	11b	(977.36)	(1,122.45)
NET CASH OUTFLOWS FROM FINANCING ACTIVITIES - TOTAL (C)		(977.36)	(1,122.45)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)		(5.43)	(49.79)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	9	44.81	94.60
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	9	39.38	44.81
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(5.43)	(49.79)
<i>Reconciliation of cash and cash equivalents as per the cash flow statement</i>			
Cash and cash equivalents comprise of the following			
Cash and cash equivalents	9	39.38	44.81
Balances as per statement of cash flows		39.38	44.81

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 statement of cash flows should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Chartered Accountants LLP For and on behalf of the Board of Directors

Chartered Accountants

Firm's Registration no : 304026E / E-300009

Sumit Seth

Partner

Membership No.: 105869

Place : Mumbai

Date : May 16, 2019

Dharmishta Raval

Director

[DIN:02792246]

Dinesh Kanabar

Director

[DIN:00003252]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Yatrik Vin

Chief Financial Officer

S. Madhavan

Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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, currency derivatives and commodity 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) 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 for the year ended March 31, 2019 has been approved by the Board of directors of the Company in their meeting held on May 16, 2019.

(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 are measured at fair value, and
- defined benefit plans - plan assets are 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.

(b) Foreign currency translation and transactions

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Indian Rupees (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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

(c) Revenue recognition

Effective April 1, 2018, the Company has adopted Ind AS 115, Revenue from contracts with customers using the modified retrospective transition approach, which is applied to contracts that were not completed as of April 1, 2018. The adoption of this standard did not have a material impact on the financial results for the year ended March 31, 2019.

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. The Company recognises revenue in the period in which it satisfies its performance obligation by transferring promised goods or services to the customer. The sources of revenue and Company's accounting policy are as follows:

- (i) Transaction charges – revenue in respect of trading transactions on exchange is recognised in accordance with the Company's fee scales at a point in time as when the transaction is completed.
- (ii) Listing fees - Revenue for listings fees is recognized when the listing event has taken place and on a straight-line basis over the period to which they relate.
- (iii) Book building fees – revenue is recognised at a point in time on completion of the book building process.
- (iv) Other services – all other revenue is recognised in the period in which the performance obligation is satisfied over a period of time or point in time.

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting allowances and incentives such as discounts, volume rebates etc. Revenue excludes any taxes and duties collected on behalf of the government.

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 revenue to the extent such charges are recoverable in the period of declaration of default. Insurance claims where quantum of accrual cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

(d) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(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.

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 benefit of dividend distribution tax paid by the subsidiaries for which the set off has been availed by the Parent company has been recognized in equity.

(e) 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.

(f) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

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.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(i) Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the Company'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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 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 f 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.

(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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

(v) *Income recognition*

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be reliably measured.

(j) **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 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.

(k) **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.

(l) **Property, plant and equipment (including Capital Work In Progress)**

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.

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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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
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.

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.

(m) 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.

(n) 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

(o) 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.

(p) Provisions

Provisions for legal claims and discounts/incentives are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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.

(q) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not disclosed in case the possibility of an outflow of resources embodying economic benefits is remote.

(r) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in statement of profit and loss in the 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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- (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.

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.

SEBI has laid down certain norms in terms of the compensation policy for the key management personnel which are as under :

- A. The variable pay component will not exceed one third of the total pay.
- B. 50% of the variable pay will be paid on a deferred basis after three years.

(s) 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(t) 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.

(u) 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.

(v) 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 2018. 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 NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited) (subsidiary of the Company), which is determined as per SEBI guidelines. The contribution to 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, 2018 and the Company is now required to contribute only towards the MRC of Core SGF.

(w) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

(x) Reclassification

Previous year figures have been reclassified / regrouped wherever necessary.

(y) 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 judgments are:

Estimation of fair value of unlisted securities Note 28

Estimation of useful life of intangible assets Note 3

Estimation of defined benefit obligation Note 26

Estimation of contingent liabilities refer Note 31

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

(z) Recent Accounting Pronouncements

(i) Ind AS 116 – Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing standard, Ind AS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The new standard is mandatory for financial years commencing on or after 1 April 2019. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Company is in the process of assessing the detailed impact of Ind AS 116. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 116 is expected to have on its financial statements.

(ii) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, which specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not expect any significant impact of the amendment on its financial statements.

(iii) Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes'.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not expect any material impact from this pronouncement on its financial statements. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. Accordingly, the Company will continue to recognise dividend distribution tax paid on distribution of dividend to its equity shareholders as part of dividend within equity, pending any further clarifications.

(iv) Other Amendments :

Amendments to Ind AS 23, Borrowing costs, Ind AS 28, Long term interest in Associates and Joint ventures, Ind AS 103, Business combinations, Ind AS 111, Joint arrangements, Ind AS 19 – plan amendment, curtailment or settlement and Ind AS 109 – Prepayment Features with Negative Compensation are either not applicable to the Company or the Company does not expect any material impact on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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	Total	Capital work in progress
Year ended March 31, 2018												
Gross carrying amount												
Opening as at 01.04.2017	35.50	107.61	173.61	71.61	103.83	47.77	200.76	17.48	213.71	185.67	1,157.55	74.77
Additions	-	-	13.10	15.91	11.52	10.20	12.05	6.03	27.79	35.63	132.23	80.01
Disposals	(3.30)	-	(3.11)	(2.60)	(4.45)	(1.54)	(43.08)	(0.51)	(23.45)	(22.13)	(104.17)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	(132.23)
Closing gross carrying amount	32.20	107.61	183.60	84.92	110.90	56.43	169.73	23.00	218.05	199.17	1,185.61	22.55
Accumulated depreciation												
Accumulated depreciation as at 01.04.2017	-	27.72	37.50	56.94	42.33	28.55	182.38	13.97	150.21	144.62	684.22	-
Depreciation charge during the year	-	1.29	3.09	8.51	8.55	4.51	10.47	2.84	34.00	22.18	95.44	-
Disposals	-	-	(0.83)	(2.56)	(3.65)	(1.26)	(43.08)	(0.51)	(22.70)	(21.91)	(96.50)	-
Closing accumulated depreciation	-	29.01	39.76	62.89	47.23	31.80	149.77	16.30	161.51	144.89	683.16	-
Net carrying amount as at 31.03.2018	32.20	78.60	143.84	22.03	63.67	24.63	19.96	6.70	56.54	54.28	502.45	22.55
Year ended March 31, 2019												
Gross carrying amount												
Opening as at 01.04.2018	32.20	107.61	183.60	84.92	110.90	56.43	169.73	23.00	218.05	199.17	1,185.61	22.55
Additions	-	-	-	6.60	1.16	3.69	0.77	1.78	24.00	51.53	89.53	70.20
Disposals	-	-	-	(0.81)	-	(0.22)	(0.03)	(0.08)	(32.73)	(63.54)	(97.41)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	(89.53)
Closing gross carrying amount	32.20	107.61	183.60	90.71	112.06	59.90	170.47	24.70	209.32	187.16	1,177.73	3.22
Accumulated depreciation												
Opening as at 01.04.2018	-	29.01	39.76	62.89	47.23	31.80	149.77	16.30	161.51	144.89	683.16	-
Depreciation charge during the period	-	1.29	3.07	7.47	7.84	4.64	9.50	3.83	30.18	31.29	99.11	-
Disposals	-	-	-	(0.81)	-	(0.22)	(0.03)	(0.08)	(32.73)	(63.50)	(97.37)	-
Closing accumulated depreciation	-	30.30	42.83	69.55	55.07	36.22	159.24	20.05	158.96	112.68	684.90	-
Net carrying amount as at 31.03.2019	32.20	77.31	140.77	21.16	56.99	23.68	11.23	4.65	50.36	74.48	492.83	3.22

* Includes investment property for which cost and fair value details are as follows:

Particulars	31.03.2019	31.03.2018
Net carrying amount of investment property	4.30	4.41
Fair value of investment property	65.73	63.84
Depreciation	0.10	0.10
Rental income	4.96	4.72

Note 2.1: Capital and other Contractual commitment Refer note 30

Note 2.2: 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 THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 3 : INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Computer software	Computer software under development	Total
Gross carrying amount			
Opening as at 01.04.2017	210.69	26.82	237.51
Additions	25.48	24.09	49.57
Deductions	(10.53)	(5.39)	(15.92)
Transfers	-	(25.48)	(25.48)
Closing gross carrying amount	225.64	20.04	245.68
Accumulated amortisation			
Opening as at 01.04.2017	174.13	-	174.13
Amortisation for the year	19.25	-	19.25
Deductions	(4.14)	-	(4.14)
Closing accumulated amortisation	189.24	-	189.24
Net carrying amount as at 31.03.2018	36.40	20.04	56.44
Gross carrying amount			
Opening as at 01.04.2018	225.64	20.04	245.68
Additions	45.05	13.24	58.29
Deductions	-	-	-
Transfers	-	(10.73)	(10.73)
Closing gross carrying amount	270.69	22.55	293.24
Accumulated amortisation			
Opening as at 01.04.2018	189.24	-	189.24
Amortisation for the year	18.96	-	18.96
Deductions	-	-	-
Closing accumulated amortisation	208.20	-	208.20
Net carrying amount as at 31.03.2019	62.49	22.55	85.04

Note : 3.1 Capital and other Contractual commitment Refer note 30

Note : 3.2 Significant estimate: Useful life of intangible assets. As at 31 March 2019, the net carrying amount of this software was ₹ 62.49 crores (31 March 2018: ₹ 36.40 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 4 : NON-CURRENT INVESTMENTS

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
I Investment in equity instruments (fully paid up)				
A) Unquoted equity instruments at cost				
(i) In subsidiary companies				
NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	4,50,00,000	5.64	4,50,00,000	5.64
NSE Investments Limited (formerly known as NSE Strategic Investment Corporation Limited)	41,30,21,703	413.14	41,30,21,703	413.14
NSE IFSC Limited	9,00,00,000	90.00	5,00,00,000	50.00
NSE Foundation (Section 8 Company)	38,000	-	38,000	-
(ii) In associate companies				
National Securities Depository Limited	96,00,000	58.92	96,00,000	58.92
BFSI Sector Skill Council Of India (Section 8 Company)	1,00,00,000	1.00	1,00,00,000	1.00
Total equity instruments		568.70		528.70
II Investments in preference shares (fully paid up)				
A) Unquoted preference shares at cost				
In subsidiary company				
6% Non-Cumulative Compulsorily Convertible Preference Shares of NSE Investments Limited (formerly known as NSE Strategic Investment Corporation Limited)	41,29,71,703	412.97	41,29,71,703	412.97
Total preference shares		412.97		412.97
Total Investment in subsidiaries and associates		981.67		941.67
III Investment in equity instruments (fully paid up)				
A) Quoted equity instruments at FVOCI				
In Companies other than subsidiaries				
Multi Commodity Exchange of India Limited	5,000	0.40	5,000	0.33
Total quoted equity instruments at FVOCI		0.40		0.33
B) Unquoted equity instruments				
In companies at FVOCI				
National Commodity & Derivative Exchange Limited	76,01,377	134.17	76,01,377	136.51
Total unquoted equity instruments		134.17		136.51
IV Investment in exchange traded funds				
Quoted exchange traded funds at FVPL				
CPSE ETF	1,09,32,095	29.78	1,52,57,095	42.74
SBI-ETF Nifty 50	23,50,000	28.10	41,89,000	42.70
ICICI Prudential Nifty iWIN ETF	23,23,000	28.12	60,06,000	62.65
Kotak Mahindra MF - Kotak Banking ETF	9,30,414	30.53	17,13,828	42.46

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
R Shares Nifty Bees	4,32,958	52.85	7,15,858	75.11
R Shares Bank Bees	1,81,285	56.53	3,92,285	96.72
Total exchange traded funds		225.91		362.38
V Investment in bonds				
Quoted bonds at amortised cost				
(i) Tax free bonds				
7.28% National Highways Authority of India	1,100	119.82	1,100	119.93
7.35% National Bank For Agricultural & Rural Development	5,00,000	51.88	5,00,000	52.01
7.19% Indian Railway Finance Corporation Limited	450	48.18	450	48.20
8.46% Rural Electrification Corporation Limited	350	42.48	400	48.19
8.63% National Housing Bank	80,000	47.57	80,000	48.07
7.64% National Bank For Agricultural & Rural Development	4,00,000	42.12	4,00,000	42.25
8.67% National Hydroelectric Power Corporation Limited	3,00,000	38.71	3,00,000	38.97
6.89% National Housing Bank	350	35.87	350	36.05
8.46% National Housing Bank - Series V	300	33.78	300	33.95
8.67% Power Finance Corporation Limited	2,50,000	30.96	2,50,000	31.18
7.35% National Highways Authority Of India	2,50,000	29.95	2,50,000	30.13
6.86% India Infrastructure Finance Company Limited	2,50,000	24.71	2,50,000	24.64
7.51% Housing & Urban Development Corporation Limited	2,50,000	25.88	2,50,000	25.94
8.63% NTPC Limited	200	23.42	200	23.66
8.46% India Infrastructure Finance Company Limited	200	22.72	200	22.85
8.20% Housing & Urban Development Corporation Limited	2,00,000	22.35	2,00,000	22.57
7.39% Housing & Urban Development Corporation Limited	2,00,000	21.87	2,00,000	21.95
7.15% NTPC Limited	200	21.11	200	21.14
7.35% Indian Railway Finance Corporation Ltd 2031	1,50,000	17.40	1,50,000	17.51
8.48% India Infrastructure Finance Company Limited	150	16.95	150	17.04
8.35% Indian Railway Finance Corporation Limited	150	16.21	150	16.21
7.18 % Indian Railway Finance Corpn Ltd - Tranche 1 - Series 1	1,50,000	15.50	1,50,000	15.50
8.41% NTPC Limited	1,29,162	14.33	1,29,162	14.53
8.20% Power Finance Corporation Limited - Tranche 1 - Series 1	35,436	3.83	1,35,436	14.37
8.66% India Infrastructure Finance Company Limited	1,00,000	11.77	1,00,000	11.84
8.40% Indian Railway Finance Corporation Limited	1,00,000	11.69	1,00,000	11.76
7.27% Power Finance Corporation Limited	1,00,000	11.10	1,00,000	11.15
7.19% Housing & Urban Development Corporation Limited	1,00,000	10.08	1,00,000	10.09
7.34% Indian Railway Finance Corporation Limited	1,00,000	10.48	1,00,000	10.49
7.21% Rural Electrification Corporation Limited	100	10.41	100	10.44
7.07% Housing & Urban Development Corporation Limited	100	10.35	100	10.35
7.19% India Infrastructure Finance Company Limited	1,00,000	10.43	1,00,000	10.34
7% Housing & Urban Development Corporation Limited	100	10.34	100	10.34
7.36% India Infrastructure Finance Company Limited	1,00,000	10.30	1,00,000	10.32



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
7.93 % Rural Electrification Corporation Limited - Tranche 1 - Series 1	61,238	6.76	61,238	6.85
8.68% National Housing Bank	10,000	5.89	10,000	5.96
8.66% NTPC Limited	50,000	6.16	50,000	6.20
8.46% Power Finance Corporation Limited	50	6.07	50	6.13
8.54% Power Finance Corporation Limited	50,000	5.88	50,000	5.93
7.40% India Infrastructure Finance Company Limited	50,000	5.46	50,000	5.48
8.09% - Power Finance Corporation Limited - Series 80 A	500	5.36	500	5.44
8.20% National Highways Authority of India - Tranche 1 - Series 1	37,086	3.86	37,086	3.86
8.00 % Indian Railway Finance Corporation Limited - Tranche 1 - Series 1	32,626	3.38	32,626	3.38
8.46% Rural Electrification Corporation Limited	-	-	2,50,000	27.76
7.43% Rural Electrification Corporation Limited	-	-	1,00,000	10.75
Total tax free bonds		923.39		981.70
(ii) Taxable bonds				
8.80% Power Grid Corporation of India Limited	500	50.44	500	50.49
8.39% Power Finance Corporation Limited	250	24.92	250	24.90
8.82% Rural Electrification Corporation Limited - Sr 114	150	16.35	150	16.37
8.70% Power Grid Corporation of India Limited	50	5.45	50	5.47
8.40% Power Grid Corporation of India Limited	50	5.32	50	5.31
Total taxable bonds		102.48		102.54
Total bonds		1,025.87		1,084.24
VI Investment in debentures				
Quoted at amortised cost				
7.7435% Bajaj Finance Limited	250	26.88	250	26.91
7.70% Hdb Financial Services Limited	250	26.60	250	26.65
7.52% Hdb Financial Services Limited	250	26.36	250	26.38
7.35% Tata Sons Limited	250	26.12	250	26.08
9.1106% LIC Housing Finance Limited - Colocation (Refer note 4.2)	250	26.01	-	-
0% Kotak Mahindra Investments Limited - Colocation (Refer note 4.2)	250	22.82	-	-
8.97% Tata Sons Limited	50	5.41	50	5.47
7.95% HDFC Limited	-	-	50	52.50
7.65% Bajaj Finance Limited	-	-	300	30.31
0% Hdb Financial Services Limited	-	-	250	28.32
8.48% Hdb Financial Services Limited	-	-	250	26.81
7.90% Tata Sons Limited	-	-	250	26.55
7.59% Kotak Mahindra Investments Limited	-	-	250	25.79

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
7.80% HDFC Limited	-	-	25	25.74
8.79% Bajaj Finance Limited	-	-	250	25.60
9.25% Tata Sons Limited	-	-	250	25.54
9.44% LIC Housing Finance	-	-	150	16.04
8.25% Bajaj Finance Limited	-	-	100	10.58
7.90% Bajaj Finance Limited	-	-	100	10.43
9.47% Bajaj Finance Limited	-	-	50	5.34
8.97% LIC Housing Finance	-	-	50	5.27
8.72% LIC Housing Finance	-	-	50	5.21
Total debentures		160.20		431.52
VII Investment in government securities				
Quoted investment in government securities at FVOCI				
7.61% Government of India		154.65		154.64
8.97% Government of India		141.43		140.93
8.60% Government of India		76.94		76.95
8.15% Government of India		69.78		68.90
6.97% Government of India		58.97		58.23
6.79% Government of India		24.05		24.23
8.67% Maharashtra SDL		5.34		5.27
Total government securities		531.16		529.15
VIII Mutual Funds				
Quoted investments in mutual funds at FVPL				
Fixed Maturity Plans				
Reliance Fixed Horizon Fund XXXIII Series 3 - 1215 Days - Direct - Growth	2,50,00,000	28.97	2,50,00,000	26.88
Reliance Fixed Horizon Fund - XXXIII - Series 4 - 1208 Days	2,50,00,000	28.97	2,50,00,000	26.86
Reliance Fixed Horizon Fund - XXXIII - Series 6 - 1201 Days - Direct - Growth	2,50,00,000	28.86	2,50,00,000	26.78
Kotak Fmp Series 199 - 1147 Days	2,00,00,000	23.15	2,00,00,000	21.52
Reliance Fixed Horizon Fund XXXII Series 9 - 1285 Days	2,00,00,000	23.19	2,00,00,000	21.51
Birla Sun Life Fixed Term Plan - Series OI (1120 Days)	2,00,00,000	23.14	2,00,00,000	21.49
Kotak FMP Series 202 - 1144 Days - Direct - Growth	2,00,00,000	23.02	2,00,00,000	21.39
Reliance Fixed Horizon Fund - XXXIII - Series 7 - 1197 Days - Direct - Growth	2,00,00,000	23.06	2,00,00,000	21.39
Reliance Fixed Horizon Fund XXXIII Series 1 - 1222 Days	2,00,00,000	23.22	2,00,00,000	21.51
ICICI Prudential Fixed Maturity Plan - Series 80 - 1253 Days Plan J	1,50,00,000	17.40	1,50,00,000	16.14
DHFL Pramerica Fixed Duration Fund Series AE	1,50,000	17.37	1,50,000	16.11
Kotak FMP Series 200 - 1158 Days	1,50,00,000	17.33	1,50,00,000	16.11



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
DSP Blackrock FMP Series 204 - 37M - Direct - Growth	1,50,00,000	17.30	1,50,00,000	16.09
ICICI Prudential Fixed Maturity Plan - Series 80 - 1187 Days Plan G - Direct-Growth	1,50,00,000	17.34	1,50,00,000	16.08
IDFC Fixed Maturity Plan - Series 131 - 1139 Days - Direct - Growth	1,50,00,000	17.26	1,50,00,000	16.06
Birla Sun Life Fixed Term Plan - Series Oh - 1120 Days	1,00,00,000	11.60	1,00,00,000	10.77
IDFC Fixed Maturity Plan - Series 129 - 1147 Days	1,00,00,000	11.56	1,00,00,000	10.77
ICICI Prudential Fixed Maturity Plan - Series 80 - 1233 Days Plan O - 29-Jul-2020	1,00,00,000	11.59	1,00,00,000	10.74
Birla Sun Life Fixed Term Plan - Series Oe - 1153 Days	1,00,00,000	11.57	1,00,00,000	10.74
UTI-FTIF-XXVI-VI (1146 Days)	1,00,00,000	11.55	1,00,00,000	10.73
ICICI Prudential Fixed Maturity Plan - Series 80 - 1227 Days Plan Q	1,00,00,000	11.58	1,00,00,000	10.73
ICICI Prudential Fixed Maturity Plan - Series 80 - 1231 Days Plan P	1,00,00,000	11.59	1,00,00,000	10.74
Birla Sun Life Fixed Term Plan - Series Og - 1146 Days	1,00,00,000	11.55	1,00,00,000	10.73
DSP Blackrock FMP Series 205 - 37M - Direct - Growth	1,00,00,000	11.54	1,00,00,000	10.72
Birla Sun Life Fixed Term Plan - Series OK (1135 Days) - Direct - Growth	1,00,00,000	11.53	1,00,00,000	10.71
Invesco India Fixed Maturity Plan - Series 29 - Plan B (1150 Days) - Direct - Growth	1,00,00,000	11.53	1,00,00,000	10.71
ICICI Prudential Fixed Maturity Plan - Series 80 - 1225 Days Plan T - Direct - Growth	1,00,00,000	11.54	1,00,00,000	10.69
UTI Fixed Term Income Fund Series XXVI-VIII (1154 Days) - Direct - Growth	1,00,00,000	11.49	1,00,00,000	10.68
Reliance Fixed Horizon Fund Xxxiv Series 7 - 1105 Days - Direct - Growth	1,00,00,000	11.27	1,00,00,000	10.47
HDFC FMP 1430D - Series 38 - Direct - Growth	1,00,00,000	11.11	1,00,00,000	10.32
Balanced Funds				
Aditya Birla Sunlife Balanced 95 Fund - Direct - Growth	2,03,120	16.47	50,075	3.90
L&T Hybrid Equity - Direct - Growth	58,49,538	16.27	-	-
ICICI Prudential Equity & Debt Fund - Direct - Growth	12,50,437	18.02	-	-
TATA Hybrid Equity - Direct - Growth	7,47,600	16.67	-	-
SBI Equity Hybrid Fund - Direct - Growth	12,05,968	17.15	-	-
HDFC Balance Advantage Fund - Direct - Growth	8,83,484	18.47	2,56,209	3.91
HDFC Hybrid Equity Fund - Direct - Growth	30,10,463	17.07	-	-
HDFC Prudence Fund - Direct - Growth	-	-	93,270	4.74
L&T India Prudence Fund - Direct - Growth	-	-	14,48,145	3.90
ICICI Prudential Balanced Fund - Direct Growth	-	-	3,65,422	4.85

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
SBI Magnum Balanced Fund - Direct - Growth	-	-	3,02,971	3.90
Tata Balanced Fund - Direct - Growth	-	-	1,86,744	3.91
		622.30		495.28
Total Investment other than in subsidiaries and associates		2,700.01		3,039.41
Total non-current investments		3,681.68		3,981.08
Aggregate book value of quoted investments		2,565.83		2,902.90
Aggregate market value of quoted investments		2,601.00		2,939.78
Aggregate book value of unquoted investments		1,115.85		1,078.18
Aggregate amount of impairment in the value of investments		0.04		0.04

4.1 In the previous year ended March 31, 2018, the Company has written down the value of its investment in equity shares of NSE Foundation amounting to ₹ 0.04 crores, since, it has been set up to carry out CSR activities for the Company and will not have profits which can be distributed to the Company. The loss has been debited to the Statement of profit and Loss.

4.2 This represents investment made from amounts transferred in a separate bank account towards transaction charges and colocation services based on SEBI directives after taking Board's approval. These investments costing ₹ 48.28 crores (fair value : ₹ 48.83 crores) as of March 31, 2019 [March 31, 2018 : costing ₹ Nil (fair value : ₹ Nil)] have been earmarked / restricted pursuant to the SEBI directive in the colocation matter [Refer also Note 31(i)(a)].

Note 5 : OTHER FINANCIAL ASSETS

(₹ in Crores)

Particulars	Non-current	Current	Non-current	Current
	31.03.2019	31.03.2019	31.03.2018	31.03.2018
Non-current bank balances				
Fixed deposits with maturity for more than 12 months	-	-	3.97	-
Earmarked fixed deposits with maturity for more than 12 months (Refer note 5.1)	79.30	-	54.73	-
Total (a)	79.30	-	58.70	-
Others				
Security deposit for utilities and premises	2.32	-	2.55	-
Receivable from related parties (Refer note 29b)	-	26.09	-	11.20
Interest accrued on Bank deposits	4.52	14.84	3.91	5.10
Other receivables	-	14.02	-	26.67
Other Deposits				
Deposits with financial institutions at amortised cost (Refer note 5.2)	100.56	25.33		
Total (b)	107.40	80.28	6.46	42.97

5.1 Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.

5.2 This represents amounts transferred in a separate bank account towards transaction charges and colocation services based on SEBI directives which have been subsequently invested in deposits with financial institutions [Refer Note 31(i)(a)]



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 6 : OTHER ASSETS

(₹ in Crores)

Particulars	Non-current	Current	Non-current	Current
	31.03.2019	31.03.2019	31.03.2018	31.03.2018
Capital advances	0.67	-	1.11	-
Other Advances recoverable	-	13.35	-	7.92
Balances with statutory authorities	-	48.35	-	32.07
Prepaid expenses	4.79	34.82	2.78	26.37
Securities Transaction Tax paid (Refer note 6.1)	10.59	-	10.59	-
	16.05	96.52	14.48	66.36

6.1 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. 19). The contingent liability of ₹ 6.76 Crores net of recoveries from members amounting to ₹ 5.39 Crores has been disclosed under contingent liability [Refer note: 31(ii) (e)]

Note 7 : CURRENT INVESTMENTS

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
I Current portion of long term investments				
A) Investment in bonds				
Quoted bonds at amortised cost				
Taxable bonds				
11.25% Power Finance Corporation Limited - 28 Nov 2018	-	-	100	10.48
Total taxable bonds				10.48
B) Investment in debentures				
(i) Quoted debentures at amortised cost				
0% Kotak Mahindra Investments Limited - Colocation (Refer note 7.1)	700	64.74	-	-
7.55% Kotak Mahindra Prime Limited - Colocation (Refer note 7.1)	500	52.48	-	-
8.10% Tata Capital Financial Services Limited - Colocation (Refer note 7.1)	300	30.79	-	-
8.25% Bajaj Finance Limited - Colocation (Refer note 7.1)	250	26.19	-	-
7.79% Kotak Mahindra Prime Limited - Colocation (Refer note 7.1)	250	26.68	-	-
9.1756% HDB Financial Services limited - Colocation (Refer note 7.1)	250	25.76	-	-
8.16% Tata Capital Financial Services Limited - Colocation (Refer note 7.1)	200	20.90	-	-
8.97% LIC Housing Finance Limited - Colocation (Refer note 7.1)	50	5.20	-	-
7.8834% Bajaj Finance Limited - Colocation (Refer note 7.1)	50	5.17	-	-
7.95% HDFC Limited	50	52.43	-	-
9.44% LIC Housing Finance	400	42.13	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 7 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
0% HDB Financial Services Limited	250	30.58	-	-
7.65% Bajaj Finance Limited	300	30.31	-	-
8.48% HDB Financial Services Limited	250	26.87	-	-
7.65% Kotak Mahindra Prime Limited	250	26.84	-	-
8.45% Housing Development Finance Corporation Limited	25	26.77	-	-
7.85% Housing Development Finance Corporation Limited	25	26.44	-	-
7.90% Tata Sons Limited	250	26.56	-	-
7.59% Kotak Mahindra Investments Limited	250	25.79	-	-
7.80% HDFC Limited	25	25.75	-	-
8.79% Bajaj Finance Limited	250	25.33	-	-
9.25% Tata Sons Limited	250	25.16	-	-
9.4554% Sundaram Finance Limited	150	22.66	-	-
8.25% Bajaj Finance Limited	100	10.52	-	-
7.90% Bajaj Finance Limited	100	10.41	-	-
9.47% Bajaj Finance Limited	50	5.26	-	-
8.97% LIC Housing Finance	50	5.22	-	-
8.72% LIC Housing Finance	50	5.17	-	-
8.80% Kotak Mahindra Prime Limited	-	-	450	47.88
8.71% Can Fin Homes Limited	-	-	350	36.98
8.90% Sundaram Finance Limited	-	-	250	26.74
8.75% Tata Capital Limited	-	-	250	26.45
8.74% Infrastructure Leasing & Financial Services Limited	-	-	2,50,000	26.40
8.58% Tata Motors Finance Limited	-	-	250	26.40
9.90% Tata Sons Limited	-	-	250	26.23
8.70% IL&FS Financial Services Limited	2,50,000	27.17	2,50,000	26.08
8.58% Infrastructure Leasing & Financial Services Limited	2,50,000	26.78	2,50,000	25.71
8.90% IL&FS Financial Services Limited	2,50,000	26.18	2,50,000	25.07
8.77% ICICIHome Finance Company Limited	-	-	500	25.05
0% Infrastructure Leasing & Financial Services Limited	-	-	1,50,000	19.30
8.80% Kotak Mahindra Prime Limited	-	-	150	15.96
8.80% Can Fin Homes Limited	-	-	100	10.66
8.71% HDB Financial Services Limited	-	-	100	10.54
8.41% Can Fin Homes Limited	-	-	100	10.39
8.90% HDB Financial Services Limited	-	-	100	10.18
9% Shriram Transport Finance Company Limited	-	-	50	5.42
8.58% Sundaram Finance Limited	-	-	50	5.41
9.05% Fullerton India Credit Company Limited - Series 33-A	-	-	50	5.41
10.25% Mahindra & Mahindra Financial Services Limited	-	-	50	5.28
8.45% Can Fin Homes Limited	-	-	50	5.17
Less: Impairment losses on financial assets (Refer note 39D)		(80.13)		
Total quoted debentures		708.11		422.72



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 7 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
C) Investment in mutual funds				
Unquoted Investments in mutual funds at FVPL				
SBI Magnum Ultra Short Duration Fund - Direct - Growth - Colocation (Refer note 7.1)	5,90,839	246.24	-	-
HDFC Money Market Fund - Direct - Growth - Colocation (Refer note 7.1)	6,15,886	241.38	-	-
Aditya Birla Sun Life Money Manager Fund - Direct - Growth - Colocation (Refer note 7.1)	79,90,794	201.13	-	-
Invesco India Money Market Fund - Direct - Growth - Colocation (Refer note 7.1)	4,54,782	98.70	-	-
IDFC Ultra Short Term Fund - Dir - Growth - Colocation - Lien Mark (Refer note 7.1)	2,56,33,104	68.56	-	-
Axis Liquid Fund - Direct - Growth - Colocation (Refer note 7.1)	1,08,663	22.53	-	-
UTI Treasury Advantage Fund - Dir - Growth - Colocation (Refer note 7.1)	-	-	9,37,102	226.17
Tata Ultra Short Term Fund - Direct - Growth - Colocation (Refer note 7.1)	-	-	6,93,147	184.17
DSP Blackrock Ultra Short Term Fund - Dir - Growth - Colocation (Refer note 7.1)	-	-	13,67,64,789	174.28
LIC MF Savings Plus Fund - Direct - Growth - Colocation (Refer note 7.1)	-	-	6,08,74,471	168.12
Reliance Money Manager Fund - Direct - Growth - Colocation (Refer note 7.1)	-	-	5,58,037	136.01
Aditya Birla Sun Life Savings Fund - Direct - Growth - Colocation (Refer note 7.1)	-	-	32,82,008	112.88
Invesco India Ultra Short Term Fund - Direct - Growth - Colocation (Refer note 7.1)	-	-	3,57,392	87.37
IDFC Low Duration Fund - Direct - Growth - Colocation - Lien Mark (Refer note 7.1)	-	-	2,56,33,104	63.56
UTI Money Market - Direct Plan - Growth - Colocation (Refer note 7.1)	7,30,395	154.30	-	-
ICICI Prudential Money Market Fund - Direct - Growth - Colocation (Refer note 7.1)	1,11,08,361	289.00	-	-
L&T Ultra Short Term Fund - Direct - Growth	1,30,56,607	40.66	7,83,59,243	225.93
Reliance Money Market Fund - Direct - Growth	1,42,662	40.51	-	-
Kotak Savings Fund - Direct - Growth	98,54,029	30.11	-	-
Aditya Birla Sun Life Money Manager Fund - Direct - Growth	10,60,657	26.70	-	-
ICICI Prudential Money Market Fund - Direct- Growth	7,69,049	20.00	-	-
Birla Sun Life Floating Rate Fund - LTP - Direct - Growth Lien Marked	1,91,195	4.46	1,91,195	4.12
UTI Treasury Advantage Fund - Direct - Growth - Lien Marked	12,277	3.19	2,954	0.71
ICICI Prudential Liquid - Direct Plan - Growth	81,020	2.24	3,24,711	8.35

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 7 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2019		31.03.2018	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
SBI Banking & PSU Fund - Direct - Growth - Lien Marked	9,426	2.02	-	-
HDFC Liquid Fund - Direct - Growth	4,498	1.65	6,672	2.28
SBI Magnum Low Duration Fund - Direct - Growth Lien Marked	1,711	0.42	-	-
Axis Treasury Advantage Fund - Growth - Direct Plan	-	-	5,78,120	114.52
Axis Liquid Fund -Direct - Growth	-	-	-	-
ICICI Prudential Flexible Income Plan - Growth - Direct	-	-	34,66,957	116.11
HDFC Floating Rate Income Fund - STP - Direct - Growth	-	-	5,45,65,681	165.78
HSBC Cash Fund – Direct - Growth	-	-	1,15,976	20.06
UTI Floating Rate Fund - Stp - Direct – Growth Lien Marked	-	-	5,048	1.47
SBI SHDF - Ultra Short Term - Direct – Growth Lien Marked	-	-	6,434	1.45
Total Investment in Mutual Funds		1,493.80		1,813.35
Total current investments		2,201.91		2,246.55
Aggregate book value of quoted investments		708.11		433.20
Aggregate market value of quoted investments		712.74		433.96
Aggregate book value of unquoted investments		1,493.80		1,813.35
Aggregate amount of impairment in the value of investments		80.13		-

7.1 This represents investment made from amounts transferred in a separate bank account towards transaction charges and colocation services based on SEBI directives after taking Board's approval. These investments costing ₹ 1,532.77 crores (fair value ₹ 1579.75 crores) as of March 31, 2019 [March 31, 2018 : ₹ 1,117.21 crores (fair value ₹ 1,152.56 crores)] have been earmarked / restricted pursuant to the SEBI directive in the colocation matter [Refer also Note 31(i)(a)].

Note 8 : TRADE RECEIVABLES

(₹ in Crores)

Particulars	Current	Current
	31.03.2019	31.03.2018
Trade Receivables	368.65	328.32
Less : Loss Allowance	(0.04)	(0.04)
	368.61	328.28
Break up of security details		
Trade Receivables considered good - Secured	342.20	314.20
Trade Receivables considered good - Unsecured	26.45	14.12
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
Total	368.65	328.32
Loss allowance	(0.04)	(0.04)
Total Trade Receivables	368.61	328.28

8.1 Trade Receivables are secured against deposits received from members (Refer note: 20 & 37)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 9 : CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	Current	Current
	31.03.2019	31.03.2018
Balances with banks : in current accounts	39.37	44.80
Cash on hand	0.01	0.01
Total	39.38	44.81

Note 10 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	Current	Current
	31.03.2019	31.03.2018
Fixed Deposits		
- with original maturity for more than 3 months but less than 12 months	-	-
- with maturity of less than 12 months at the balance sheet date	3.97	5.94
Earmarked Fixed Deposits (Refer note 10.1)		
- with original maturity for more than 3 months but less than 12 months	0.74	15.40
- with maturity of less than 12 months at the balance sheet date	129.86	158.39
Restricted Balances with banks : in fixed deposits (Refer note 10.2)	567.29	-
Total	701.86	179.73

10.1 Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.

10.2 This represents amounts transferred in a separate bank account towards transaction charges and colocation services based on SEBI directives which have been subsequently invested in Fixed Deposits with banks. [Refer Note 31(i)(a)]

Note 11 a : EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	Current	Current
	31.03.2019	31.03.2018
Authorised		
50,00,00,000 Equity Shares of ₹1 each. (Previous year : 50,00,00,000 equity shares of ₹. 1 each)	50.00	50.00
Issued, subscribed and paid-up		
49,50,00,000 equity shares of ₹1 each, fully paid up (Previous year : 49,50,00,000 equity shares of ₹1 each, fully paid up)	49.50	49.50
Total	49.50	49.50

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

A reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2019		As at 31.03.2018	
	(Numbers in Crores)	(₹ in Crores)	(Numbers in Crores)	(₹ in Crores)
At the beginning of the year Face value of ₹1 each	49.50	49.50	49.50	49.50
changes in equity share capital during the year	-	-	-	-
At the end of the year	49.50	49.50	49.50	49.50

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

Name of the Company	As at 31.03.2019		As at 31.03.2018	
	No.	% holding	No.	% holding
Life Insurance Corporation of India	6,19,13,500	12.51%	6,19,13,500	12.51%
State Bank of India	2,18,59,860	4.42%	2,57,12,500	5.19%

Note 11 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 as at the April 1, 2017	35.50	5,732.50	53.43	11.50	5,832.93	56.94	0.27	57.21	5,890.14
Profit for the year	-	1,161.81	-	-	1,161.81	-	-	-	1,161.81
Transfer from CSR Reserve [Refer note 34(c)]	-	53.43	(53.43)	-	-	-	-	-	-
Dividend paid (including dividend distribution tax) (Note 1 below)	-	(1,122.45)	-	-	(1,122.45)	-	-	-	(1,122.45)
Items of Other Comprehensive Income									
Remeasurements of post-employment benefit obligations, net of tax	-	(0.09)	-	-	(0.09)	-	-	-	(0.09)
Changes in fair value of FVOCI equity instruments, net of tax	-	-	-	-	-	6.67	-	6.67	6.67
Changes in fair value of FVOCI debt instruments, net of tax	-	-	-	-	-	-	(14.82)	(14.82)	(14.82)
Balance as at March 31, 2018	35.50	5,825.20	-	11.50	5,872.20	63.61	(14.55)	49.05	5,921.25
Balance as at the April 1, 2018	35.50	5,825.20	-	11.50	5,872.20	63.61	(14.55)	49.06	5,921.26
Profit for the year	-	1389.87	-	-	1389.87	-	-	-	1389.87
Dividend paid (including dividend distribution tax) (Refer Note 2 below)	-	(977.36)	-	-	(977.36)	-	-	-	(977.36)
Items of Other Comprehensive Income									
Remeasurements of post-employment benefit obligations, net of tax	-	(1.60)	-	-	(1.60)	-	-	-	(1.60)
Changes in fair value of FVOCI equity instruments, net of tax	-	-	-	-	-	(1.09)	-	(1.09)	(1.09)
Changes in fair value of FVOCI debt instruments, net of tax	-	-	-	-	-	-	2.87	2.87	2.87
Balance as at March 31, 2019	35.50	6,236.11	-	11.50	6,283.11	62.51	(11.68)	50.83	6,333.94

	31.03.2019	31.03.2018
*Includes General Reserves	3,690.00	3,690.00



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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:

'During the year ended March 31, 2018, the Company was required to spend an amount of ₹ 23.83 crores being 2% of average profit of last 3 financial years. In this regard, an amount of ₹ 22.78 crores had been spent by the Company. Accordingly, the balance amount of ₹ 1.06 crores along with the previous years unspent amount of ₹ 53.43 crores lying in the CSR reserve had been contributed to NSE Foundation. Accordingly, CSR reserve created during the financial year ended March 31, 2017 had been utilised in the year ended March 31, 2018 and credited to Retained Earnings. [Refer note 34(c)].

Other Reserves:

The Company has in the past created Other Reserves for investor compensation activities and staff welfare activities.

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 : The Board of Directors, in their meeting held on May 5, 2017, proposed a dividend of ₹ 12.25 /- per equity share which has been approved by the shareholders at the Annual General Meeting held on August 4, 2017 and on November 3, 2017 declared an interim dividend of ₹ 7 per equity share of ₹ 1/- each of the Company. The total dividend paid during the year ended March 31, 2018 amounts to ₹ 952.88 crores excluding dividend distribution tax ₹ 169.57 crores.

Note 2 : The Board of Directors, in their meeting held on May 4, 2018, proposed a dividend of ₹ 7.75 /- per equity share which has been approved by the shareholders at the Annual General Meeting held on August 3, 2018 and on October 31, 2018 declared an interim dividend of ₹ 9.25 per equity share of ₹ 1/- each of the Company. The total dividend paid during the year ended March 31, 2019 amounts to ₹ 841.50 crores excluding dividend distribution tax ₹ 154.54 crores.

Note 12 : TRADE PAYABLES

(₹ in Crores)

Particulars	Current	Current
	31.03.2019	31.03.2018
Trade payables	69.77	82.34
Trade payables to MSME (Refer Note 32)	0.01	1.20
Trade payables to related parties (Refer note 29b)	10.55	47.06
Total	80.33	130.60

Note 13 : OTHER FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Non-current	Current	Non-current	Current
Deposits - Premises	-	5.72	-	5.30
Creditors for capital expenditure	-	39.89	-	15.02
Defaulters fund pending claims	-	89.86	-	83.01
Obligations under finance lease (Refer Note 35)	9.57	1.83	9.64	1.20
Other liabilities	-	17.70	-	20.68
Total	9.57	155.00	9.64	125.21

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 14 : CONTRACT LIABILITIES

(₹ in Crores)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Non-current	Current	Non-current	Current
Contract Liabilities related to Listing services	-	13.02	-	-
	-	13.02	-	-

Note 15 : PROVISIONS

(₹ in Crores)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Non-current	Current	Non-current	Current
Employee benefits obligation				
Provision for gratuity	3.93	3.25	3.91	2.39
Provision for variable pay and other allowances	8.08	39.97	7.12	26.73
Provision for leave encashment	-	16.03	-	12.31
	12.01	59.25	11.03	41.43

Note 16 : INCOME TAXES

(A) Income tax expense

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Income tax expense		
Current Tax		
Current tax expense	665.00	533.00
Adjustment for current tax of prior year	-	0.15
Total Current Tax	665.00	533.15
Deferred Tax		
Decrease (increase) in deferred tax assets	0.02	(3.07)
Increase in deferred tax liabilities	(11.52)	14.33
Total deferred tax expense (benefit)	(11.50)	11.26
Total Income tax expenses*	653.50	544.41

*This excludes deferred tax benefit on other comprehensive income of ₹ 0.49 crores for the year ended March 31, 2019 (Previous Year : ₹ 6.43 Crores)

(B) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Profit before income tax expense	2,043.57	1,706.22
Tax rate (%)	34.944%	34.608%
Tax at the Indian Tax Rate	714.03	590.49
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
Dividend income	(64.01)	(42.60)
Interest on tax free bonds	(23.46)	(22.88)
Expenditure related to exempt income	7.14	7.71
Impairment losses on financial assets	28.00	-
Specific Tax deductions	(2.06)	(1.46)
Others	(6.14)	15.71
Income Tax Expense	653.50	544.41

The applicable Indian statutory tax rate for year ended March 31, 2019 is 34.944% (Previous year : 34.608%).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(C) Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Deferred income tax assets		
Provision for leave encashment	4.13	2.29
Financial Assets at Fair Value through OCI	6.28	7.89
Others	17.48	18.41
Total deferred tax assets	27.89	28.59
Deferred income tax liabilities		
Property, plant and equipment and investment property	6.50	14.41
Financial Assets at Fair Value through OCI	12.58	13.75
Financial Assets at Fair Value through profit and Loss	41.71	42.52
Others	0.02	2.82
Total deferred tax liabilities	60.81	73.50
Net Deferred tax liabilities	32.92	44.91

(D) 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 on Debt instruments*	Others	Total
At 1 April 2017	2.27	-	(0.07)	15.32	17.52
Charged/(credited)					-
- to profit or loss	0.02	-	-	3.05	3.07
- to other comprehensive income	-	-	7.96	0.04	8.00
At 31 March 2018	2.29	-	7.89	18.41	28.59
Charged/(credited)					
- to profit or loss	1.84	-	(0.07)	(1.79)	(0.02)
- to other comprehensive income	-	-	(1.54)	0.86	(0.68)
At 31 March 2019	4.13	-	6.28	17.48	27.89

Note : Deferred tax asset on indexation benefit of investment in subsidiaries of ₹ 19.01 crores for the year ended March 31, 2019 (March 31, 2018 : ₹ 6.08 crores) not provided as the company does not have any intention to sell investments in subsidiaries in near future.

(E) 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 on equity instruments*	Others	Total
At 1 April 2017	24.09	19.12	12.18	2.22	57.61
Charged/(credited)					
- to profit or loss	(9.68)	23.40	-	0.61	14.33
- to other comprehensive income	-	-	1.57	(0.01)	1.56
At 31 March 2018	14.41	42.52	13.75	2.82	73.50
Charged/(credited)					
- to profit or loss	(7.91)	(0.81)	-	(2.80)	(11.52)
- to other comprehensive income	-	-	(1.17)	-	(1.17)
At 31 March 2019	6.50	41.71	12.58	0.02	60.81

*This includes amount of ₹ 12.42 Crores reclassified between deferred tax assets and liabilities on financial assets at fair value through other comprehensive income as at March 31, 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 17 : INCOME TAX LIABILITIES (NET) - CURRENT

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Wealth tax (net of advances)	0.29	0.29
Income tax (net of advances)	68.49	12.09
Total	68.78	12.38

Note 18 : INCOME TAX ASSETS (NET) - NON-CURRENT

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Income tax paid including TDS (Net of provisions)	341.21	247.82
Wealth tax (net of provisions)	0.02	0.02
Fringe benefit tax (net of provisions)	2.21	2.21
Total	343.44	250.05

Note 19 : OTHER LIABILITIES

(₹ in Crores)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Non-current	Current	Non-current	Current
Deposit - STT (Refer note 6.1)	5.39	-	5.39	-
Securities Transaction Tax payable	-	230.91	-	163.72
Statutory dues payable	-	92.54	-	73.52
Advance from customers	-	32.21	-	42.60
Others	-	29.47	-	30.65
Total	5.39	385.13	5.39	310.48

Note 20 : DEPOSITS - CURRENT

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Deposits from trading members	1007.57	1,020.88
Deposits from applicants for membership	0.55	0.57
Deposits from mutual fund distributors	3.07	4.28
Deposits towards equipments	25.13	26.56
Deposit - listing & book building	56.36	86.79
Total	1092.68	1,139.08

Note 21 : REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	For the year ended 31.03.2019		For the year ended 31.03.2018	
Revenue from contracts with customers :				
Trading services				
Transaction charges (Refer note 21.2)		2,034.07		1745.45
Listing services				
Listing fees	88.96		67.28	
Book building Fees	9.69		30.02	
Processing fees	17.41	116.06	32.86	130.16
Colocation charges (Refer note 21.3)		136.97		103.56
Others		75.71		73.70
Total (Refer note 21.1)		2,362.82		2,052.88
Other operating revenues :				
Income on investments (Refer note 21.4)	87.63	87.63	79.84	79.84
Total		2,450.44		2,132.72



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

21.1

Reconciliation of revenue recognised with contract price :

Contract Price	2,375.84	2,052.88
Adjustments for contract liabilities	(13.02)	-
Revenue from contracts with customers	2362.82	2,052.88

21.2 Includes revenue from Transaction charges amounting to ₹ 924.74 crores (Previous year : ₹ 717.90 crores) kept in separate bank account based on SEBI directive which have been subsequently invested in fixed deposits, deposits with financial institutions, mutual funds and debentures. [Refer Note 4.2, 5.2, 7.1, 10.2 & 31(i)(a)]

21.3 Pertains to revenue from Colocation services amounting to ₹ 136.97 crores (Previous year : ₹ 103.56 crores) kept in separate bank account based on SEBI directive which have been subsequently invested in fixed deposits, deposits with financial institutions, mutual funds and debentures [Refer Note 4.2, 5.2, 7.1, 10.2 & 31(i)(a)]

21.4 Represents income generated from sources of funds related to operating activity of the Company.

Note 22 : OTHER INCOME

(₹ in Crores)

Particulars	For the year ended 31.03.2019		For the year ended 31.03.2018	
Dividend income				
- from equity investments designated at FVOCI	0.24		0.27	
- from subsidiary companies	180.55		119.91	
- from other investments	2.40	183.19	2.92	123.10
Interest income from financial assets at amortised cost		65.21		94.69
Interest income from financial assets designated at FVOCI		40.45		38.52
Rental income		20.02		14.66
Miscellaneous income		2.91		2.93
		311.78		273.90
Other gains/(losses)				
Net gain/(loss) on financial assets mandatorily measured at Fair Value through Profit or Loss	90.17		91.06	
Net gain on sale of financial assets measured at FVOCI (Refer note 22.1)	0.51		1.96	
Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	175.78		79.84	
Net foreign exchange gains	0.07		0.09	
Net gain on disposal of property, plant and equipment	-	266.53	12.66	185.61
Total other income		578.31		459.51

22.1 This includes amount of ₹ Nil reclassified from other comprehensive income on account of sale of investments for the year ended March 31, 2019 (March 31, 2018 : ₹ 1.93 crores)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 23 : EMPLOYEE BENEFITS EXPENSES

(₹ in Crores)

	For the year ended 31.03.2019	For the year ended 31.03.2018
Salaries, wages and bonus	149.01	97.18
Contribution to provident and other fund (Refer note 26)	8.31	4.23
Gratuity (Refer note 26)	2.10	2.09
Staff welfare expenses	10.70	5.74
Total	170.12	109.24

Note 24 : OTHER EXPENSES

(₹ in Crores)

	For the year ended 31.03.2019	For the year ended 31.03.2018
Repairs & maintenance		
- To computers, trading & telecommunication systems	108.01	122.89
- To buildings	3.52	4.44
- To others	11.90	11.68
SEBI regulatory fees	28.90	26.73
License fees for index	14.77	11.37
IT management and consultancy charges	20.38	36.80
Software expenses	34.35	30.63
Web trading related expenses	21.25	16.13
Network infrastructure management charges	9.19	-
Lease line charges	11.12	15.59
Water and electricity charges	27.79	26.58
Rates and taxes	6.60	6.45
Directors' sitting fees	0.47	0.72
Legal and professional fees	36.29	30.54
Advertisement and publicity	22.36	13.69
Travel and conveyance	9.08	8.34
Corporate Social Responsibility expenditure [Refer note 34(b)]	26.90	77.27
Contribution to Investor protection fund trust (Refer note 24.1)	6.34	4.98
Investor education expenses	24.55	17.97
Payment to auditors (Refer note below)	0.72	0.84
Impairment losses on financial assets (Refer note 39D)	80.13	-
Other expenses	52.90	77.78
Total	557.52	541.42

Note :

Payment to auditors

As auditors :

Audit fees	0.47	0.47
Limited review	0.15	0.15

In other capacities

Certification matters	0.06	-
Other services	0.04	0.23

Total	0.72	0.84
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24.1 It represents contribution to National Stock Exchange Investor Protection fund trust formed as required under SEBI regulation.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 25 : EARNINGS PER SHARE

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Profit attributable to the equity holders of the company used in calculating basic earnings per share and diluted earnings per share		
Profit for the year	1389.87	1,161.81
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (No. in Crores) (Refer note 25.1)	49.50	49.50
Earnings per equity share (basic and diluted)	28.08	23.47

25.1 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.

26. Disclosure under Indian Accounting Standard 19 (Ind AS 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

i) Defined contribution plan

The Company's contribution towards superannuation fund during the year ended March 31, 2019 amounting to ₹ 1.49 Crore (31.03.2018: ₹ 1.25 Crore) has been charged to Statement of Profit & Loss (Reimbursement of cost charged to subsidiaries was - 31.03.2019: ₹ 0.39 crore, 31.03.2018: ₹ 0.19 crore).

ii) Defined benefit plan :

(a) 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, 2019 is ₹ 2.27 crores which has been accounted in the financial statements. (March 31, 2018 is NIL) The Company has contributed ₹ 3.67 Crore and ₹ 3.25 Crore towards Provident Fund during the year ended March 31, 2019 and year ended March 31, 2018, respectively. The contribution of ₹ 0.53 Crore during the year ended March 31, 2019 and ₹ 0.85 Crore during the year ended March 31, 2018 was reimbursed by the subsidiaries.

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

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
a. Approach used	Deterministic	Deterministic
b. Increase in compensation levels	8.00%	8.00%
c. Discount Rate	7.48%	7.68%
d. Attrition Rate	12.00%	12.00%
e. Weighted Average Yield	8.15%	8.90%
f. Weighted Average YTM	8.10%	8.85%
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)	96.35	64.61

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(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: (₹ in Crores)

Particulars	31.03.2019		
	Present Value of Obligation	Fair Value of Plan Assets	Total
At the beginning of the year	21.22	(14.92)	6.30
Current service Cost	1.88	-	1.88
Interest cost / (income)	1.63	(1.14)	0.49
Expenses recognised in the Statement of Profit & Loss *	3.51	(1.14)	2.37
Remeasurements			
Expected return on plan assets	-	0.39	0.39
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	0.36	-	0.36
Actuarial (gains)/losses on obligations - due to experience	2.01	-	2.01
Net (income)/expense for the year recognized in OCI #	2.37	0.39	2.76
Employer Contributions	-	(4.25)	-4.25
Liability / (Asset) transferred	9.64	(9.64)	-
Benefits paid	(1.59)	1.59	-
At the end of the year	35.15	(27.97)	7.18

*Includes ₹.0.26 Crores charged to the subsidiaries and ₹.Nil charged from the subsidiary.

Includes ₹ 0.31 Crores charged to the subsidiaries.

(₹ in Crores)

Particulars	31.03.2018		
	Present Value of Obligation	Fair Value of Plan Assets	Total
At the beginning of the year	20.67	(11.05)	9.62
Current service Cost	1.89	-	1.89
Interest cost / (income)	1.47	(0.78)	0.69
Expenses recognised in the Statement of Profit & Loss *	3.36	(0.78)	2.58
Remeasurements			
Expected return on plan assets	-	(0.05)	(0.05)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(0.64)	-	(0.64)
Actuarial (gains)/losses on obligations - due to experience	1.15	-	1.15
Net (income)/expense for the year recognized in OCI #	0.51	(0.05)	0.46
Employer Contributions	-	(3.93)	(3.93)
Liability transferred	(2.43)	-	(2.43)
Benefits paid	(0.89)	0.89	-
At the end of the year	21.22	(14.92)	6.30

*Includes ₹.0.49 Crores charged to the subsidiaries and ₹.Nil charged from the subsidiary.

Includes ₹ 0.33 Crores charged to the subsidiaries.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(ii) The net liability disclosed above relates to funded plans are as follows: (₹ in Crores)

Particulars	31.03.2019	31.03.2018
Fair value of plan assets as at the end of the year	27.97	14.92
Liability as at the end of the year	(35.15)	(21.22)
Net (liability) / asset	(7.18)	(6.30)

(iii) Significant actuarial assumptions are as follows: (₹ in Crores)

Particulars	31.03.2019	31.03.2018
Discount rate	7.48%	7.68%
Rate of return on plan assets	7.48%	7.68%
Salary escalation	8.00%	8.00%
Attrition rate	12.00%	12.00%

(iv) Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	31.03.2019	31.03.2018
Projected benefit obligation on current assumptions	35.15	21.22
Delta effect of +1% change in rate of discounting	(1.71)	(1.00)
Delta effect of -1% change in rate of discounting	1.91	1.11
Delta effect of +1% change in salary increase	1.88	1.09
Delta effect of -1% change in salary increase	(1.72)	(1.00)
Delta effect of +1% change in employee turnover	(0.11)	(0.05)
Delta effect of -1% change in employee turnover	0.12	0.05

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	31.03.2019	31.03.2018
1st Following Year	4.54	2.87
2nd Following Year	3.84	2.49
3rd Following Year	6.34	3.16
4th Following Year	4.83	5.09
5th Following Year	2.85	3.51
Sum of Years 6 to 10	14.09	15.36

(vi) Expected contribution to gratuity plan for the year ending March 31, 2019 are ₹ 3.93 Crore

27. 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".

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

28. (i) Fair Value Hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values 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 levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Crores)

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At March 31, 2019	Notes	Level 1	Level 2	Level 3	Total 31-Mar-2019
Financial Assets					
<i>Financial Investments at FVPL</i>					
Mutual Fund - Growth Plan	4, 7	1,613.92	-	-	1,613.92
Mutual Fund - Fixed Maturity Plan	4	-	502.18	-	502.18
Exchange Traded Funds	4	225.91	-	-	225.91
<i>Financial Investments at FVOCI</i>					
Debt Instrument at FVOCI - Government Securities	4	-	531.16	-	531.16
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd.	4	-	-	134.17	134.17
Quoted Equity Investments - Multi Commodity Exchange of India Limited	4	0.40	-	-	0.40
Total Financial Assets		1,840.23	1,033.34	134.17	3,007.73

(₹ in Crores)

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At March 31, 2018	Notes	Level 1	Level 2	Level 3	Total 31-Mar-2018
Financial Assets					
<i>Financial Investments at FVPL</i>					
Mutual Fund - Growth Plan	4, 7	1,842.46	-	-	1,842.46
Mutual Fund - Fixed Maturity Plan	4	-	466.17	-	466.17
Exchange Traded Funds	4	362.38	-	-	362.38
<i>Financial Investments at FVOCI</i>					
Debt Instrument at FVOCI - Government Securities	4	-	529.15	-	529.15
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd.	4	-	-	136.51	136.51
Quoted Equity Investments - Multi Commodity Exchange of India Limited	4	0.33	-	-	0.33
Total Financial Assets		2,205.17	995.32	136.51	3,337.00

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:



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- 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 on the stock exchanges are valued using the closing price as at the end of the reporting period. Listed Mutual Funds are valued using the closing quoted NAV.

- Level 2:

- Level 2: The fair value of financial instruments that are not traded in an active market (for example, government securities is determined using Financial Benchmarks India Private Limited valuation techniques which maximise the use of observable market data, fixed maturity plan based on NAV declared by the fund) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

- The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

- There were no transfers between levels during the year ended March 31, 2019 and March 31, 2018.

ii) Valuation technique used to determine fair value :

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments

- The fair value of the remaining financial instruments is determined using discounted cash flow analysis and price to book value multiple, as applicable.

(iii) Fair value measurements using significant unobservable inputs (level 3)

- The following table presents the changes in level 3 items for the periods ended 31 March, 2019 and 31 March, 2018

Particulars	(₹ in Crores)
As at 1 April 2017	68.46
Gain / (loss) recognised in Other Comprehensive Income	8.51
As at 31 March 2018	76.97
Gain / (loss) recognised in Other Comprehensive Income	(2.34)
As at 31 March 2019	74.63

(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	Fair Value	Significant Unobservable inputs*	Fair Value	Fair Value
	31-Mar-19	31-Mar-18		31-Mar-19	31-Mar-18
Unquoted Equity Shares - NCDEX	134.17	136.51	P/B Multiple	6.0x	5.0x
			Business Risk Discount	60%	60%
			Resultant P/B multiple	2.4x	2.0x
			Liquidity Discount	30%	30%
			Applicable P/B Multiple	1.7x	1.4x

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Fair Value	Fair Value	Significant Unobservable inputs*	Fair Value	Fair Value
	31-Mar-19	31-Mar-18		31-Mar-19	31-Mar-18
			P/B multiple based on latest available transactions	2.4x	2.4x
			Average P/B multiple arrived at	2.0x	1.9x
			Estimated Book value as at balance sheet date (₹ In Crores)	438.60	479.00
			Equity valuation of NCDEX (₹ in Crores)	894.50	910.20
			Valuation of 15% stake (₹ in Crores)	134.17	136.53

* There were no significant inter relationship between unobservable inputs that materially affect fair value

(v) Valuation processes :

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the reporting periods. At the year end external valuers are engaged to provide independent valuation of level 3 instruments.

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

(₹ in Crores)

Particulars	31-Mar-19		31-Mar-18	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Debentures	868.31	872.32	854.24	853.49
Taxable Bonds	102.48	105.46	113.02	116.43
Taxfree Bonds	923.39	956.21	981.70	1,003.85
Fixed Deposits with Banks	800.52	804.76	247.45	246.56
Deposits with financial institutions	125.89	125.81	-	-
Security Deposits	2.32	2.32	2.55	2.55
Total Financial Assets	2822.90	2866.87	2,198.96	2,222.88
Financial Liabilities				
Obligations under Finance Lease	11.40	12.91	10.84	12.65
Total Financial Liabilities	11.40	12.91	10.84	12.65

The carrying amounts of trade receivables, contract liabilities, trade payables, other receivables, cash and cash equivalent including other current bank balances and other liabilities 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, fixed deposits, deposits with financial institutions 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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	NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	Subsidiary Company	Clearing and Settlement	100%
2	NSE Investments Ltd (formerly known as NSE Strategic Investment Corporation Limited)	Subsidiary Company	Investment Entity	100%
3	NSE IFSC Limited	Subsidiary Company	Trading Facility	100%
4	NSE IFSC Clearing Corporation Limited	Subsidiary's Subsidiary Company	Clearing and Settlement	100%
5	NSEIT Limited	Subsidiary's Subsidiary Company	IT Services	100%
6	NSE Data & Analytics Limited (formerly known as DotEx International Limited)	Subsidiary's Subsidiary Company	Data Vending	100%
7	NSE Indices Ltd (formerly known as 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	Aujas Networks Private Limited	Subsidiary's Subsidiary's Subsidiary Company (w.e.f. 22.03.2019)	IT Services	95.39%
11	NSE Academy Limited	Subsidiary's Subsidiary Company	Financial Literacy Programme	100%
12	NSE Foundation	Subsidiary Company (w.e.f. 05.03.2018)	CSR Activities	76%
13	National Securities Depository Limited	Associate Company	Depository Services	24%
14	BFSI Sector Skill Council of India	Associate Company	Skill Council	49%
15	Power Exchange India Limited	Subsidiary's Associate	Trading Facility in power	30.95%
16	NSDL e-Governance Infrastructure Limited	Subsidiary's Associate	E-Governance Solutions	25.05%
17	Market Simplified India Limited	Subsidiary's Associate	Software Industry	30%
18	Computer Age Management Services Private Limited	Subsidiary's Associate	Mutual Fund Transfer Agency	44.99% upto 05.09.2018 & 37.50% w.e.f. 06.09.2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
19	Receivables Exchange Of India Limited	Subsidiary's Associate	Online Platform for financing receivables (TReDS)	30%
20	Mr. Vikram Limaye - Managing Director (w.e.f. 17-Jul-2017)	Key Management Personnel		
21	Mr. J. Ravichandran - CEO - Incharge (upto to 16-Jul-17)	Key Management Personnel		
22	Mr. Ashok Chawla (upto 11-Jan-2019)	Key Management Personnel		
23	Mr. Ravi Narain (upto 1-Jun-17)	Key Management Personnel		
24	Mr. Abhay Havaladar	Key Management Personnel		
25	Mr. Dinesh Kanabar	Key Management Personnel		
26	Mr. Naved Masood	Key Management Personnel		
27	Mr. T. V. Mohandas Pai	Key Management Personnel		
28	Mr. Prakash Parthasarathy	Key Management Personnel		
29	Ms. Dharmishta Raval	Key Management Personnel		
30	Ms. Sunita Sharma nominee of Life Insurance Corporation of India	Key Management Personnel		
31	Ms. Anshula Kant nominee of State Bank Of India (upto 28-Sep-2018)	Key Management Personnel		

* The principal place of business of NSEIT (US) Inc is located in US.

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

(₹ in Crores)

Name of Related party	Nature of Transactions	Year ended 31.03.2019	Year ended 31.03.2018
NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	Usage charges received	20.01	18.85
	Space and Infrastructure usage charges received	10.74	5.51
	Reimbursement received for expenses on staff on deputation	9.50	1.51
	Reimbursement received for other expenses incurred	37.32	40.02
	Reimbursement paid for CAMS Charges	0.91	0.81
	Dividend received	36.00	72.00
	Clearing and Settlement charges paid	164.81	141.70
	Investment in Equity Share Capital	5.64	5.64
NSE IFSC Limited	Closing balance (Credit)/Debit	9.20	(8.96)
	Reimbursement received for expenses on staff on deputation	2.26	1.37
	Subscription of Equity share capital	40.00	25.00
	Deposit received	-	0.03
	Reimbursement received for other expenses incurred	0.00	0.67
	Sale of assets	0.60	1.52
	Investment in Equity Share Capital	90.00	50.00
Closing balance (Credit)/Debit	12.88	7.67	



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crores)

Name of Related party	Nature of Transactions	Year ended 31.03.2019	Year ended 31.03.2018
NSE IFSC Clearing Corporation Limited	Reimbursement received for expenses on staff on deputation	0.32	0.84
	Reimbursement received for other expenses incurred	0.00	0.10
	Closing balance (Credit)/Debit	1.54	1.24
NSEIT Limited	Reimbursement received for other expenses incurred	0.00	0.01
	Software Development Charges paid	2.50	0.15
	Software Expenses	0.27	-
	Repairs and maintenance – Computer trading , Telecommunication systems	34.10	36.66
	Reimbursement paid for IPO Expenses received	-	0.10
	STP Charges Received	0.01	0.01
	Test expenses paid	-	6.85
	Empanelment charges received	0.05	0.09
	IT management and consultancy charges paid	11.20	4.93
	Closing balance (Credit)/Debit	(6.42)	(22.41)
NSE Data & Analytics Limited (formerly known as DotEx International Limited)	Space and Infrastructure usage charges received	1.82	1.29
	Reimbursement received for expenses on staff on deputation	5.62	3.81
	Reimbursement received for other expenses incurred	2.42	0.45
	Reimbursement received for expenses incurred	0.12	-
	Empanelment charges received	0.09	0.06
	Amount received towards revenue sharing on account of info feed services	26.94	22.55
	Recovery towards web trading facility provided to members	1.82	1.82
	Web trading related expenses paid	25.00	18.97
Closing balance (Credit)/Debit	(2.53)	0.40	
NSE Indices Limited (formerly known as India Index Services & Products Limited)	License fees paid	16.52	12.73
	Usage Charges received	0.89	0.87
	Space and Infrastructure usage charges received	1.78	1.71
	Reimbursement received for expenses on staff on deputation	3.42	3.27
	Reimbursement received for other expenses incurred	8.53	0.49
Closing balance (Credit)/Debit	(0.31)	(0.13)	
NSE Infotech Services Limited	IT management and consultancy charges paid	6.57	34.13
	Repairs and maintenance – Computer trading , Telecommunication systems	5.17	26.15
	Rent received	0.09	0.54
	Reimbursement received for other expenses incurred	0.92	1.29
	Closing balance (Credit)/Debit	(0.58)	(15.46)
NSE Investments Limited (formerly known as NSE Strategic Investment Corporation Limited)	Space and Infrastructure usage charges received	0.23	0.24
	Dividend Received	144.55	47.91
	Reimbursement received for expenses on staff on deputation	1.14	1.34
	Reimbursement received for other expenses incurred	0.10	1.47
	Investment in Preference Share Capital	412.97	412.97
	Investment in Equity Share Capital	413.13	413.13
Closing balance (Credit)/Debit	0.64	1.09	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crores)

Name of Related party	Nature of Transactions	Year ended 31.03.2019	Year ended 31.03.2018
NSE Academy Limited	Reimbursement received for expenses on staff on deputation	5.02	2.48
	Refund of NISM income received on their behalf	11.47	-
	Sharing of Expenses	-	0.48
	Reimbursement received for other expenses incurred	0.74	0.77
	Space and Infrastructure usage charges received	1.89	0.88
	Closing balance (Credit)/Debit	0.26	0.14
NSE Foundation (w.e.f. 05.03.2018)	Investment in Equity Share Capital	0.04	0.04
	Space and Infrastructure usage charges received	0.28	-
	Reimbursement received for expenses on staff on deputation	0.82	-
	Reimbursement received for other expenses incurred	0.26	0.01
	Contribution towards CSR	26.90	54.49
	Closing balance (Credit)/Debit	0.38	0.01
National Securities Depository Limited	Dividend received	2.40	2.40
	Other Charges Received	0.00	-
	Sitting Fees Received	0.15	0.06
	DP Validation Charges	0.53	1.69
	Investment in Equity Share Capital	58.92	58.92
	Closing balance (Credit)/Debit	0.01	0.01
NSDL e-Governance Infrastructure Limited	PAN verification charges paid	0.16	-
	Closing balance (Credit)/Debit	(0.09)	-
BFSI Sector Skill Council of India	Amount paid towards PMKVY centres	-	0.20
	Investment in Equity Share Capital	1.00	1.00
	Closing balance (Credit)/Debit	-	-
Computer Age Management Services Private Limited	Sharing of Income	0.64	-
	Amount paid towards Rent	0.23	0.24
	Closing balance (Credit)/Debit	(0.61)	(0.09)
Receivables Exchange Of India Limited	Reimbursement received for other expenses incurred	0.23	0.17
	Sale of assets	-	0.39
	Usage charges received	0.36	1.41
	Space and Infrastructure usage charges received	0.61	1.28
	Reimbursement received for expenses on staff on deputation	1.15	2.02
	Closing balance (Credit)/Debit	1.15	0.63
Mr. Vikram Limaye (w.e.f. 17-Jul-17)	Short-term employee benefits	7.09	3.89
	Post-employment benefits (Refer note 29.1)	0.24	0.15
	Long-term employee benefits (Refer note 29.2)	0.77	-
	Total Remuneration	8.10	4.04
Mr. J. Ravichandran - CEO - Incharge (upto 16-Jul-17)	Short-term employee benefits	-	1.51
	Post-employment benefits (Refer note 29.1)	-	0.12
	Long-term employee benefits (Refer note 29.2)	-	0.18
	Total Remuneration	-	1.81
Key Management Personnel	Sitting Fees Paid to Directors	2.48	3.63



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

29.1 As the liabilities for defined benefit plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

29.2 includes 50% of the variable pay payable after 3 years subject to certain conditions,

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 guarantees provided or received for any related parties receivables or payables as of March 31, 2019 and March 31, 2018. The Company has not recorded any impairment of receivables relating to amount owed by related parties.

30. CAPITAL AND OTHER COMMITMENTS

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided	43.39	16.49
Other Commitments (Primarily in respect of operating expenses)	96.83	144.31

31. CONTINGENT LIABILITIES AND OTHER REGULATORY MATTERS

(i) (a) Securities and Exchange Board of India (SEBI) had directed NSE to carry out an investigation including forensic examination by independent external agencies in respect of certain aspects of NSE's Colocation facility. NSE got the investigation carried out and submitted the reports to SEBI. Further, SEBI had directed that pending completion of the investigations, all revenues emanating from the colocation facility with effect from September 2016 be transferred to a separate bank account. Accordingly, as of March 31, 2019, an amount of ₹2,258.71 crores (March 31, 2018 ₹1,197.26 crores) was transferred to a separate bank account and have been invested. These investments along with accruals have been shown under restricted / earmarked investments and bank balances. (Refer note 4.2, 5.2, 7.1 and 10.2)

Three show cause notices were issued by SEBI to the Company and to some of its employees, including former employees, in respect of the preferential access to tick by tick data in Colocation facility, Dark Fibre point to point connectivity and Governance and related matters which were responded to. Further, NSE had also filed a Consent Application with SEBI on August 31, 2018 in respect of the said show cause notices. SEBI vide its letter dated April 30, 2019 has returned the Consent Application filed by NSE and has passed orders in respect of all the three show cause notices. In the first order, it has passed a direction on NSE inter alia to disgorge an amount of ₹ 624.89 crores along with interest at the rate of 12% per annum from April 01, 2014 till the actual date of payment and certain non-monetary and restrictive directions prohibiting the Company from raising funds from the market, through issuance of equity, debt or other securities for a period of six months from the date of the order; in the second order it passed a direction to deposit a sum of ₹ 62.58 crores along with interest at the rate of 12% p.a. from September 11, 2015 till the actual date of payment along with other non-monetary and restrictive directions and in the third order it has passed certain non-monetary and remedial directions on NSE. Additionally, NSE has also received Adjudication notices covering the above three orders which are currently pending for hearing before SEBI.

The Company has received the orders passed by SEBI and has sought legal advise thereon. Having regard thereto, the Company believes that it has strong grounds to contest the above orders including monetary liability (including from adjudication proceedings) raised by SEBI. The company intends to file appeals before the Hon'ble Securities Appellate Tribunal (SAT) against the orders passed by SEBI. Accordingly, no provision for any liability in this regard is considered necessary in the financial statements for the year ended March 31, 2019.

(b) Additionally, the Company has regularly received notices, inquiry / query letters and inspection letters on matters relating to operations of the Company from SEBI which have been replied to by the Company. Basis the replies filed, the Company's management do not expect any material impact on the financial position of the Company.

(c) 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, 2018 : ₹ 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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, 2018 : ₹ 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.

- (d) A suit had been filed, jointly and severally against the Company and NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited) for damages / compensation amounting to ₹ Nil (March 31, 2018 : ₹ 152.57 crores) along with interest thereon and has been disputed by the Company. The suit was withdrawn during the year.

Based on the legal opinion/advice received, the Company is of the view that the above matters are not likely to have any material impact on the financial position of the Company.

- (ii) Contingent liabilities include disputed demand on account of the following:
- (a) Income Tax: ₹ 323.51 Crores (March 31, 2018: ₹ 47.55 Crores) along with interest thereon.
 - (b) Fringe Benefit Tax: ₹ 2.21 Crores (March 31, 2018 : ₹ 2.21 Crores)
 - (c) Wealth Tax: ₹ 0.09 Crores (March 31, 2018: ₹ 0.09 Crores). Wealth Tax liability includes ₹ 0.02 Crores (March 31, 2018: ₹ 0.02 Crores) on account of Tax Department appeals pending disposal before the Bombay High Court.
 - (d) Service Tax: ₹ 50.02 crores (March 31, 2018: ₹ 39.75 crores) along with penalty thereon.
 - (e) Securities Transaction Tax: ₹ 6.76 Crores (March 31, 2018: ₹ 6.76 Crores).
 - (f) Bank guarantees ₹ 1 crore (March 31, 2018 : ₹ 1 crore)

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.

- (iii) Other claims against the company not acknowledged as debts amounts to : ₹ 6.77 Crores (March 31, 2018 : ₹ 7.29 Crores).

32. Details of dues to micro and small, medium enterprises as defined under the MSME Act, 2006

Trade Payables includes ₹ 0.01 Crores (March 31, 2018: ₹ 1.20 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.

33. On February 28, 2019, the Honorable Supreme Court of India delivered a judgement in the case of Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal' in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Employees' Provident Fund Organisation also issued a circular (Circular No. C-I/1(33)2019/Vivekananda Vidyamandir/284) dated March 20, 2019 in relation to aforesaid matter.

In Company's assessment, the above judgement is not likely to have a significant impact, and therefore presently no provision has been made in the financial statements. The Company will continue to monitor the developments in this matter.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

34. a) Gross amount required to be spent by the Company on Corporate Social Responsibility activities during the financial year ended March 31, 2019 is ₹ 26.90 crores. (Previous year: ₹ 23.83 Crores)

b) Amount spent during the year towards Primary Education, Elder Care, etc : (₹ in Crores)

Particulars	31.03.2019	31.03.2018
	In cash	In cash
(i) Construction / acquiring of any asset	-	-
(ii) Contribution to NSE Foundation towards CSR	26.90	54.49
(iii) On purposes other than (i) & (ii) above (Refer note 34b.1)	-	22.78

b.1) Excludes ₹ Nil (previous year ₹ NIL) on capacity building of personnel and implementing agencies etc., which is in excess of 5 % of total CSR expenditure.

c) Amount transferred to Retained Earnings from CSR Reserve

(₹ in Crores)

Particulars	31.03.2019	31.03.2018
Amount transferred to Retained Earnings from CSR Reserve	-	(53.43)

During the year ended March 31, 2018, the Company was required to spend an amount of ₹ 23.83 crores being 2% of average profit of last 3 financial years. In this regard, an amount of ₹ 22.78 crores had been spent by the Company. Accordingly, the balance amount of ₹ 1.06 crores along with the previous years unspent amount of ₹ 53.43 crores lying in the CSR reserve had been contributed to NSE Foundation. Accordingly, CSR reserve created during the financial year ended March 31, 2017 had been utilised in the year ended March 31, 2018 and credited to Retained Earnings. [Refer note 11(b)].

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 31.03.2019		As at 31.03.2018	
	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	1.83	1.83	1.20	1.20
- Later than one year and not later than five years	7.36	4.39	7.35	4.19
- Later than five years	127.13	5.18	128.42	5.43
Total minimum lease commitments	136.32	11.40	136.97	10.82
Less: future finance charges	124.92	-	126.15	-
Present value of minimum lease premium	11.40	-	10.82	-
Other financial liabilities - current	1.83	-	1.20	-
Other financial liabilities - non current	9.57	11.40	9.62	10.82

The company leases various offices under non-cancellable operating leases expiring within two to eight years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

The lease has escalation clause and there is no right to renew or purchase option.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

36. OTHER EVENTS AFTER THE REPORTING PERIOD

(i) Dividend:

The Board of Directors have recommended the payment of final dividend of ₹ 8 per fully paid equity shares (FV ₹ 1 each) (March 31, 2018 : ₹ 7.75/- per fully paid equity share (FV ₹ 1 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 ₹ 477.40 Crores including Corporate Dividend distribution Tax of ₹ 81.40 crores.”

37. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	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
As at 31.03.2019					
Financial Assets					
Trade Receivables	368.61	-	368.61	-	1007.57
As at 31.03.2018					
Financial Assets					
Trade Receivables	328.28	-	328.28	-	1,020.88

38. FAIR VALUE MEASUREMENTS

Financial Instruments by category

(₹ in Crores)

Particulars	31-Mar-19			31-Mar-18		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
Equity Instruments	-	134.57	-	-	136.84	-
Debentures	-	-	868.31	-	-	854.24
Taxable Bonds	-	-	102.48	-	-	113.02
Taxfree Bonds	-	-	923.39	-	-	981.70
Fixed Deposits with Banks	-	-	800.52	-	-	247.45
Deposits with financial institutions	-	-	125.89	-	-	-
Government Securities	-	531.16	-	-	529.15	-
Mutual Funds	2,116.10	-	-	2,308.62	-	-
Exchange Traded Funds	225.91	-	-	362.38	-	-
Trade Receivables			368.61			328.28
Cash and Cash equivalents			39.38			44.81
Security deposits			2.32			2.55
Other receivables			40.11			37.87
Total financial assets	2,342.00	665.73	3,270.99	2,671.01	665.99	2,609.91
Financial liabilities						
Obligations under Finance Lease			11.40			10.84
Deposits			1,092.68			1,139.08
Trade Payables			80.33			130.60
Other liabilities			153.17			124.01
Total financial liabilities			1,337.57			1,404.53



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

39. FINANCIAL RISK MANAGEMENT

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk 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:

- protect the Company's financial 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 generated funds and investments.

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 avoidable costs. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in the Company's 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 years ended 31st March, 2019 and 31st March, 2018. This was the result of cash delivery from the business. Cash flows from operating and investing activities provides the funds to service the financing of 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 operations, 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 deposits, other marketable debt investments including government securities, mutual funds and exchange traded funds with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

(₹ in Crores)

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31, 2019				
Trade payables	80.33	80.33	-	80.33
Deposits	1092.68	1092.68	-	1092.68
Obligation under finance lease	11.40	1.83	134.49	136.32
Other liabilities	153.17	-	-	-
As at March 31, 2018				
Trade payables	130.60	130.60	-	130.60
Deposits	1,139.08	1,139.08	-	1,139.08
Obligation under finance lease	10.84	1.20	135.77	136.97
Other liabilities	124.01	124.01	-	124.01

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

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
1. PRICE RISK		
<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 2019, the exposure to price risk due to investment in mutual funds amounted to ₹ 2116.09 crores (March 31, 2018 : ₹ 2308.60 crores).</p> <p>At 31st March 2019, the exposure to price risk due to investment in exchange traded fund amounted to ₹ 225.91 crores (March 31, 2018 : ₹ 223.37 crores).</p> <p>At 31st March 2019, the exposure to price risk due to investment in equity instruments amounted to ₹ 134.57 crores (March 31, 2018 : ₹ 136.84 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 Company diversifies its portfolio in accordance with the limits set by the risk management policies. 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 an additional ₹ 5.29 crores gain in the Statement of Profit and Loss (2017-18: ₹ 5.77 crores gain). 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 an additional ₹ 22.59 crores gain in the Statement of Profit and Loss (2017-18: ₹ 36.24 crores gain). 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 an additional ₹ 13.46 crores gain in the Statement of Profit and Loss (2017-18: ₹ 13.68 crores gain). A 10% decrease in prices would have led to an equal but opposite effect.</p>

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
2. INTEREST RATE RISK		
<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 which impacts the price of these investments.</p> <p>As at 31st March, 2019, the exposure to interest rate risk due to investment in government securities amounted to ₹ 531.16 crores (March 31, 2018: ₹ 529.15 crores).</p>	<p>In order to manage its interest rate risk arising from investments in 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 an additional ₹ 8.71 crores loss in the Statement of Profit and Loss (2017-18: ₹ 9.29 crores loss). A 0.25% decrease in interest rates would have led to an equal but opposite effect.</p>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 / financial institutions and investments in marketable debt investments including the government securities, 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, 2019 and 2018 is the carrying value of each class of financial assets as disclosed in note 4, 5, 7, 8, 9 and 10.

D EXPECTED CREDIT LOSS ON FINANCIAL ASSETS

The Company's investment in Non convertible debenture of IL&FS Group amounting to ₹ 80.13 crores have been classified as credit impaired during the current year on account of significant financial difficulty of the issuer, disappearance of an active market for their securities and credit rating downgrade from "AAA" to "D". Accordingly, Company has recognized impairment loss of ₹ 80.13 crores on such financial assets in the profit and loss account.

40. 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 Company 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 36 & 11 (b) for the final and interim dividends declared and paid.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the Company shall have a minimum networth of ₹ 100 crores at all times. The Company is in compliance with this requirement.

- 41.** In accordance with the relevant provisions of the Companies Act, 2013, the Company has long term contracts as of March 31, 2019 and March 31, 2018 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2019 and March 31, 2018.
- 42.** For the year ended March 31, 2019 and March 31, 2018, the Company is not required to transfer any amount into the Investor Education & Protection Fund as required under section 125 of the Companies Act, 2013.

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 16, 2019

For and on behalf of the Board of Directors

Dharmishta Raval

Director

[DIN:02792246]

Yatrik Vin

Chief Financial Officer

Dinesh Kanabar

Director

[DIN:00003252]

S. Madhavan

Company Secretary

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Disclaimer

This document contains statements about expected future events and financial and operating results of the Company, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the industry analysis of the National Stock Exchange of India Limited annual report FY2018-19.



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