

NSE FOUNDATION

BALANCE SHEET AS AT MARCH 31, 2019

₹ in Lakhs

	NOTES	As at 31.03.2019	As at 31.03.2018
I. ASSETS			
Non Current assets			
Financial assets			
-Other Financial assets			
Non current bank balances	2	199.00	-
Income tax assets (net)	10	1.99	0.12
Total Non Current Assets		200.99	0.12
Current assets			
Financial assets			
-Investments	4	8,093.33	-
-Cash and Cash equivalents	5	13.45	19.20
-Bank balances other than cash and cash equivalents	6	251.00	8,239.00
-Other Financial Assets	3	0.28	1.04
Total Current Assets		8,358.06	8,259.24
TOTAL ASSETS		8,559.05	8,259.36
II. EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	7	5.00	5.00
Other Equity	8	8,502.55	8,245.51
TOTAL EQUITY		8,507.55	8,250.51
LIABILITIES			
Current liabilities			
Financial Liabilities			
-Other financial liabilities	9	44.83	8.09
Other Current Liabilities	11	6.67	0.76
Total Current Liabilities		51.50	8.85
TOTAL LIABILITIES		51.50	8.85
TOTAL EQUITY AND LIABILITIES		8,559.05	8,259.36

Summary of significant accounting policies

1

The above balance sheet should be read in conjunction with the accompanying notes

As per our report of even date attached

For Gokhale & Sathe

Chartered Accountants

Firm's Registration no: 103264W

For and on behalf of the Board of Directors

Prakash Parthasarathy

Chairman

[DIN: 02011709]

Vikram Limaye

Director

[DIN: 00488534]

Atul Kale

Partner

Membership No.: 109947

Place : Mumbai

Date : May 2, 2019

J Ravichandran

Director

[DIN: 00073736]

Rema Mohan

Chief Executive Officer

NSE FOUNDATION

STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

Particulars	NOTES	For the year ended 31.03.2019	For the year ended 31.03.2018
Income			
Revenue	12	3,539.75	8,255.71
Other income	13	548.30	1.15
Total Income		4,088.05	8,256.86
Expenses			
Grants	14	3,683.44	2.50
Deputed Personnel Cost	20	81.72	-
Other expenses	15	65.85	7.58
Total Expenses		3,831.01	10.08
Excess of Income over Expenditure for the year		257.04	8,246.78

Summary of significant accounting policies

1

The above statement of income and expenditure should be read in conjunction with the accompanying notes

For Gokhale & Sathe

Chartered Accountants

Firm's Registration no: 103264W

For and on behalf of the Board of Directors

Prakash Parthasarathy

Chairman

[DIN: 02011709]

Vikram Limaye

Director

[DIN: 00488534]

Atul Kale

Partner

Membership No.: 109947

J Ravichandran

Director

[DIN: 00073736]

Rema Mohan

Chief Executive Officer

Place : Mumbai

Date : May 2, 2019

NSE FOUNDATION
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(A) Equity Share Capital

₹ in Lakhs

Equity Share Capital	Amount
Balance as at April 1, 2017	-
Changes in equity share capital during the year	5.00
Balance as at March 31, 2018	5.00
Balance as at April 1, 2018	5.00
Changes in equity share capital during the year	-
Balance as at March 31, 2019	5.00

(B) Other Equity

₹ in Lakhs

Retained Earnings	Amount
Balance as at April 1, 2017	-
Excess of Income over Expenditure	8,246.78
Less: Preliminary Expenses W/off	(1.27)
Balance as at March 31, 2018	8,245.51

Retained Earnings	Amount
Balance as at April 1, 2018	8,245.51
Excess of Income over Expenditure	257.04
Balance as at March 31, 2019*	8,502.55

*Note : The amount of Retained Earnings of ₹ 8,502.55 lakhs for the year ended March 31, 2019 includes an amount of ₹2,370.81 lakhs pertaining to FY 2018-19 which has been accumulated under Explanation 1(2) u/s 11(1) of the Income Tax Act, 1961 (the Act) for the period of 1 year i.e. FY 2019-20 and the balance amount of ₹3,945.40 lakhs (net of utilisation during the year of Rs.62.91 lakh) represents the balance unutilised portion of the amount accumulated u/s 11(2) of the Act to be utilised in next 4 years i.e. from FY 2019-20 to 2022-23.

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 Gokhale & Sathe

Chartered Accountants
 Firm's Registration no: 103264W

For and on behalf of the Board of Directors

Prakash Parthasarathy
 Chairman
 [DIN: 02011709]

Vikram Limaye
 Director
 [DIN: 00488534]

Atul Kale

Partner
 Membership No.: 109947

J Ravichandran
 Director
 [DIN: 00073736]

Rema Mohan
 Chief Executive Officer

Place : Mumbai
 Date : May 2, 2019

NSE FOUNDATION
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	₹ in Lakhs For the year ended March 31, 2019	₹ in Lakhs For the year ended March 31, 2018
A) CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of Income over Expenditure for the year	257.04	8,246.78
Less : Adjustments for :		
Preliminary Expenses	-	(1.27)
Interest income	(19.74)	(1.15)
Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	(133.36)	-
Net gain/(loss) on financial assets mandatorily measured at Fair Value through Profit or Loss	(395.20)	-
Working Capital Changes		
Increase/(Decrease) in other financial liabilities	36.74	8.09
Increase/(Decrease) in other current liabilities	5.91	0.76
(Increase)/Decrease in other financial assets	0.76	(1.04)
CASH GENERATED FROM OPERATIONS	(247.85)	8,252.17
Income Tax Paid	(1.87)	(0.12)
NET CASH INFLOWS / (OUTFLOWS) FROM OPERATING ACTIVITIES - TOTAL (A)	(249.72)	8,252.05
B) CASHFLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of Investments	(12,165.00)	-
Proceeds from sale of Investments	4,600.23	-
Payment for purchase of Fixed Deposits	(450.00)	(8,239.00)
Proceeds from fixed deposits / Bank balances other than cash & cash equivalents(Net)	8,239.00	-
Interest Received	19.74	1.15
NET CASH INFLOWS / (OUTFLOWS) FROM INVESTING ACTIVITIES - TOTAL (B)	243.97	(8,237.85)
C) CASHFLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Shares	-	5.00
NET CASH INFLOWS FROM FINANCING ACTIVITIES - TOTAL (C)	-	5.00
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(5.75)	19.20
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	19.20	-
CLOSING CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	13.45	19.20
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(5.75)	19.20
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	13.45	19.20
Balances per statement of cash flows	13.45	19.20

The above Cash Flows 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 Gokhale & Sathe
Chartered Accountants
Firm's Registration no: 103264W

For and on behalf of the Board of Directors

Prakash Parthasarathy
Chairman
[DIN: 02011709]

Vikram Limaye
Director
[DIN: 00488534]

Atul Kale
Partner
Membership No.: 109947

J Ravichandran
Director
[DIN: 00073736]

Rema Mohan
Chief Executive Officer

Place : Mumbai
Date : May 2, 2019

NSE FOUNDATION

Notes to financial statements for the period ended March 31, 2019

Background and Significant Accounting Policies

Background

NSE Foundation (the Company) was incorporated on March 5, 2018 as a Company registered under Section 8 of the Companies Act, 2013. The Company is engaged in promoting and funding projects and / or programs, relating to Corporate Social Responsibility (CSR) as required by Section 135 read with Schedule VII to the Companies Act, 2013 such as eradication of hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water; to promote education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects, to promote gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

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).

(i) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

“ certain financial assets and liabilities that is measured at fair value

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:

NSE FOUNDATION

Notes to financial statements for the period ended March 31, 2019

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) 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.

(c) Revenue recognition

Donations are recognised as income in the Statement of Income and Expenditure in the year in which the collections are actually received. Interest income is recognised using the effective interest method.

(d) Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their primary nature.

The costs of the Company are broadly categorised in grants, Deputed personnel cost and other expenses. Other expenses majorly include legal and professional fees, travel expenses, Space & infrastructure usage charges, Director sitting fees, Audit fees, Electricity & Water charges and other expenses. Other expenses is an aggregation of costs which are individually not material such as fees & subscription, bank charges etc.

(e) Income taxes

The Company is registered under section 12AA of the Income Tax Act, 1961 which entitles it to claim an exemption from Income tax, provided certain conditions laid down in the Income Tax Act, 1961 are complied with. Provision for income tax would be made only in the year in which the Company is unable to establish reasonable certainty of its ability to fulfill these conditions. The Company has also obtained a certificate under section 80G of the Income Tax Act, 1961.

(f) 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.

(g) Investments and other financial assets

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through income and expenditure) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Financial assets at fair value through profit and loss

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income. On initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in the statement of Income and Expenditure.

Financial liabilities

Financial liabilities are measured at amortised cost using effective interest method.

(h) 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.

(i) Property, plant and equipment (including CWIP)

Freehold land is carried at historical cost of acquisition. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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:

NSE FOUNDATION**Notes to financial statements for the period 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
Computer software	4 years
Telecommunication systems	4 years
Trading systems	4 years

The property, plant and equipment including land acquired under finance leases is depreciated over the asset's useful life or the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

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 Rs. 5,000 or less are depreciated fully in the year of acquisition.

(j) 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

NSE FOUNDATION

Notes to financial statements for the period ended March 31, 2019

are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(k) 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.

(l) 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.

(m) 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.

(o) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(p) 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.

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.

(q) 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.

~ Full retrospective . Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

~ Modified retrospective . Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

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, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach . Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 . Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The Company is currently evaluating the effect of this amendment on the 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 in connection with accounting for dividend distribution taxes.

NSE FOUNDATION

Notes to financial statements for the period ended March 31, 2019

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 impact from this pronouncement. 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.

(iv) Amendment to Ind AS 19: plan amendment, curtailment or settlement :

On March 30, 2019, Ministry of corporate Affairs issued amendments to Ind AS 19, ~~Employee benefits~~ in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity :

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Other Amendments - Amendments to Ind AS 23 Borrowing costs, Amendment to Ind AS 28 , Long term interest in Associates and Joint ventures, Ind AS 103 Business combinations, Ind AS 111, Joint arrangement and Ind AS 109 . Prepayment Features with Negative Compensation are not applicable to the Company.

NSE FOUNDATION
Notes to financial statements for the year ended March 31, 2019

		₹ in Lakhs	₹ in Lakhs
		<u>As at 31.03.2019</u>	<u>As at 31.03.2018</u>
2	<u>Other Financial Assets (Non current)</u>		
	Non Current Bank Balances	199.00	-
		-	-
		<u>199.00</u>	<u>-</u>
		₹ in Lakhs	₹ in Lakhs
		<u>As at 31.03.2019</u>	<u>As at 31.03.2018</u>
3	<u>Other Financial Assets (Current)</u>		
	Accrued Interest on Fixed Deposits	0.18	1.04
	Security Deposit - NSDL - Eq Sh On Shcil	0.10	-
		<u>0.28</u>	<u>1.04</u>

NSE Foundation

Notes to Financial Statements for the year ended March 31, 2019

Note : 4 Current Investments

₹ in Lakhs

Particulars	As at 31.03.2019			As at 31.03.2018		
	No of Units	Cost	Market Value	No of Units	Cost	Market Value
UNQUOTED INVESTMENTS IN MUTUAL FUNDS AT FVPL						
Invesco India Treasury Advantage Fund - Direct –Growth	28,878.58	708.17	762.70	-	-	-
Axis Treasury Advantage Fund-Growth-Direct Plan	93,283.29	1,854.65	2,001.60	-	-	-
Axis Liquid Fund - Direct – Growth	2,504.27	50.00	51.93	-	-	-
Reliance Low Duration Fund – Direct – Growth	49,074.90	1,200.00	1,295.77	-	-	-
Reliance Money Manager Fund – Direct - Growth	42,303.79	1,200.31	1,201.14	-	-	-
Sundaram Low Duration Fund - Direct - Growth	52,34,190.01	1,285.00	1,377.29	-	-	-
L&T Ultra Short Term Fund – Direct – Growth	45,05,258.28	1,400.00	1,402.91	-	-	-
Total		7,698.13	8,093.33		-	-

NSE FOUNDATION
Notes to financial statements for the year ended March 31, 2019

5	Cash and cash equivalents Balances with banks : in current account	₹ in Lakhs <u>As at 31.03.2019</u> 13.45	₹ in Lakhs <u>As at 31.03.2018</u> 19.20												
	Total	<u>13.45</u>	<u>19.20</u>												
6	Bank balances other than cash and cash equivalents	₹ in Lakhs <u>As at 31.03.2019</u>	₹ in Lakhs <u>As at 31.03.2018</u>												
	Fixed Deposits - with original maturity of less than 12 months	251.00	8,239.00												
	Total	<u>251.00</u>	<u>8,239.00</u>												
7	Equity share capital	₹ in Lakhs <u>As at 31.03.2019</u>	₹ in Lakhs <u>As at 31.03.2018</u>												
	Authorised 50,000 Equity Shares of ₹ 10 each. (Previous year : 50,000 Equity Shares of ₹ 10 each)	5.00	5.00												
	Total	<u>5.00</u>	<u>5.00</u>												
	Issued, Subscribed and Paid-up 50,000 Equity Shares of ₹ 10 each. (Previous year : 50,000 Equity Shares of ₹ 10 each)	5.00	5.00												
	Total	<u>5.00</u>	<u>5.00</u>												
	Terms and rights attached to equity shares The Company has only one class of equity shares having a par value of ₹ 10 per share. The Shareholders of the Company do not have any right to dividend. As per clause 10 of Memorandum of Association (MoA) of the Company, in the event of winding up or dissolution of the Company, the holder of equity shares will not be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The amount remaining, if any, shall be given or transferred to such other Company having similar objects, subject to such conditions as the Tribunal may impose, or may be sold and proceeds thereof credited to Rehabilitation and Insolvency Fund formed under section 269 of the Companies Act, 2013.														
	Details of Shareholders holding more than 5% share in the Company	31.03.2019	31.03.2018												
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of the Company</th> <th style="text-align: center;">No of Shares</th> <th style="text-align: center;">% of holding</th> <th style="text-align: center;">% of holding</th> </tr> </thead> <tbody> <tr> <td>National Stock Exchange of India Ltd</td> <td style="text-align: center;">38,000</td> <td style="text-align: center;">76%</td> <td style="text-align: center;">76%</td> </tr> <tr> <td>NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)</td> <td style="text-align: center;">6,000</td> <td style="text-align: center;">12%</td> <td style="text-align: center;">12%</td> </tr> </tbody> </table>	Name of the Company	No of Shares	% of holding	% of holding	National Stock Exchange of India Ltd	38,000	76%	76%	NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	6,000	12%	12%		
Name of the Company	No of Shares	% of holding	% of holding												
National Stock Exchange of India Ltd	38,000	76%	76%												
NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	6,000	12%	12%												
8	Other Equity Opening Balance Excess of income over expenditure Less: Preliminary Expenses Closing Balance	₹ in Lakhs <u>As at 31.03.2019</u> 8,245.51 257.04 - <u>8,502.55</u>	₹ in Lakhs <u>As at 31.03.2018</u> - 8,246.78 (1.27) <u>8,245.51</u>												
9	Other financial liabilities <u>To Related Party</u> National Stock Exchange of India Limited <u>To Others</u> Total	₹ in Lakhs <u>As at 31.03.2019</u> 38.12 6.71 <u>44.83</u>	₹ in Lakhs <u>As at 31.03.2018</u> 1.16 6.93 <u>8.09</u>												
10	Income tax assets (Net) Income tax paid including TDS	₹ in Lakhs <u>As at 31.03.2019</u> 1.99 <u>1.99</u>	₹ in Lakhs <u>As at 31.03.2018</u> 0.12 <u>0.12</u>												
11	Other current liabilities Statutory dues payable	₹ in Lakhs <u>As at 31.03.2019</u> 6.67 <u>6.67</u>	₹ in Lakhs <u>As at 31.03.2018</u> 0.76 <u>0.76</u>												
12	Revenue Donations / Contributions	₹ in Lakhs <u>For the year ended 31.03.2019</u> 3,539.75 <u>3,539.75</u>	₹ in Lakhs <u>For the year ended 31.03.2018</u> 8,255.71 <u>8,255.71</u>												

NSE FOUNDATION
Notes to financial statements for the year ended March 31, 2019

	₹ in Lakhs	₹ in Lakhs
13 Other Income	For the year ended	For the year ended
	31.03.2019	31.03.2018
Interest on Fixed Deposits	19.74	1.15
Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	133.36	-
Net gain/(loss) on financial assets mandatorily measured at Fair Value through Profit or Loss	395.20	-
	548.30	1.15
14 Grants	For the year ended	For the year ended
	31.03.2019	31.03.2018
Primary Education	1,507.26	2.50
Sanitation and Safe Drinking Water	1,315.27	-
Elder Care	359.56	-
Disaster Relief and Rehabilitation	323.06	-
Professional Fees	115.38	-
Project expense	62.91	-
Total	3,683.44	2.50
15 Other Expenses	For the year ended	For the year ended
	31.03.2019	31.03.2018
Professional Fees- Other Expenses	17.09	6.49
Project Expense	4.02	-
Director Sitting Fees	2.00	0.50
Audit Fees	1.33	0.59
Space & Infrastructure Usage Charges	28.23	-
Electricity & Water Charges	5.98	-
Travelling & Conveyance	3.73	-
Other Expenses	3.47	0.00
Total	65.85	7.58
Note :		
Payment to auditors		
As auditors :		
Audit fees	1.00	0.59
In other capacities		
Other services	0.33	-
Total	1.33	0.59

- 16 **Segment Reporting**
The Company is engaged in promoting and funding projects and / or programs, relating to Corporate Social Responsibility (CSR) in India, which in the context of Ind AS 108 Operating Segments is considered as the only reportable segment. The Company does not have any geographical segments.
- 17 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	Name of Related Parties	Nature of Relationships	Percentage of Holdings
1	National Stock of Exchange India Limited	Holding Company (w.e.f 05.03.18)	76%
2	NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	Promoter Company & Fellow Subsidiary (w.e.f 05.03.18)	12%
3	NSE Data & Analytics Limited (formerly known as DotEx International Limited)	Promoter Company & Fellow Subsidiary's Subsidiary (w.e.f 05.03.18)	2%
4	NSE Indices Limited (formerly known as India Index Services & Products Limited)	Promoter Company & Fellow Subsidiary's Subsidiary (w.e.f 05.03.18)	2%
5	NSEIT Limited	Promoter Company & Fellow Subsidiary's Subsidiary (w.e.f 05.03.18)	2%
6	NSE Investments Limited (formerly known as NSE Strategic Investment Corporation Limited)	Promoter Company & Fellow Subsidiary (w.e.f 05.03.18)	4%
7	NSE Infotech Services Limited	Promoter Company & Fellow Subsidiary's Subsidiary (upto 02.08.2018)	-
8	NSE Academy Limited	Promoter Company & Fellow Subsidiary's Subsidiary (w.e.f 05.03.18)	2%
9	NSE IFSC Limited	Fellow Subsidiary	NA
10	NSE IFSC Clearing Corporation Limited	Promoter Company's & Fellow Subsidiary's Subsidiary	NA
11	NSE.IT (US) Inc.	Promoter Company's & Fellow Subsidiary's Subsidiary's Subsidiary	NA

NSE FOUNDATION**Notes to financial statements for the year ended March 31, 2019**

12	Aujas Networks Private Limited	Promoter Company's & Fellow Subsidiary's Subsidiary's Subsidiary (w.e.f. 22.03.2019)	NA
13	National Securities Depository Limited (New)	Holding Company's Associate	NA
14	BFSI Sector Skill Council of India	Holding Company's Associate	NA
15	Power Exchange India Limited	Promoter Company's & Fellow Subsidiary's Associate Company	NA
16	NSDL e-Governance Infrastructure Limited	Promoter Company's & Fellow Subsidiary's Associate Company	NA
17	Market Simplified India Limited	Promoter Company's & Fellow Subsidiary's Associate Company	NA

NSE FOUNDATION
Notes to financial statements for the year ended March 31, 2019

18	Computer Age Management Services Private Limited	Promoter Company's & Fellow Subsidiary's Associate Company	NA
19	Receivables Exchange of India Limited	Promoter Company's & Fellow subsidiary's Associate Company	NA
20	Mr. Prakash Parthasarathy	Key Management Personnel	NA
21	Mr. Vikram Limaye	Key Management Personnel	NA
22	Mr. J. Ravichandran	Key Management Personnel	NA

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

Name of Related Parties	Nature of Transactions	₹ in Lakhs	
		As at 31.03.2019	As at 31.03.2018
National Stock of Exchange India Limited	Subscription towards Equity Share Capital	-	3.80
	Donation Received	2,690.14	5,448.87
	Deputed Personnel Cost	81.72	-
	Space & Infrastructure Usage Charges	28.23	-
	Reimbursement of Other Expenses	20.15	-
	Reimbursement of Preliminary Expenses	-	1.16
	Closing balance (Credit) / Debit	(38.12)	(1.16)
NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	Subscription towards Equity Share Capital	-	0.60
	Donation Received	441.00	1,871.34
NSE Data & Analytics Limited (formerly known as DotEx International Limited)	Subscription towards Equity Share Capital	-	0.10
	Donation Received	89.14	244.17
NSE Indices Limited (formerly known as India Index Services & Products Limited)	Subscription towards Equity Share Capital	-	0.10
	Donation Received	149.87	332.40
NSEIT Limited	Subscription towards Equity Share Capital	-	0.10
	Donation Received	60.32	154.48
NSE Investments Limited (formerly known as NSE Strategic Investment Corporation Limited)	Subscription towards Equity Share Capital	-	0.10
	Donation Received	109.29	204.46
NSE Infotech Services Limited (upto 02.08.2018)	Subscription towards Equity Share Capital	-	0.10
NSE Academy Limited	Subscription towards Equity Share Capital	-	0.10
Mr. Prakash Parthasarathy	Director Sitting Fees	2.00	0.50

18	Capital and other commitments	₹ in Lakhs	
		For the year ended 31.03.2019	For the year ended 31.03.2018
	Other Commitments (Primarily in respect of CSR Projects)	9,501.93	8,204.08
	Total	9,501.93	8,204.08

19 Dues to Micro and Small Enterprises

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. The Company has not received any memorandum (as required to be filed by the suppliers with notified authority under Micro, Small and Medium Enterprises Development Act, 2006) from vendor claiming the status as micro or small enterprises, hence no disclosures have been made.

20 Payments to and provision for employees represents the amount reimbursed by the company to The National Stock Exchange of India Limited (NSEIL) in respect of employees made available to the company. Accordingly, necessary provisions as required for all retirement benefits and other long term employee benefits as per the requirements of Indian Accounting Standard 19 on "Employee Benefits" notified under rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standard) Rules, 2016 are carried out by NSEIL.

21 Deputation expenses in respect of the employees, space and infrastructure charges and other reimbursement of expenses are paid to the Holding Company National Stock Exchange of India Limited.

NSE FOUNDATION**Notes to financial statements for the year ended March 31, 2019****Note : 22****(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 level prescribed under the accounting standard. An explanation of each level follows underneath the table.

₹ in Lakhs

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At March 31, 2019	Notes	Level 1	Level 2	Level 3	Total March 31, 2019
Financial Assets					
Financial Investments at FVPL					
Mutual Fund - Growth Plan	4	8,093.33	-	-	8,093.33
Total Financial Assets		8,093.33	-	-	8,093.33

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At March 31, 2018	Notes	Level 1	Level 2	Level 3	Total March 31, 2018
Financial Assets					
Financial Investments at FVPL					
Mutual Fund - Growth Plan	4	-	-	-	-
Total Financial Assets		-	-	-	-

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows

- Level 1:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded 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.

NSE FOUNDATION

Notes to financial statements for the year ended March 31, 2019

Note 23 - Fair Value Measurements

Financial Instruments by category

	31-Mar-19			31-Mar-18		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
Mutual Funds	8,093.33	-	-	-	-	-
Cash and Cash equivalents			13.45			19.20
Bank balances other than cash and cash equivalents (including non current balances)			450.00			8,239.00
Security deposits			0.10			-
Other receivables			40.10			37.87
Total financial assets	8,093.33	-	503.65	-	-	8,296.08
Financial liabilities						
Other financial liabilities	-	-	44.83	-	-	8.09
Total financial liabilities	-	-	44.83	-	-	8.09

NSE FOUNDATION**Notes to financial statements for the year ended March 31, 2019***(All amounts in Rs. Lakhs, unless otherwise stated)***Note 24 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'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.

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 flow 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 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 Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31, 2019				
Other financial liabilities	44.83	44.83	-	44.83
As at March 31, 2018				
Other financial liabilities	8.09	8.09	-	8.09

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		
The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments.	In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.	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.
At 31st March 2019, the exposure to price risk due to investment in mutual funds amounted to Rs. 8,093.33 lakhs (March 31, 2018 : Rs. NIL).	The Treasury department maintains a list of approved financial instruments. The use of any new investment must be approved by the Chief Financial Officer.	For mutual funds, a 0.25% increase in prices would have led to approximately an additional Rs. 20.23 lakhs gain in the Statement of Profit and Loss (2017-18: Rs. NIL gain). A 0.25% decrease in prices would have led to an equal but opposite effect.

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.

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks and investments in marketable debt investments including mutual 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 2, 3, 4, 5, and 6.

NSE FOUNDATION

Notes to financial statements for the year ended March 31, 2019

- 25 As at March 31, 2019 the company does not have any pending litigations which would have impact its financial position.
- 26 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.

For Gokhale & Sathe
Chartered Accountants
Firm's Registration no: 103264W

For and on behalf of the Board of Directors

Prakash Parthasarathy
Chairman
[DIN: 02011709]

Vikram Limaye
Director
[DIN: 00488534]

Atul Kale
Partner
Membership No.: 109947

Place : Mumbai
Date : May 2, 2019

J Ravichandran
Director
[DIN: 00073736]

Rema Mohan
Chief Executive Officer