



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NSE FOUNDATION**

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **NSE FOUNDATION** (“the Company”), which comprise the Balance Sheet as at **31st March 2020**, the Statement of Income and Expenditure, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its excess Expenditure over Income and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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

The Company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Board's Report including Annexures to Board's Report, Corporate Governance and such other disclosures related Information, excluding the standalone financial statements and auditor's report thereon ('Other Information'). The other information is expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'.

Management's Responsibility for the Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Given the level of uncertainty and speed of increasing impact of COVID 19, we have considered the current position at the point of sign off as a part of subsequent events right up to the point of signing off the audit report

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



Auditor's responsibilities for the audit of Standalone Financial Statements

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

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

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

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

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



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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the company so far it appears from our examination of those books.
- c) The Balance sheet, Statement of Income and Expenditure and the Statement of Cash Flow dealt with by this report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS 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, 2020, taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



h) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. –Refer Note 29 to the Standalone Ind AS Financial Statements.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. This report does not include a statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the companies Act, 2013, since the Order is not applicable to the Company, being a company licensed to operate under Section 8 of the Companies Act 2013, as specified in paragraph 1(2)(iii) of the said order.

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

Atul A Kale
Partner
Membership No.109947

Place: Mumbai
Date: 23rd June 2020.
UDIN: 20109947AAAACN8701



ANNEXURE A

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

We have audited the Internal financial controls over financial reporting of **NSE FOUNDATION** (“the Company”) as of 31st March, 2020 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgments, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Gokhale & Sathe

Chartered Accountants

Firm Reg. No.: 103264W

Atul A Kale

Partner

Membership No.109947

Place: Mumbai

Date:23rd June 2020.

UDIN: 20109947AAAACN8701

NSE FOUNDATION

BALANCE SHEET AS AT MARCH 31, 2020

₹ in Lakhs

As at 31.03.2019

	NOTES	As at 31.03.2020	As at 31.03.2019
I. ASSETS			
Non Current assets			
Financial assets			
-Other Financial assets			
Non current bank balances	2	199.00	199.00
Income tax assets (net)	12	12.60	1.99
Other non-current asset	5	0.14	
Total Non Current Assets		211.74	200.99
Current assets			
Financial assets			
-Investments	4	5,982.86	8,093.33
-Cash and Cash equivalents	7	479.34	13.45
-Bank balances other than cash and cash equivalents	8	1,269.33	251.00
-Other Financial Assets	3	77.26	0.28
Other current assets	6	0.02	
Total Current Assets		7,808.81	8,358.06
TOTAL ASSETS		8,020.55	8,559.05
II. EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	9	5.00	5.00
Other Equity	10	7,960.77	8,502.55
TOTAL EQUITY		7,965.77	8,507.55
LIABILITIES			
Current liabilities			
Financial Liabilities			
-Other financial liabilities	11	35.02	44.83
Other Current Liabilities	13	19.76	6.67
Total Current Liabilities		54.78	51.50
TOTAL LIABILITIES		54.78	51.50
TOTAL EQUITY AND LIABILITIES		8,020.55	8,559.05

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]

Jayant Kumar Banthia

Director

[DIN: 05299550]

Atul Kale

Partner

Membership No.: 109947

Place : Mumbai

Date : June 23, 2020

J Ravichandran

Director

[DIN: 00073736]

Yatrik Vin

Director

[DIN: 07662795]

Rema Mohan

Chief Executive Officer

NSE FOUNDATION

STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2020

Particulars	NOTES	For the year ended 31.03.2020	₹ in Lakhs For the year ended 31.03.2019
Income			
Revenue	14	4,115.60	3,539.75
Other income	15	499.33	548.30
Total Income		4,614.93	4,088.05
Expenses			
Grants	16	4,975.90	3,683.44
Deputed Personnel Cost	23	95.74	81.72
Other expenses	17	85.07	65.85
Total Expenses		5,156.71	3,831.01
Excess of Income over Expenditure for the year		(541.78)	257.04

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]

Jayant Kumar Banthia

Director

[DIN: 05299550]

Atul Kale

Partner

Membership No.: 109947

J Ravichandran

Director

[DIN: 00073736]

Yatrik Vin

Director

[DIN: 07662795]

Place : Mumbai

Date : June 23, 2020

Rema Mohan

Chief Executive Officer

NSE FOUNDATION
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(A) Equity Share Capital

	₹ in Lakhs
	Amount
Equity Share Capital	
Balance as at April 1, 2018	-
Changes in equity share capital during the year	5.00
Balance as at March 31, 2019	5.00
Balance as at April 1, 2019	5.00
Changes in equity share capital during the year	-
Balance as at March 31, 2020	5.00

(B) Other Equity

	₹ in Lakhs
	Amount
Retained Earnings	
Balance as at April 1, 2018	8,245.51
Excess of Expenditure over Income	257.04
Balance as at March 31, 2019	8,502.55
Retained Earnings	
Balance as at April 1, 2019	8,502.55
Excess of Expenditure over Income	(541.78)
Balance as at March 31, 2020*	7,960.77

*Note : The amount of Retained Earnings of ₹ 7,960.77 lakhs for the year ended March 31, 2020 includes an amount of ₹ 1,635.07 lakhs pertaining to FY 2019-20 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 2020-21 and the balance amount of ₹3,252.77 lakhs (net of utilisation during the year of Rs.692.62 lakh) represents the balance unutilised portion of the amount accumulated u/s 11(2) of the Act to be utilised in next 3 years i.e. from FY 2020-21 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 **Jayantkumar Banthia**
Chairman Director
[DIN: 02011709] [DIN: 05299550]

Atul Kale
Partner
Membership No.: 109947

J Ravichandran **Yatrik Vin**
Director Director
[DIN: 00073736] [DIN: 07662795]

Place : Mumbai
Date : June 23, 2020

RemaMohan
Chief Executive Officer

NSE FOUNDATION
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakhs

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
A) CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of Income over Expenditure for the period		(541.78)	257.04
Less : Adjustments for :			
Interest income	15	(105.95)	(19.74)
Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	15	(164.74)	(133.36)
Net gain/(loss) on financial assets mandatorily measured at Fair Value through Profit or Loss	15	(228.64)	(395.20)
Working Capital Changes			
Increase/(Decrease) in other financial liabilities	11	(9.81)	36.74
Increase/(Decrease) in other current liabilities	13	13.09	5.91
(Increase)/Decrease in other financial assets	3	(0.05)	0.76
(Increase)/Decrease in other non current assets	5	(0.14)	
(Increase)/Decrease in other current assets	6	(0.02)	
CASH GENERATED FROM OPERATIONS		(1,038.04)	(247.85)
Income Tax Paid	12	(10.61)	(1.87)
NET CASH INFLOWS / (OUTFLOWS) FROM OPERATING ACTIVITIES - TOTAL (A)		(1,048.65)	(249.72)
B) CASHFLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of Investments		(7,875.34)	(12,165.00)
Proceeds from sale of Investments		10,379.19	4,600.23
Payment for purchase of Fixed Deposits		(1,269.33)	(450.00)
Proceeds from fixed deposits / Bank balances other than cash & cash equivalents(Net)		251.00	8,239.00
Interest Received	3, 15	29.02	19.74
NET CASH INFLOWS / (OUTFLOWS) FROM INVESTING ACTIVITIES - TOTAL (B)		1,514.54	243.97
C) CASHFLOWS FROM FINANCING ACTIVITIES			
NET CASH INFLOWS FROM FINANCING ACTIVITIES - TOTAL (C)			
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		465.89	(5.75)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		13.45	19.20
CLOSING CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		479.34	13.45
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		465.89	(5.75)
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		479.34	13.45
Balances per statement of cash flows		479.34	13.45

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]

Jayantkumar Banthia
Director
[DIN: 05299550]

Atul Kale
Partner
Membership No.: 109947

Place : Mumbai
Date : June 23, 2020

J Ravichandran
Director
[DIN:00073736]

Yatrik Vin
Director
[DIN: 07662795]

Rema Mohan
Chief Executive Officer

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:

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, Travelling & conveyance 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:

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.

NSE FOUNDATION

Notes to financial statements for the period ended March 31, 2020

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) Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases". Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases.

(i) As a lessee

The lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of the contract. Ind AS 116 defines a lease as a contract, or a part of a contract, that conveys the right of use an asset (the underlying asset) for a period of time in exchange of consideration. To assess whether as contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the underlying assets.

NSE FOUNDATION**Notes to financial statements for the period ended March 31, 2020***(ii) As a lessor*

Lease for which the Company is a lessor is classified as finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on straight line basis over the term of the relevant lease.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(l) 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.

(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.

(n) Rounding of amounts

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

(o) Reclassification

Previous year figures have been reclassified / regrouped wherever necessary.

(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 judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

NSE FOUNDATION

Notes to financial statements for the period ended March 31, 2020

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

(q) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which is applicable from April 1, 2020.

NSE FOUNDATION

Notes to financial statements for the year ended March 31, 2020

		₹ in Lakhs	₹ in Lakhs
		As at 31.03.2020	As at 31.03.2019
2	<u>Other Financial Assets (Non current)</u>		
	Non Current Bank Balances	199.00	199.00
		-	-
		199.00	199.00
		₹ in Lakhs	₹ in Lakhs
		As at 31.03.2020	As at 31.03.2019
3	<u>Other Financial Assets (Current)</u>		
	Accrued Interest on Fixed Deposits	77.11	0.18
	Security Deposit	0.15	0.10
		77.26	0.28

NSE Foundation
Notes to Financial Statements for the year ended March 31, 2020
Note : 4 Current Investments

₹ in Lakhs

Particulars	As at 31.03.2020			As at 31.03.2019		
	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
Invesco India Money Market Fund - Direct - Growth	44,016.48	965.65	1,018.80	-	-	-
Axis Treasury Advantage Fund-Growth-Direct Plan	-	-	-	93,283.29	1,854.65	2,001.60
Axis Liquid Fund - Direct – Growth	21,760.85	452.69	479.68	2,504.27	50.00	51.93
Reliance Low Duration Fund – Direct – Growth	-	-	-	49,074.90	1,200.00	1,295.77
Reliance Money Market Fund – Direct - Growth	1,02,531.11	3,074.21	3,129.92	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	40,51,647.54	1,259.04	1,354.46	45,05,258.28	1,400.00	1,402.91
Total		5,751.60	5,982.86		7,698.13	8,093.33

NSE FOUNDATION
Notes to financial statements for the year ended March 31, 2020

	₹ in Lakhs	₹ in Lakhs	
	As at 31.03.2020	As at 31.03.2019	
5 Other Assets (Non Current)			
Prepaid Expenses	0.14	-	
	0.14	-	
	₹ in Lakhs	₹ in Lakhs	
6 Other Assets (Current)			
Prepaid Expenses	0.02	-	
	0.02	-	
	₹ in Lakhs	₹ in Lakhs	
7 Cash and cash equivalents			
Balances with banks : in current account	479.34	13.45	
Total	479.34	13.45	
	₹ in Lakhs	₹ in Lakhs	
8 Bank balances other than cash and cash equivalents			
Fixed Deposits			
- with original maturity of less than 12 months	1,269.33	251.00	
	1,269.33	251.00	
	₹ in Lakhs	₹ in Lakhs	
9 Equity share capital			
Authorised			
50,000 Equity Shares of ₹ 10 each.	5.00	5.00	
(Previous year : 50,000 Equity Shares of ₹ 10 each)			
Total	5.00	5.00	
Issued, Subscribed and Paid-up			
50,000 Equity Shares of ₹ 10 each.	5.00	5.00	
(Previous year : 50,000 Equity Shares of ₹ 10 each)			
Total	5.00	5.00	
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			
Name of the Company	No of Shares	31.03.2020 % of holding	31.03.2019 % 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%
		₹ in Lakhs	₹ in Lakhs
10 Other Equity			
Opening Balance		8,502.55	8,245.51
Excess of expenditure over income		(541.78)	257.04
Closing Balance		7,960.77	8,502.55
		₹ in Lakhs	₹ in Lakhs
11 Other financial liabilities			
To Related Party			
National Stock Exchange of India Limited		26.81	38.12
To Others		8.21	6.71
Total		35.02	44.83
		₹ in Lakhs	₹ in Lakhs
12 Income tax assets (Net)			
Income tax paid including TDS		12.60	1.99
		12.60	1.99
		₹ in Lakhs	₹ in Lakhs
13 Other current liabilities			
Statutory dues payable		19.76	6.67
		19.76	6.67

NSE FOUNDATION

Notes to financial statements for the year ended March 31, 2020

	₹ in Lakhs	₹ in Lakhs
	For the year ended	For the year ended
	31.03.2020	31.03.2019
14 Revenue		
Donations / Contributions	4,115.60	3,539.75
	4,115.60	3,539.75
15 Other Income		
Interest on Fixed Deposits	105.95	19.74
Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	164.74	133.36
Net gain/(loss) on financial assets mandatorily measured at Fair Value through Profit or Loss	228.64	395.20
	499.33	548.30
16 Grants		
Primary Education	1,636.79	1,507.26
Sanitation and Safe Drinking Water	1,526.86	1,315.27
Elder Care	329.50	359.56
Skill Development And Entrepreneurship	25.00	-
Environment Sustainability	115.51	-
Disaster Relief and Rehabilitation	363.08	323.06
Professional Fees	286.54	115.38
Project expense	692.62	62.91
Total	4,975.90	3,683.44
17 Other Expenses		
Professional Fees- Other Expenses	20.69	17.09
Director Sitting Fees	3.00	4.02
Audit Fees	2.17	1.33
Space & Infrastructure Usage Charges	14.26	28.23
Database Maintenance Charges	11.98	-
Electricity & Water Charges	6.43	5.98
Travelling & Conveyance	4.27	3.73
Other Expenses	22.26	5.47
Total	85.07	65.85
Note :		
Payment to auditors		
As auditors :		
Audit fees	1.00	1.00
LR Fees	0.60	-
In other capacities		
Other services	0.57	0.33
Total	2.17	1.33

18 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.

19 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	76%
2	NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	Promoter Company & Fellow Subsidiary	12%
3	NSE Data & Analytics Limited (formerly known as DotEx International Limited)	Promoter Company & Fellow Subsidiary's Subsidiary	2%
4	NSE Indices Limited (formerly known as India Index Services & Products Limited)	Promoter Company & Fellow Subsidiary's Subsidiary	2%
5	NSEIT Limited	Promoter Company & Fellow Subsidiary's Subsidiary	2%

NSE FOUNDATION

Notes to financial statements for the year ended March 31, 2020

6	NSE Investments Limited (formerly known as NSE Strategic Investment Corporation Limited)	Promoter Company & Fellow Subsidiary	2% (upto 02.08.2018) 4% (w.e.f. 03.08.2018)
7	NSE Infotech Services Limited	Promoter Company & Fellow Subsidiary's Subsidiary (upto 02.08.2018)	2% (upto 02.08.2018)
8	NSE Academy Limited	Promoter Company & Fellow Subsidiary's Subsidiary	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
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
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. Jayantkumar Banthia (w.e.f. 01-Aug-2019)	Key Management Personnel	NA
22	Mr. Vikram Limaye (upto 23-Oct-2019)	Key Management Personnel	NA
23	Mr. J. Ravichandran	Key Management Personnel	NA
24	Mr. Yatrik Vin (w.e.f. 04-Nov-2019)	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 31.03.2020	As at 31.03.2019
National Stock of Exchange India Limited	Subscription towards Equity Share Capital	-	-
	Donation Received	3,084.22	2,690.14
	Deputed Personnel Cost	95.74	81.72
	Space & Infrastructure Usage Charges	14.26	28.23
	Reimbursement of Other Expenses	13.93	20.15
	Closing balance (Credit) / Debit	(26.81)	(38.12)
NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	Donation Received	453.00	441.00
NSE Data & Analytics Limited (formerly known as DotEx International Limited)	Donation Received	100.16	89.14
NSE Indices Limited (formerly known as India Index Services & Products Limited)	Donation Received	141.37	149.87
NSEIT Limited	Donation Received	71.11	60.32
NSE Investments Limited (formerly known as NSE Strategic Investment Corporation Limited)	Donation Received	265.74	109.29
Mr. Prakash Parthasarathy	Director Sitting Fees	1.50	0.50
Mr. Jayantkumar Banthia	Director Sitting Fees	1.50	0.50

	₹ in Lakhs	
	For the year ended 31.03.2020	For the year ended 31.03.2019
20 Capital and other commitments		
Other Commitments (Primarily in respect of CSR Projects)	17,635.59	9,501.93
Total	17,635.59	9,501.93

21 **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.

22 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.

23 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, 2020****Note : 24****(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, 2020	Notes	Level 1	Level 2	Level 3	Total March 31, 2020
Financial Assets					
Financial Investments at FVPL					
Mutual Fund - Growth Plan	4	5,982.86	-	-	5,982.86
Total Financial Assets		5,982.86	-	-	5,982.85

					₹ 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

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, 2020 and March 31, 2019.

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Notes to financial statements for the year ended March 31, 2020

Note : 24(ii)

ii) Fair value of financial assets and liabilities measured at amortised cost :

(₹ in Crores)

	31-Mar-20		31-Mar-19	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Fixed Deposits with Banks	1,545.44	1,536.44	450.18	454.41
Security Deposits	0.15	0.15	0.10	2.32
Total Financial Assets	1,545.59	1,536.59	450.28	456.72
Financial Liabilities				
Other financial liabilities	35.02	35.02	44.83	44.83
Total Financial Liabilities	35.02	35.02	44.83	44.83

The carrying amounts of cash and cash equivalent including other current bank balances and other liabilities are considered to be the same as their fair values, due to current and short term nature of such balances.

The fair value of fixed deposits and security deposit are based on discounted cash flow.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

NSE FOUNDATION

Notes to financial statements for the year ended March 31, 2020

Note 25 - Fair Value Measurements

Financial Instruments by category

	31-Mar-20			31-Mar-19		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
Mutual Funds	5,982.86	-	-	8,093.33	-	-
Cash and Cash equivalents	-	-	479.34	-	-	13.45
Bank balances other than cash and cash equivalents (including non current balances)	-	-	1,468.33	-	-	450.00
Security deposits	-	-	0.15	-	-	0.10
Total financial assets	5,982.86	-	1,947.82	8,093.33	-	463.55
Financial liabilities						
Other financial liabilities	-	-	35.02	-	-	44.83
Total financial liabilities	-	-	35.02	-	-	44.83

NSE FOUNDATION**Notes to financial statements for the year ended March 31, 2020***(All amounts in Rs. Lakhs, unless otherwise stated)***Note 26 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, 2020 and 31st March, 2019. 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, 2020				
Other financial liabilities	35.02	35.02	-	35.02
As at March 31, 2019				
Other financial liabilities	44.83	44.83	-	44.83

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 2020, the exposure to price risk due to investment in mutual funds amounted to Rs. 5,982.86 lakhs (March 31, 2019 : Rs. 8,093.33 lakhs).	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. 14.96 lakhs gain in the Statement of Profit and Loss (2018-19: Rs. 20.23 lakhs 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, 2020 and 2019 is the carrying value of each class of financial assets as disclosed in note 2, 3, 4, 7, and 8.

NSE FOUNDATION

Notes to financial statements for the year ended March 31, 2020

27 **Impact of COVID - 19 (Global Pandemic)**

The Coronavirus (COVID19) outbreak is an unprecedented global situation. World Health Organization (WHO) has declared the CoVID 19 virus a 'pandemic'. The Government of India and various State Governments have been putting in place several measures including instituting a complete lockdown w.e.f March 25, 2020 to combat the spread and transmission of the virus. The Company has evaluated the possible impact of CoVID-19 on the financial position of the Company. Based on the assessment, the Company is of the view that there is no significant impact on the carrying value of its assets and liabilities as at March 31, 2020. The potential impact of the CoVID - 19 pandemic may not be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes impacting its financial position.

28 As at March 31, 2020 the company does not have any pending litigations which would have impact its financial position.

29 In accordance with the relevant provisions of the Companies Act, 2013, the Company has long term contracts as of March 31, 2020 and March 31, 2019 for which there were no material foreseeable losses.

For Gokhale & Sathe

Chartered Accountants

Firm's Registration no: 103264W

For and on behalf of the Board of Directors

Prakash Parthasarathy

Chairman

[DIN: 02011709]

Jayantkumar Banthia

Director

[DIN: 05299550]

Atul Kale

Partner

Membership No.: 109947

Place : Mumbai

Date : June 23, 2020

J Ravichandran

Director

[DIN: 00073736]

Yatrik Vin

Director

[DIN: 07662795]

Rema Mohan

Chief Executive Officer