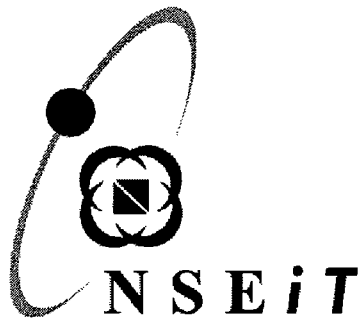


# **NSE.IT LIMITED**

*(A wholly owned subsidiary of NSE Strategic Investment Corporation Ltd)*



## **SIXTEENTH ANNUAL REPORT 2014-15**



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NSE.IT LIMITED

### Report on the financial statements

We have audited the accompanying financial statements of **NSE.IT LIMITED** ("the company"), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

The company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.





An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by company's directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the 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 31<sup>st</sup> March 2015, and its **profit** and its cash flows for the year ended on that date.

### **Report on other Legal and Regulatory Requirements**


1. As required by the Companies (Auditor's Report) Order, 2015 ("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 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 appears from our examination of those books.
  - c) The balance sheet, statement of profit and loss, and cash flow statement dealt with by this report are in agreement with the books of account.





- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our 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 financial statements – Refer Note 21 (iv) to the financial statements.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

For **Gokhale & Sathe**  
Chartered Accountants  
Firm Reg. No.: 103264W

  
**Kedar A Mehendale**  
Partner  
Membership No 116065



Place: Mumbai  
Date: 15<sup>th</sup> April 2015



**NSE.IT LIMITED**

**FINANCIAL YEAR ENDED 31ST MARCH 2015**

**ANNEXURE TO THE AUDITOR'S REPORT AS REQUIRED BY THE  
COMPANIES (AUDITOR'S REPORT) ORDER, 2015**

*(Referred to in Paragraph 1 of the section 'Other legal & regulatory requirements' of our Report of even date on accounts of NSE.IT Ltd. as at 31<sup>st</sup> March 2015.)*

As required by the Companies (Auditors Report) Order 2015 issued by the Central Government in terms of Section 143 (11) of the Companies Act 2013, on the basis of the checks, as we considered appropriate, we report on the matters specified in paragraph 3 and 4 of the said order to the extent applicable to the company.

- (i) a) The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets.  
b) We have been informed that the physical verification of fixed assets was carried out by the management during the year, which in our opinion is reasonable having regard to the size of the company and nature of the assets. We have been informed that no material discrepancy was noted on such verification.
- (ii) Considering the nature of the business and services rendered by the company, clause 3 (ii) is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in register maintained u/s 189 of the Companies Act and accordingly provision of clause 3 (iii) (a), (b), are not applicable.
- (iv) On the basis of selective checks carried out during the course of audit and according to the information and explanation given to us, in our opinion there is an adequate internal control system commensurate with the size of the Company and the nature of business with regard to the purchase of fixed assets and with regard to the service rendered. During the course of our audit we have not observed any continuing failure to correct major weakness in internal controls system.
- (v) The Company has not accepted any deposits from public and accordingly the provisions of section 73 to 76 of the Act, and Rules framed there under and any directive issued by the Reserve Bank of India are not applicable.
- (vi) As informed to us, maintenance of Cost Records by the Company has not been prescribed by the Central Government u/s 148 (1) of the Companies Act.
- (vii) a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise value added tax, cess and other statutory dues as applicable to it.

According to the information and explanations given to us, no undisputed amounts payables in respect of income tax, sales tax, wealth tax, service tax, customs duty and excise duty were in arrears, as at 31st March 2015 for a period of more than six months from the date they became payable.





- b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess which have not been deposited on account of any dispute, except for the following

F.Y.	Dispute Pertaining	Income Tax Liability (Amt. in Rs.)	Forum where dispute is pending
2004-05	Penalty u/s 271 (1) (c)	1,29,880/-	Appeal filed with Income Tax Appellate Tribunal

- c) According to the information and explanations given to us, no amount is required to be transferred to Investor Education and protection fund in accordance with relevant provisions of the companies Act, 1956 and the rules made there under.
- (viii) There are no accumulated losses. Further the Company has not incurred cash losses during the year covered by our audit report and the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not taken any loan and no amounts were due towards principal or interest to any financial institution, bank, or debenture holders during the year covered by our audit report.
- (x) According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) According to the information and explanations given to us, the company has not taken any term loan.
- (xii) According to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the course of our audit.

For Gokhale & Sathe  
Chartered Accountants  
Firm's Reg. No. 103264W



*K A Mehendale*

**Kedar A. Mehendale**  
Partner

Membership No.: 116065

**Place: Mumbai.**

**Date: 15<sup>th</sup> April 2015**

**NSE.IT LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2015**

Particulars	Note No.	As at	As at
		31-Mar-2015	31-Mar-2014
		Rupees	Rupees
<b>I. Equity and Liabilities</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	100,000,100	100,000,100
(b) Reserves and surplus	3	603,345,115	541,103,233
<b>(2) Share application money pending allotment</b>		-	-
<b>(3) Non-current liabilities</b>			
(a) Deferred tax liabilities (net)	4	-	10,775,787
(b) Long-term provisions	5	4,549,483	3,606,828
<b>(4) Current liabilities</b>			
(a) Trade payables	6	29,020,396	35,736,523
(b) Other current liabilities	6	99,158,807	57,688,302
(c) Short-term provisions	5	99,089,004	92,518,310
<b>Total</b>		<b>935,162,905</b>	<b>841,429,083</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	7	52,971,737	102,974,121
(ii) Intangible assets	7	9,291,566	11,741,981
(iii) Capital work-in-progress		-	-
(b) Non-current investments	8	76,161,061	76,161,061
(c) Deferred tax Assets (net)	4	9,508,476	-
(d) Long-term loans and advances	9	110,144,487	127,541,616
(e) Other non-current assets	10	197,979	471,187
<b>(2) Current Assets</b>			
(a) Inventories	11	365,539	134,012
(b) Trade receivables	12	143,764,600	202,049,266
(c) Cash and bank balances	13	436,260,414	282,497,082
(d) Short-term loans and advances	9	6,571,684	5,416,798
(e) Other current assets	10	89,925,362	32,441,959
<b>Total</b>		<b>935,162,905</b>	<b>841,429,083</b>
<b>Significant Accounting Policies</b>	1		

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

As per our report of even date attached

For Gokhale & Sathe.

Chartered Accountants

(Reg No.: 103264W)

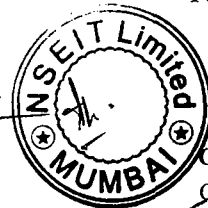


KEDAR MEHENDALE

Partner

Membership No.116065

For and on behalf of Board of Directors



CHITRA RAMKRISHNA

Chairperson

C. N. RAM

Director

N. MURALIDARAN

Managing Director & CEO

J. RAVICHANDRAN

Director

Place : Mumbai

Date : 15th April 2015

KANKESH KAMATH

Chief Financial Officer

CHIRAG SHAH

Company Secretary

**NSE.IT LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015**

S.No	Particulars	Note No.	For the year ended	For the year ended
			31-Mar-2015	31-Mar-2014
			Rupees	Rupees
I.	Revenue from operations	14	1,200,126,158	1,226,002,393
II.	Other income	15	47,316,136	42,973,089
III.	Total Revenue ( I + II )		<b>1,247,442,294</b>	<b>1,268,975,482</b>
IV.	Expenses:			
	Purchases of Stock-in-Trade	16	588,070	354,450
	Changes in inventories of Stock-in-Trade	17	(231,527)	(4,763)
	Employee benefits expense	18	434,346,445	429,458,301
	Depreciation and amortisation expense	7	48,734,832	27,409,812
	Other expenses	19	560,973,396	593,634,394
	Prior Period Expenses		148,091	821,762
	Total expenses		<b>1,044,559,307</b>	<b>1,051,673,956</b>
V.	Profit before exceptional and extraordinary items and tax ( III-IV )		<b>202,882,987</b>	<b>217,301,526</b>
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax ( V - VI )		<b>202,882,987</b>	<b>217,301,526</b>
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII - VIII)		<b>202,882,987</b>	<b>217,301,526</b>
X.	Tax expenses:	20		
	(1) Current tax		70,850,702	76,542,754
	(2) Deferred tax		(20,284,263)	379,676
XI.	Profit/(Loss) for the period from continuing operations ( IX - X )		<b>152,316,548</b>	<b>140,379,096</b>
XII.	Profit/(Loss) from discontinuing operations		-	-
XIII.	Profit/(Loss) for the year ( XI + XII )		<b>152,316,548</b>	<b>140,379,096</b>
XIV.	Earnings per equity share:			
	(1) Basic		15.23	14.04
	(2) Diluted		15.23	14.04
	Significant Accounting Policies	1		

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

As per our report of even date attached

For Gokhale & Sathe.

Chartered Accountants

(Reg No : 103264W)



*Kedar Mehendale*  
KEDAR MEHENDALE

Partner

Membership No.116065

Place : Mumbai

Date : 15th April 2015



For and on behalf of Board of Directors

*Chitra Ramkrishna*  
CHITRA RAMKRISHNA  
Chairperson

*C.N. Ram*  
C. N. RAM  
Director

*Kankesh Kamath*  
KANKESH KAMATH  
Chief Financial Officer

*N. Muralidaran*  
N. MURALIDARAN  
Managing Director & CEO

*J. Ravichandran*  
J. RAVICHANDRAN  
Director

*Chirag Shah*  
CHIRAG SHAH  
Company Secretary



**NSE.IT LIMITED****Cash Flow Statement for the year ended March 31, 2015**

	2014-2015 (Rs)	2013-2014 (Rs)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<i>Net Profit before tax</i>	202,882,987	217,301,526
<b>Add : Adjustments for</b>		
Depreciation	48,734,832	27,409,812
Loss on Disposal / Sale of Fixed Assets	-	-
<b>Less : Adjustments for</b>		
Interest from Fixed Deposits	(33,815,779)	(21,882,892)
<b>Operating profit before working Capital Change</b>	<b>217,802,040</b>	<b>222,828,446</b>
<b>Change in Working Capital</b>		
Decrease / (Increase) in Sundry Debtors	58,284,666	85,512,983
Decrease / (Increase) in Inventory	(231,527)	(4,763)
Decrease / (Increase) in Loans & Advances	(55,082,288)	(19,887,183)
Decrease / (Increase) in Interest accrued	1,265,782	(43,739)
(Decrease) / Increase in Long Term Provisions	942,655	(1,773,737)
(Decrease) / Increase in Current Liabilities & Prov	13,927,079	(44,194,288)
<b>Cash Generated from Operations</b>	<b>236,908,407</b>	<b>242,437,719</b>
Direct Taxes Paid (Net of Refunds)	(58,002,148)	(73,632,930)
<b>Net Cash from Operating Activities</b>	<b>178,906,259</b>	<b>168,804,789</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest from Fixed Deposits	33,815,779	21,882,892
Dividend from Units	-	-
Investment in Subsidiaries	-	-
Investment in Term Deposits	(80,825,940)	(84,229,822)
Redemption of Mutual Fund Units	-	-
(Additions) / Deductions in Investments	-	(30,826,207)
Addition to fixed assets (net)	(23,658,850)	(19,767,720)
Addition to CWIP	-	1,438,596
<b>Cash flow from investing activity - Total (B)</b>	<b>(70,669,011)</b>	<b>(111,502,261)</b>
<b>C CASH FROM FINANCING ACTIVITY</b>		
Dividend Paid	(45,000,045)	(21,000,021)
Dividend distribution tax	(7,647,758)	(3,568,954)
Expenditure towards CSR	(111,810)	-
	<b>(52,759,613)</b>	<b>(24,568,975)</b>
<b>NET INCREASE/ (DECREASE) IN CASH &amp; CASH EQUIVALENT</b>	<b>55,477,635</b>	<b>32,733,553</b>
Opening balance of Cash & Cash Equivalent	195,905,261	163,171,708
Closing balances of Cash & Cash Equivalent	251,382,896	195,905,261
<b>NET INCREASE/ (DECREASE) IN CASH &amp; CASH EQUIVALENT</b>	<b>55,477,635</b>	<b>32,733,553</b>

**Notes to Cash flow statement**

The above cash flow has been prepared under the "Indirect method" as set out in the Accounting Standard -3

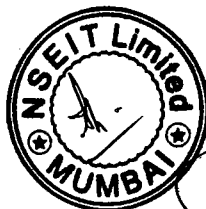
As per our report of even date attached

For Gokhale & Sathe  
Chartered Accountants ( Reg. No.103264W )



**KEDAR MEHENDALE**  
Partner  
Membership No. 116065

Place : Mumbai  
Date : 15th April 2015



For and on behalf of the Board of Directors

**CHITRA KAMKRISHNA** N. MURALIDARAN  
Chairperson Managing Director & CEO

**C.N. Kulkarni** J.RAVICHANDRAN  
Director Director

**KANKESH KAMATH** **CHIRAG SHAH**  
Chief Financial Officer Company Secretary

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

### NOTE 1 : Significant Accounting Policies

#### a. Basis of Accounting

The financial statements have been prepared under the historical cost convention on accrual system and in accordance with the generally accepted accounting principles.

#### b. Revenue recognition

Revenue from sale of software product licenses and sale of digital certificates is recognised on dispatch.

Revenue from resale of hardware and software is recognised on dispatch.

Revenue from fixed price contracts is recognised on the basis of the deliverables provided.

Revenues from maintenance contracts and technical support agreements are recognised on a pro-rata basis over the period in which such services are rendered under the terms of the contracts and agreements.

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

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

Revenue from online examination services are recognized on the basis of exams conducted.

Interest on deployment of funds is recognised using the time proportion method, based on interest rates implicit in the transaction.

Income excludes applicable taxes and other levies

#### c. Expenditure

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

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

#### d. Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairments, if any. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.

Except the below referred Fixed Assets located at lease hold premises and low cost Assets, all other Fixed Assets are depreciated as per the useful life specified under schedule II to Companies Act 2013

Individual low cost assets (acquired for less than Rs.5000/-) are depreciated at the rate of 100% in the year of acquisition.

Fixed Furniture and fixtures, electrical installation and office equipment including civil improvements at lease hold premises are depreciated over the lease period.

#### e. Inventory

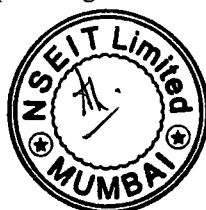
The Inventory is valued at cost or net realizable value whichever is lower.

#### f. Forward Exchange Contract

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

#### g. Foreign currency transactions

Transactions in foreign exchange are accounted at the exchange rates prevailing on the date on which transactions have taken place. Outstanding if any, at the end of the year are converted at the year end rates.



## h. Employee Retirement Benefits

### Gratuity

The Company has maintained a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India towards which it annually contributes a sum determined by Life Insurance Corporation of India. The Company has made provision for gratuity liability estimated as per actuarial report as on the balance sheet date to comply with the Accounting Standard 15 for employee benefits.

### Superannuation

Superannuation benefit for employees designated as managers and above is covered by Group Superannuation Scheme with the Life Insurance Corporation of India towards which it annually contributes a sum based on a specified percentage of each covered employees' salary. The contribution paid for the year on the Group Superannuation Scheme is charged to revenue.

### Provident Fund

W.e.f. 1<sup>st</sup> August 2010, the company had transferred the corpus balance of the NSE.IT Ltd. Employees Provident Fund Trust to the Regional Provident Fund Office, Kandivali, Mumbai. As per the applicable rule the company contributes 12% of the employee's basic salary to the said recognized provident fund and the same is charged to revenue.

### Leave Encashment

Leave encashment paid to the employees while in service is charged to revenue as the same is considered as a short term benefit. Provision for leave encashment on retirement is made on the basis of actuarial valuation at the end of the year.

## i. Investments

Long-term investments are carried at cost. Provision for diminution is made to recognize a decline, other than temporary, in their value.

## j. Income Tax

Provision for Income Tax is made on the basis of the prevailing rates under the Income Tax Act, 1961. Company has accounted deferred tax liability/asset in accordance with the Accounting Standard 22 – Accounting for Taxes on Income.

## NOTE 2 : SHARE CAPITAL

	31-Mar-15	31-Mar-14
	Rs.	Rs.
<b>Authorised</b>		
15,000,000 (15,000,000) Equity Shares of Rs. 10/- each	150,000,000	150,000,000
<b>Issued, Subscribed and Paid-up</b>		
10,000,010 (10,000,010) Equity shares of Rs. 10/- each fully paid up	100,000,100	100,000,100
<b>TOTAL</b>	<b>100,000,100</b>	<b>100,000,100</b>

### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

	31-Mar-15		31-Mar-14	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the period	10,000,010	100,000,100	10,000,010	100,000,100
Issued during the period	-	-	-	-
Outstanding at the end of the period	<b>10,000,010</b>	<b>100,000,100</b>	<b>10,000,010</b>	<b>100,000,100</b>

### b. Terms / rights attached to equity shares

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

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



**c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates.**

	31-Mar-15	31-Mar-14
	Rs.	Rs.
NSE Strategic Investment Corporation Ltd, the holding company 10,000,010 (31 March 2014 : 10,000,010) equity shares of Rs. 10/- each fully paid	100,000,100	100,000,100

**d. Details of shareholders holding more than 5% in the Company**

	31-Mar-15		31-Mar-14	
	Nos.	%	Nos.	%
Equity shares of Rs. 10/- each fully paid NSE Strategic Investment Corporation Ltd.	10,000,010	100%	10,000,010	100%

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**e. Shares reserved for issue under options**

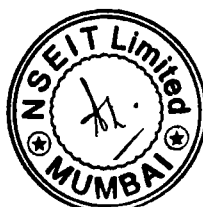
In terms of the authority granted by the General Meeting held on September 25th, 2006, the Company has formulated an Employee Stock Option Plan 2006 (ESOP). Under the said ESOP, 347,350 Options for equivalent number of Equity Shares of the company have been granted as an incentive scheme to the employees covered under the scheme. The Scheme provides that the Options shall vest in a graded manner over a period of 4 years in the ratio of 25%, 30%, 35% and 10% respectively. The exercise period shall be three years from the vesting of each tranche of the aforesaid options. Each option entitles the holder of the option to 1 Equity Share of the Company at an exercise price of Rs.53/- per share, which is also the Fair Market Value (FMV) of the share on the date of the grant as determined by a valuation report obtained from an independent valuer.

The Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Employee Share Based Payments requires accounting of the expense in regard to the ESOPs. The Company has adopted the Intrinsic Value Method as given in the said Guidance for accounting for the same. The Company has obtained expert opinion that since the Exercise Price is equal to the FMV of the shares on the grant date; it would not be required to recognize any compensation expense since the "intrinsic value" of the options is NIL.

Particulars	F.Y. 2014-15 Quantity (Nos.)	F.Y. 2013-14 Quantity (Nos.)
Options at the beginning of the year	Nil	13,437
Options granted during the period	Nil	Nil
Options lapsed during the period	Nil	13,437
Options Exercised during the period	Nil	Nil
Options expired during the period	Nil	Nil
Balance Options in force	Nil	Nil

**NOTE 3 : RESERVES & SURPLUS**

	31-Mar-15	31-Mar-14
	Rs.	Rs.
<b>General Reserve</b>		
Balance as per the last financial statements	468,506,069	398,506,069
Add : amount transferred from the surplus balance in the statement of profit & loss	70,000,000	70,000,000
<b>Closing Balance</b>	<b>538,506,069</b>	<b>468,506,069</b>
<b>Surplus / (deficit) in the statement of profit &amp; Loss</b>		
Balance as per the last financial statements	72,597,164	54,865,871
Add : Profit / (Loss) for the year	152,316,548	140,379,096
Less : Adjustment of carrying amount of assets whose useful life has expired	27,376,817	-
Less : Expenditure incurred towards Corporate Social Responsibility - CSR (refer Note 33)	111,810	-
Less : Transfer to General Reserve	70,000,000	70,000,000
Less : Proposed Equity Dividend ( per share Rs. 5.20/- ( 31st March 2014: Rs. 4.50/- )	52,000,052	45,000,045
Less : Tax on proposed equity dividend	10,585,987	7,647,758
<b>Net Surplus in the statement of profit and loss.</b>	<b>64,839,046</b>	<b>72,597,164</b>
<b>TOTAL</b>	<b>603,345,115</b>	<b>541,103,233</b>



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**NOTE 4 : DEFERRED TAX ASSET / LIABILITY****Deferred tax liability**

Fixed assets: Impact of difference between depreciation /amortization charged for the financial reporting and tax depreciation

**Gross Deferred Tax Liability****Deferred tax Asset**

Impact of difference between depreciation /amortization charged for the financial reporting and tax depreciation

Impact of difference arising on account of impairment of intangible asset and tax depreciation,

Impact of Grauity and Leave Encashment disallow u/s 43 B

**Gross Deferred Tax Asset****Deferred Tax Asset****Deferred Tax Liability**

	31-Mar-15	31-Mar-14
	-	12,305,055
	-	12,305,055
	5,003,021	-
	1,167,805	1,529,268
	3,337,650	-
	9,508,476	1,529,268
	9,508,476	-
	-	10,775,787

**NOTE 5 : PROVISIONS**

	Long Term		Short Term	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
<b>Provision for Employee benefits</b>				
Provision for Gratuity (Funded Assets/ Non Funded Obligation)	-	-	5,934,908	1,721,254
Provision for Leave Benefits	4,549,483	3,606,828	1,954,344	2,045,153
Provision for other Employee Benefits	-	-	15,606,660	26,656,906
	4,549,483	3,606,828	23,495,912	30,423,313
<b>Other Provisions</b>				
Provision for outstanding expenses	-	-	13,007,053	9,447,194
Provision for Proposed Dividend	-	-	52,000,052	45,000,045
Provision for Dividend Distribution Tax	-	-	10,585,987	7,647,758
	-	-	75,593,092	62,094,997
	4,549,483	3,606,828	99,089,004	92,518,310

**NOTE 6 : TRADE PAYABLE AND OTHER CURRENT LIABILITIES****Trade payables** (refer note 31 for details of dues to micro and small enterprises )**Other Current Liabilities**

(a) Income received in advance (deferred revenue)

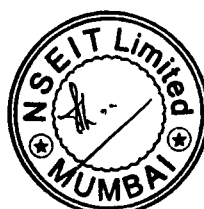
(b) Advance received from customers

(c) Other Payables

Balance in Escrow Accounts (refer note 32)

Government Dues (Sales Tax, Service Tax, TDS etc.)

	31-Mar-15	31-Mar-14
	29,020,396	35,736,523
	29,020,396	35,736,523
	4,337,882	5,730,001
	68,147,552	40,905,976
	18,986,187	739,335
	7,687,186	10,312,990
	99,158,807	57,688,302



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Note 7: Fixed Assets

Sl No.	Category	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		As on 1-Apr-14	Additions	Deductions	As on 31-Mar-15	As on 1-Apr-14	For the year	Deductions	Adjusted against Reserves	As on 31-Mar-15	As on 31-Mar-14	
<b>A</b>	<b>Tangible Assets</b>											
1	Computer Hardware & Server	117,462,178	13,107,994	5,461,913	125,108,259	79,024,522	16,693,387	5,461,845	18,519,920	108,775,984	16,332,275	38,437,656
2	Office Equipment	59,442,459	1,718,634	10,377	61,150,716	17,914,897	20,283,059	10,376	8,816,919	47,004,499	14,146,217	41,527,562
3	Furniture & Fixtures	34,544,261	4,590,206	224,960	38,909,507	15,931,186	5,035,637	102,917	39,978	20,903,884	18,005,623	18,613,075
4	Building - Civil Work	7,603,550	1,253,644		8,857,194	3,207,722	1,161,850		-	4,369,572	4,487,622	4,395,828
		<b>219,052,448</b>	<b>20,670,478</b>	<b>5,697,250</b>	<b>234,025,676</b>	<b>116,078,327</b>	<b>43,173,933</b>	<b>5,575,138</b>	<b>27,376,817</b>	<b>181,053,939</b>	<b>52,971,737</b>	<b>102,974,121</b>
<b>B</b>	<b>Intangible Assets</b>											
1	Computer Software	61,233,975	3,110,484		64,344,459	49,491,995	5,560,899	-		55,052,894	9,291,565	11,741,980
2	Software copyrights	25,906,099			25,906,099	25,906,098	-			25,906,098	1	1
		<b>87,140,074</b>	<b>3,110,484</b>	<b>-</b>	<b>90,250,558</b>	<b>75,398,093</b>	<b>5,560,899</b>	<b>-</b>	<b>-</b>	<b>80,958,992</b>	<b>9,291,566</b>	<b>11,741,981</b>
	<b>GRAND TOTAL</b>	<b>306,192,522</b>	<b>23,780,962</b>	<b>5,697,250</b>	<b>324,276,234</b>	<b>191,476,420</b>	<b>48,734,832</b>	<b>5,575,138</b>	<b>27,376,817</b>	<b>262,012,931</b>	<b>62,263,303</b>	<b>114,716,102</b>
	<b>PREVIOUS YEAR</b>	<b>286,578,924</b>	<b>19,847,578</b>	<b>233,980</b>	<b>306,192,522</b>	<b>164,220,730</b>	<b>27,409,812</b>	<b>154,122</b>	<b>-</b>	<b>191,476,420</b>	<b>114,716,102</b>	<b>122,358,194</b>

Note :

The carrying amount of Rs. 2,73,76,817/- has been recognized in the opening balance of retained earnings, where the remaining useful life of assets as on 1st April 2014 has expired, by following provision of Schedule II of the Companies Act 2013



2

**NOTE 8 : NON CURRENT INVESTMENTS****Trade Investments ( Valued at cost )**

Unquoted Equity Instruments

Investments in wholly owned subsidiaries

NSE.IT(US) Inc. [ 1000000 (1000000) Equity share of \$ 1 each fully paid]

**31-Mar-15****31-Mar-14**

53,368,702

53,368,702

**Non-trade Investments (Valued at cost )**

Quoted Mutual Funds (at cost)

[ Market Value as on 31-Mar-15 Rs.47448750/- ( Rs.43645246/-)]

22,792,359

22,792,359

**76,161,061****76,161,061****NOTE 9 : LOANS AND ADVANCES**

	Non-current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
a. <b>Security Deposits</b> (Unsecured, considered good)	44,595,075	49,225,980	-	-
b. <b>Loans and advances to related parties</b>				
<b>Unsecured, considered doubtful</b>	-	-	-	-
c. <b>Other loans and advances</b> (unsecured, considered good)				
Income Tax Refund (Net of Provision)	64,711,177	77,559,731	-	-
Sales Tax Refund	838,235	755,905	-	-
Advance for Expenses (Staff)	-	-	5,890,523	3,589,161
Advance to creditors	-	-	144,996	1,401,628
Salary Advance	-	-	110,156	-
Other Advances	-	-	426,009	426,009
	65,549,412	78,315,636	6,571,684	5,416,798
( a + b + c )	<b>110,144,487</b>	<b>127,541,616</b>	<b>6,571,684</b>	<b>5,416,798</b>

**NOTE 10 : OTHER ASSETS**

	Non-current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Interest Accrued but not due	-	-	2,004,599	3,270,381
Open Forward Contract	-	-	-	906,008
Service Tax Input Credit	-	-	517,907	731,142
Prepaid Expenses	197,979	471,187	9,484,461	8,659,767
Unbilled Revenue	-	-	77,918,395	18,874,661
	197,979	471,187	89,925,362	32,441,959

**NOTE 11 : INVENTORIES****Traded goods**

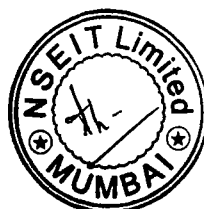
Stock of Digital Certificates

(Valued at lower of cost and net realizable value)

**31-Mar-15****31-Mar-14**

365,539

134,012

**365,539****134,012**

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**NOTE 12 : TRADE RECEIVABLES**

Trade receivables	Current	
	31-Mar-15	31-Mar-14
<b>Unsecured, Considered good</b>		
Outstanding for a period exceeding six months from the date they are due for payment	23,517,567	42,895,300
Other receivables	120,247,033	159,153,966
	<b>143,764,600</b>	<b>202,049,266</b>

**NOTE 13 : CASH AND BANK BALANCES**

Cash and Cash Equivalent	Current	
	31-Mar-15	31-Mar-14
Cash-In-hand	48,813	-
Balances with banks in current Accounts including auto FD	251,334,083	195,905,261
	<b>251,382,896</b>	<b>195,905,261</b>
<b>Other Bank Balances</b>		
Term Deposits having remaining maturity of 12 months or less	166,717,866	85,891,926
Escrow Account with State Bank of India (refer note 32)	18,159,652	699,895
	<b>436,260,414</b>	<b>282,497,082</b>

**NOTE 14 : REVENUE FROM OPERATIONS**

	31-Mar-15	31-Mar-14
Sale of Products		
Software Products	3,175,095	6,584,217
Traded Goods	7,072,894	3,900,008
	<b>(A) 10,247,989</b>	<b>10,484,225</b>
Sale of Services		
Software Product Revenues	13,839,331	10,878,891
Application Development & Maintenance Services	324,319,133	297,867,654
Infrastructure Management Services	316,489,927	314,240,098
E-Learning Solutions	505,747,463	565,528,177
Customer Care Services	29,482,315	27,003,348
	<b>(B) 1,189,878,169</b>	<b>1,215,518,168</b>
	<b>(A + B) 1,200,126,158</b>	<b>1,226,002,393</b>

**NOTE 15 : OTHER INCOME**

	31-Mar-15	31-Mar-14
<b>Interest income</b>		
Interest on Short Term Deposits & Auto Fixed Deposits with Bank	33,815,779	21,882,892
<b>Other non-operating income</b>		
Excess Provision Written Back	9,824,537	10,435,246
Gain from Foreign Exchange Fluctuations (Net)	173,487	7,167,830
Miscellaneous Income	3,502,333	3,487,121
	<b>47,316,136</b>	<b>42,973,089</b>



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**NOTE 16 : PURCHASES OF STOCK-IN-TRADE**

	31-Mar-15	31-Mar-14
Purchase of Digital Certificates	588,070	354,450
	<b>588,070</b>	<b>354,450</b>

**NOTE 17: CHANGES IN INVENTORIES OF STOCK-IN-TRADE**

	31-Mar-15	31-Mar-14
Opening Inventories of Digital Certificates	134,012	129,249
Closing Inventories of Digital Certificates	365,539	134,012
	<b>(231,527)</b>	<b>(4,763)</b>

**NOTE 18 : EMPLOYEE BENEFITS EXPENSES**

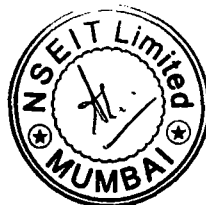
	31-Mar-15	31-Mar-14
Salaries & Allowances	410,009,873	408,769,164
Contribution to Provident Fund	12,110,618	12,064,197
Contribution to Group Gratuity Scheme	7,629,816	3,659,847
Contribution to Superannuation Scheme	1,325,097	1,255,500
Staff Welfare Expenses	3,271,041	3,709,593
	<b>434,346,445</b>	<b>429,458,301</b>

**NOTE 19 : OTHER EXPENSES**

	31-Mar-15	31-Mar-14
Power and fuel	25,622,067	27,397,541
Rent	118,445,917	125,720,009
Repairs to machinery	8,819,550	5,060,210
Insurance	6,308,700	6,685,845
Rates and taxes, excluding taxes on income	762,481	1,039,955
Travelling expenses	22,789,711	24,316,349
Project Related Purchases	8,530,802	12,151,485
Professional Fees	6,329,814	8,071,060
Conveyance	5,578,036	5,667,442
Telephone & Internet Expenses	19,933,311	24,048,033
Security Services Charges	11,667,948	15,709,413
Fees & Subscription	59,087,242	77,793,597
Technical & Sub Contract Charges	230,023,744	226,801,707
Auditors Remunerations		
--- Audit fees	337,080	337,080
--- Other Matter	33,708	61,798
Office Expenses	9,399,012	9,471,375
Miscellaneous expenses	27,304,273	23,301,495
	<b>560,973,396</b>	<b>593,634,394</b>

**NOTE 20 : Tax expense**

	31-Mar-15	31-Mar-14
(a) Current Tax	75,500,000	72,000,000
Short / Excess Provision for taxes (net)	(4,649,298)	4,542,754
	<b>70,850,702</b>	<b>76,542,754</b>
(b) Deferred tax	(20,284,263)	379,676
	<b>50,566,439</b>	<b>76,922,430</b>



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**NOTE 21 : Contingent Liabilities:**

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 31,990/- (Previous Year: 16,218,431/-).
- (ii) On account of bank guarantees: Rs. 4,847,000/- (Previous Year: Rs. 2,000,000/-).
- (iii) On account of corporate guarantee: Rs Nil (Previous Year: Rs. Nil )
- (iv) On account of disputed demand of income tax Rs 129,880/- (Previous Year: Rs.Nil )
- (v) On account of disputed demand of sales tax: Rs. Nil (Previous year Rs.Nil)

**NOTE 22 : Expenditure in foreign exchange:**

Particulars	For the year ended	
	31-Mar-15	31-Mar-14
Travelling	5,053,520	980,653
Direct Fees & Subscription	351,802	2,574,700
Subcontract/ Technical Fees	211,800,688	220,563,201
Software Licenses	31,226	-
<b>Total</b>	<b>217,237,236</b>	<b>224,118,554</b>

C.I.F. Value of imports in respect of Capital goods : Nil (Previous Year : Nil)

**NOTE 23 : Earnings in foreign exchange:**

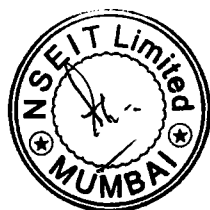
Particulars	For the year ended	
	31-Mar-15	31-Mar-14
Application Development and Maintenance Services	75,782,112	70,519,016
E-Learning	2,477,986	2,158,801
<b>Total</b>	<b>78,260,098</b>	<b>72,677,817</b>

**NOTE 24 : Details of exchange fluctuation:**

Particulars	For the year ended	
	31-Mar-15	31-Mar-14
(Loss) on Foreign Exchange transactions	(1,712,407)	(1,621,923)
Gain on Foreign Exchange Transactions	1,885,894	8,789,753
<b>Net Gain / (Loss)</b>	<b>173,487</b>	<b>7,167,830</b>

**NOTE 25 : Segment Reporting**

In the opinion of the management, the company has two reportable business segment viz. offering "End to End solutions" which includes revenues from sale and maintenance of software products, software consultancy services, custom software development, information technology infrastructure services provided predominantly to market participants in the securities and commodity markets and "E-learning Solutions" which includes sale and maintenance of e-learning software products, online education and examination services and other incidental services as its primary segments. This takes into consideration the commonality in the risks and rewards of the products/ solutions and related services offered nature of services, type / class of customers for the products / services, management structure and system of financial reporting. Accordingly, the results of the said segments have been disclosed hereunder. Further, the company has no reportable geographical segments and on that basis, no secondary segment information is furnished.



*[Handwritten mark]*

**Primary Business Segments**  
**Year ended March 31, 2015**

Particulars	End to End Solutions	E-learning Solutions	Total
Revenues	<b>694,361,915</b>	<b>505,764,243</b>	<b>1,200,126,158</b>
	<i>660,463,839</i>	<i>565,538,552</i>	<i>1,226,002,391</i>
Identifiable operating expenses	<b>533,961,250</b>	<b>381,675,152</b>	<b>915,636,402</b>
	<i>558,354,614</i>	<i>377,364,753</i>	<i>935,719,367</i>
Allocated expenses	<b>75,802,699</b>	<b>52,972,115</b>	<b>128,774,814</b>
	<i>63,444,937</i>	<i>51,687,888</i>	<i>115,132,825</i>
Segmental operating income / (loss)	<b>84,597,966</b>	<b>71,116,976</b>	<b>155,714,942</b>
	<i>38,664,288</i>	<i>136,485,911</i>	<i>175,150,199</i>
Other income			<b>47,316,136</b>
			<i>42,973,089</i>
Prior period adjustment			<b>148,091</b>
			<i>821,762</i>
Net profit before taxes			<b>202,882,987</b>
			<i>217,301,526</i>
Income taxes			<b>50,566,439</b>
			<i>76,922,430</i>
Net profit after taxes			<b>152,316,548</b>
			<i>140,379,096</i>

(Figures in *Italics* are for Previous Year)

Fixed assets used in the Company's business or liabilities contracted have not been indentified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. Accordingly no disclosure relating to total segment assets and liabilities are made.

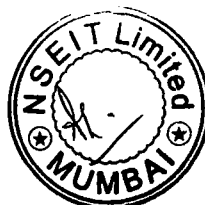
**NOTE 26 : Related Party Disclosure**

In compliance with Accounting Standard 18 "Related Party Disclosures", the required disclosures are given in the table below:

A) Names of the related parties and relationship:

SN	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	Ultimate Holding Company
2	NSE Strategic Investment Corporation Ltd	Holding Company
3	National Securities Clearing Corporation Limited	Holding Company's Fellow Subsidiary
4	DotEx International Limited	Fellow Subsidiary
5	NSE Infotech Services Limited	Fellow Subsidiary
6	National Securities Depository Limited	Ultimate Holding Company's Associate
7	NSDL e-Governance Infrastructure Limited	Holding Company's Associate Company
8	NSDL Database Management Ltd.	Ultimate Holding Co's Associate Co's Subsidiary
9	NSE.IT (US) Inc.	Subsidiary Company
10	India Index Services & Products Limited	Fellow Subsidiary
11	Power Exchange India Limited	Holding Company's Associate Company
12	Mr. Ramesh Padmanabhan – Managing Director & CEO (upto 31st March 2015)	Key Management Personnel

The entire shareholding of the company held by National Stock Exchange of India Ltd along with its nominees were transferred to NSE Strategic Investment Corporation Limited along with its nominees on 28th June 2013 with Board's approval vide circular resolution, thereby making NSE Strategic Investment Corporation Limited the immediate holding company and National Stock Exchange of India Ltd as the ultimate holding company.



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B) Details of transactions with related parties as follows:

Name of the related party	Nature of transactions	Year ended 31/03/2015	Year ended 31/03/2014
National Stock Exchange of India Limited	Infrastructure Management Services	270,566,054	261,832,181
	Application Development and Maintenance Services	75,101,231	70,804,229
	Software Product Revenues	27,443	23,410
	E- Learning	56,704,800	69,494,840
	Customer Care Services	4,950,179	Nil
	Bad-debts written off	285,586	Nil
	Applicable taxes recovered	56,701,282	56,364,862
	Reimbursement of expenses received	112,371	Nil
	CTCL empanelment fee paid	842,700	Nil
	Rent Paid		656,459
	Usage Charges paid – STP Central HUB & other	111,533	4,535,139
	Corporate Social Responsibility	111,810	Nil
	Reimbursement paid for other expenses	6,233,376	44,729
	Purchase of fixed assets	Nil	Nil
	Dividend paid	Nil	21,000,021
	Loan Taken during the Year	Nil	Nil
	Loan Repaid during the Year	Nil	Nil
	Interest on Loan paid during the Year	Nil	Nil
	Closing Balance - Dr./ (Cr.)	16,748,688	33,905,820
National Securities Clearing Corporation Limited	Application Development and Maintenance Services	4,626,324	4,675,662
	Software Product Revenue	5,100	Nil
	Customer Care Services	6,398,988	Nil
	Applicable taxes recovered	1,363,631	577,923
	Closing Balance - Dr./ (Cr.)	3,052,576	1,328,729
NSE Infotech Services Limited	Software Product Revenues	Nil	2,360
	E- Learning	115,860	Nil
	Reimbursement of expenses received	Nil	Nil
	Reimbursement paid for expenses incurred	Nil	Nil
	Applicable taxes recovered	14,321	410
Closing Balance - Dr./ (Cr.)	Nil	Nil	
DotEx International Limited	Reimbursement of Expenses received	Nil	Nil
	Reimbursement for Expenses recoverable	55,324	157,105
	Software Product Revenues	2,550	Nil
	Customer Care Services	13,698,328	20,912,266
	Infrastructure Management Services	3,839,448	5,091,176
	Applicable taxes recovered	2,188,027	3,231,357
Closing Balance - Dr./ (Cr.)	5,462,356	6,126,622	
Power Exchange India Limited	Application Development and Maintenance	5,363,855	7,116,754
	Software Product Revenues	Nil	2,360
	Reimbursement of expenses received	Nil	Nil
	Infrastructure Management Services	Nil	Nil
	Applicable taxes recovered	662,977	880,049
	Closing Balance - Dr./ (Cr.)	10,928,904	25,388,777
NSE Strategic Investment Corporation Ltd	Software Product Revenues	2,550	2,360
	Applicable taxes recovered	443	410
	Dividend paid	45,000,045	Nil
	Closing Balance - Dr./ (Cr.)	Nil	Nil
National Securities Depository Limited	Application Development and Maintenance	3,516,522	1,873,313
	E- Learning	Nil	Nil
	Infrastructure Management Services	129,926	931,658
	Applicable taxes recovered	450,719	346,710
	Closing Balance - Dr./ (Cr.)	2,616,711	563,063



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NSDL e-Governance Infrastructure Limited	Application Development and Maintenance	7,212,254	3,237,341
	E- Learning	Nil	Nil
	Infrastructure Management Services	Nil	Nil
	Applicable taxes recovered	891,450	400,149
	Closing Balance - Dr./ (Cr.)	2,361,567	537,118
NSDL Database Management Ltd.	Application Development and Maintenance	566,828	3,149,964
	E- Learning	Nil	Nil
	Infrastructure Management Services	867,330	2,868,320
	Applicable taxes recovered	177,273	743,880
	Closing Balance - Dr./ (Cr.)	117,627	1,297,027
NSE.IT (US) Inc.	Application Development and Maintenance	76,377,270	70,268,469
	E- Learning	899,482	222,983
	Reimbursement of expenses received	62,979	125,699
	Applicable taxes recovered	111,215	27,561
	Closing Balance - Dr./ (Cr.)	39,234,260	51,777,539
Key Management Personnel - Ramesh Padmanabhan – MD &CEO (upto 31st March 2015)	Gross remuneration including allowances, perquisites and contribution to Provident Fund and Superannuation Fund etc.	16,670,760	11,220,000

The income figures are excluding applicable taxes recovered.

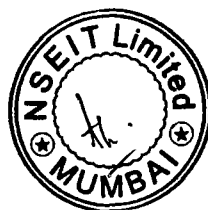
#### NOTE 27 : Future Lease Rent Obligations

Future Lease Rent obligations	For the Year ended	
	31-Mar-15	31-Mar-14
Office Premises not later than 1 year	94,091,956	116,022,493
later than 1 year not later than 5 years	154,363,319	284,493,563
later than 5 years	-	-
<b>Total</b>	<b>248,455,275</b>	<b>400,516,056</b>

#### NOTE 28: Earnings Per Share

In accordance with Accounting Standard – 20 “Earning per Share”, the required disclosure is given below :

Particulars	For the Year ended	
	31-Mar-15	31-Mar-14
Net Profit attributable to Shareholders	152,316,548	140,379,096
Weighted Average number of equity	10,000,010	10,000,010
Basic/diluted earnings per share of Rs. 10 each(Rs)	15.23	14.04



*[Handwritten signature]*

**NOTE 29 : Provision for Employees benefits**

Particulars	F.Y. 2014-15		F.Y. 2013-14	
	Performance Pay (Rs.)	Leave Encashment (Rs.)	Performance Pay (Rs.)	Leave Encashment (Rs.)
Carrying amount at the beginning of the year	24,900,000	5,651,981	31,930,620	5,871,367
Amounts used during the year	40,163,327	2,857,404	38,972,915	1,861,427
Amounts unused reversed during the year	24,809,565	-	5,975,911	-
Provisions made during the year	54,493,615	3,709,250	37,918,206	1,642,041
Carrying amount at the end of the year	14,420,723	6,503,827	24,900,000	5,651,981

In case of provision for performance pay, it is expected that these obligation will be met in the next financial year

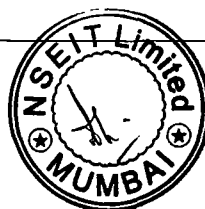
**NOTE 30 : Gratuity Expenses**

Effective April 1, 2007 the company adopted the Accounting Standard 15 "Employee Benefits". Company has charged the gratuity expenses to revenue based on gratuity liability estimated as per actuarial report furnished by independent actuarial valuer. The report which uses projected unit credit method shows the position as at March 31, 2015 as under.

Particulars	31-Mar-15	31-Mar-14
<b>Change in present value of benefit obligation</b>		
Obligation at period beginning	19,969,306	16,083,675
Service Cost	4,897,073	4,623,091
Interest Cost	1,859,142	1,286,694
Actuarial (gain)/loss	(934,012)	(959,404)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	3,503,412	
(Benefits paid)	(4,030,650)	(1,064,750)
<b>Obligation at period end</b>	<b>25,264,271</b>	<b>19,969,306</b>
<b>Change in plan assets</b>		
Plan assets at period beginning, at fair value	18,248,052	14,339,264
Expected return on plan assets	1,587,581	1,247,516
Actuarial gain / (Loss)	108,218	43,018
Contributions	3,416,162	3,683,004
(Benefits paid)	(4,030,650)	(1,064,750)
<b>Plan assets at period end, at fair value</b>	<b>19,329,363</b>	<b>18,248,052</b>

**Reconciliation of present value of the obligation and the fair value of the plan assets:**

Particulars	31-Mar-15	31-Mar-14
Fair value of the plan assets at the end of the period	19,329,363	18,248,052
Present Value of the defined obligations at the end of the period	25,264,271	19,969,306
Funded Status	(5,934,908)	(1,721,254)
Asset / (liability) recognised in Balance Sheet	<b>(5,934,908)</b>	<b>(1,721,254)</b>
<b>Assumptions</b>		
Interest Rate	7.99%	9.31%
<b>Gratuity Cost for the period</b>		
Service Cost	4,897,073	4,623,091
Interest Cost	1,859,142	1,286,694
Expected return on plan assets	(1,587,581)	(1,247,516)
Net Actuarial (gain) / loss recognised in the year	2,461,182	(1,002,422)
<b>Expenses recognised in statement of Profit &amp; loss</b>	<b>7,629,816</b>	<b>3,659,847</b>



*(Handwritten signature)*

**NOTE 31 :** The estimate of future salary increases, considered in actuarial valuation, take account of inflation, promotion and other relevant factors such as supply and demand factors in the employment market

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year

	31-Mar-15	31-Mar-14
-- Principal amount due to micro and small enterprises	-	-
-- Interest due on above	-	-
The amount of interest u/s 16 of the MSED Act 2006	-	-
-- Interest paid along with payments made beyond the appointed day	-	-
-- Interest due and payable for payments made beyond the appointed day	-	-
-- Interest accrued and unpaid at the end of each accounting year	-	-
-- Interest due and payable in the	-	-

**NOTE 32: Balance with Escrow Account**

The Company jointly with Unique Identification Authority of India (UIDAI) maintains a escrow bank account with State Bank of India (SBI) for the purpose of collection of fees from candidates appearing for the UIDAI certification exams.

The operating control of the said bank account rests solely with UIDAI and amounts due to the Company are paid out by SBI (under instruction from UIDAI) on periodic basis to the Company on fulfillment of certain conditions by the Company.

The balance in the escrow bank account as of the Balance Sheet date is shown under Other Bank balances under Current Assets. Since the amounts lying in escrow bank account are not at disposal of the company the same is also shown as liability under Other Current Liabilities.

**NOTE 33: Corporate Social Responsibility (CSR) expenditure**

As per the provisions of Companies Act 2013, Company is supposed to spend Rs 3,699,681/- on CSR activities for the year ended 31<sup>st</sup> March 2015. During the current year the Company's Ultimate holding company, National Stock Exchange of India Limited on behalf of the Company has spent Rs.111,810/- on activities as stated in the Group CSR policy which has been adopted by the Company as Company's CSR policy . The resultant short fall in CSR expenditure for the year ended 31<sup>st</sup> March 2015 is Rs.3,587,871/-.

**NOTE 34: Regrouping**

The previous year figures are regrouped, reclassified and rearranged, wherever necessary

As per our report of even date attached

**For Gokhale & Sathe.**

Chartered Accountants  
(Reg No : 103264W)

**KEDAR MEHENDALE**  
Partner  
Membership No.116065



**For and on behalf of Board of Directors**



**CHITRA RAMKRISHNA**  
Chairperson

**C. N. RAM**  
Director

**KANKESH KAMATH**  
Chief Financial Officer

**N. MURALIDARAN**  
Managing Director & CEO

**J. RAVICHANDRAN**  
Director

**CHIRAG SHAH**  
Company Secretary

Place : Mumbai  
Date : 15th April 2015

NSE.IT LIMITED

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

Figures in INR

SN	Particulars	Name of the Subsidiary
		NSE.IT (US) Inc.
1	Financial Period ended	31-Mar-15
2	Holding Company's interest	100%
3	Shares held by the Holding Company in the Subsidiary	1000000 Equity Shares
4	Aggregate of profits or losses of the subsidiary for the current period so far as it concerns the Members of the holding company	
(a)	dealt with or provided for in the accounts of the holding company	NIL
(b)	not dealt with or provided for in the accounts of the holding company	3,613,508
5	The net aggregate of profits or losses of previous financial years of the subsidiary so far it concerns the members of the holding Company	
(a)	dealt with or provided for in the accounts of the holding company	NIL
(b)	not dealt with or provided for in the accounts of the holding company	(63,849,561)
	Issued, Subscribed & Paid-up Share Capital	62,590,000
	Reserves	(60,236,053)
	Loans	-
	Total Assets	48,938,683
	Total Liabilities	48,938,683
	Investments	-
	Turnover	106,189,443
	Profit	3,613,508

Note : Figures are valued at Exchange rates prevailing as on 31st Mar 2015.

For and on behalf of the Board of Directors



CHITRA RAMKRISHNA

Chairman

C. N. RAM

Director

KANKESH KAMATH

Chief Financial Officer

N. MURALIDARAN

Managing Director & CEO

J. RAVICHANDRAN

Director

CHIRAG SHAH

Company Secretary

Place : Mumbai

Date : 15th April 2015