

NSEIT LIMITED

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



SEVENTEENTH ANNUAL REPORT 2015-16



**INDEPENDENT AUDITORS' REPORT TO
THE MEMBERS OF NSEIT LIMITED
(FORMERLY KNOWN AS NSE.IT LIMITED)**

Report on the financial statements

We have audited the accompanying financial statements of **NSEIT LIMITED** (Formerly known as NSE.IT LIMITED) (“the company”), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s responsibility for the financial statements

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

Auditor’s responsibility

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

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

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





An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by company's directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2016, and its **profit** and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c) The balance sheet, statement of profit and loss, and cash flow statement dealt with by this report are in agreement with the books of account.





- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us :
- i. The company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 21 (iv) & (v) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

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

K A Mehendale

Kedar A Mehendale
Partner
Membership No 116065



Place: Mumbai
Date: 22nd April 2016



NSEIT LIMITED
(Formerly known as NSE.IT LIMITED)

FINANCIAL YEAR ENDED 31ST MARCH 2016

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT AS REQUIRED BY THE COMPANIES (AUDITOR'S REPORT) ORDER, 2016

(Referred to in Paragraph 1 of the section 'Other legal & regulatory requirements' of our Report of even date on accounts of NSEIT Ltd. (Formerly known as NSE.IT LIMITED) as at 31st March 2016.)

As required by the Companies (Auditors Report) Order 2016 issued by the Central Government in terms of Section 143 (11) of the Companies Act 2013 and on the basis of the checks, as we considered appropriate, we report on the matters specified in paragraph 3 and 4 of the said order to the extent applicable to the company.

- (i) a) The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets.
- b) We have been informed that the physical verification of fixed assets was carried out by the management during the year, which in our opinion is reasonable having regard to the size of the company and nature of the assets. We have been informed that no material discrepancy was noted on such verification.
- c) The company does not have any immovable property and accordingly the provisions of clause 3 (i) (c) is not applicable.
- (ii) Considering the nature of the business and services rendered by the company, clause 3 (ii) is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in register maintained u/s 189 of the Companies Act and accordingly provision of clause 3 (iii) (a), (b), (c) are not applicable.
- (iv) According to the information and explanations given to us, the company has not given any loans, guarantees and security and in respect of investment, the provisions of section 186 of the Companies Act has been complied with.
- (v) The Company has not accepted any deposits from public and accordingly the provisions of section 73 to 76 of the Act, and Rules framed there under and any directive issued by the Reserve Bank of India are not applicable.
- (vi) As informed to us, maintenance of Cost Records by the Company has not been prescribed by the Central Government u/s 148 (1) of the Companies Act.
- (vii) a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise value added tax, cess and other statutory dues as applicable to it.

According to the information and explanations given to us, no undisputed amounts payables in respect of income tax, sales tax, wealth tax, service tax, customs duty and excise duty were in arrears, as at 31st March 2016 for a period of more than six months from the date they became payable.

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





F.Y.	Dispute Pertaining	Liability (Amt. in Rs.)	Forum where dispute is pending
2004-05	Income Tax - Penalty u/s 271 (1) (c)	1,29,880/-	Appeal filed with Income Tax Appellate Tribunal
2008-09	Sales Tax liability, Interest u/s 30(3) and penalty u/s 29 (3)	6,05,11,212/-	An appeal against the same is being filed

- (viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loan and accordingly company has not defaulted in repayment of loan of any financial institution, bank, government or dues of debenture holders.
- (ix) According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or has not taken any term loan.
- (x) According to the information and explanations given to us no fraud by the Company or fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) Since the company is not Nidhi Company, provisions of clause 3 (xii) are not applicable.
- (xiii) In our opinion and according to the informations and explanations given to us, all the transactions with the related party are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



Kedar A. Mehendale

Kedar A. Mehendale
Partner

Membership No.: 116065

Place: Mumbai.
Date: 22nd April 2016



NSEIT LIMITED
(Formerly known as NSE.IT LIMITED)

FINANCIAL YEAR ENDED 31ST MARCH 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

(Referred to in Paragraph 2(f) of the section 'Other legal & regulatory requirements' of our Report of even date on accounts of NSEIT Ltd. (Formerly known as NSE.IT LIMITED) as at 31st March 2016.)

We have audited the internal financial controls over financial reporting of **NSEIT LIMITED** (Formerly known as NSE.IT LIMITED) ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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. 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 Institute of Chartered Accountants of India. 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 judgement, including the assessment of the risks of material misstatement of the 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

K A Mehendale

Kedar A Mehendale
Partner
Membership No.: 116065



Place: Mumbai
Date: 22nd April 2016

NSEIT LIMITED
(Formerly known as *NSE.IT LIMITED*)
BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Note No.	As at	As at
		31-Mar-2016	31-Mar-2015
		Rupees	Rupees
I. Equity and Liabilities			
(1) Shareholders' Funds			
(a) Share Capital	2	10,00,00,100	10,00,00,100
(b) Reserves and surplus	3	79,43,46,080	60,33,45,115
(2) Non-current liabilities			
(a) Long-term provisions	5	56,60,716	45,49,483
(3) Current liabilities			
(a) Trade payables	6	3,88,52,488	2,90,20,396
(b) Other current liabilities	6	9,72,79,627	9,91,58,807
(c) Short-term provisions	5	7,79,52,640	9,90,89,004
Total		1,11,40,91,651	93,51,62,905
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	3,40,81,671	5,29,71,737
(ii) Intangible assets	7	55,38,854	92,91,566
(iii) Capital work-in-progress		1,35,000	-
(b) Non-current investments	8	7,61,66,061	7,61,61,061
(c) Deferred tax Assets (net)	4	1,67,90,778	95,08,476
(d) Long-term loans and advances	9	6,55,39,875	11,01,44,487
(e) Other non-current assets	10	4,42,195	1,97,979
(2) Current Assets			
(a) Inventories	11	2,63,462	3,65,539
(b) Trade receivables	12	25,79,67,489	14,37,64,600
(c) Cash and bank balances	13	61,39,37,947	43,62,60,414
(d) Short-term loans and advances	9	39,82,534	65,71,684
(e) Other current assets	10	3,92,45,785	8,99,25,362
Total		1,11,40,91,651	93,51,62,905
III. Notes forming part of the Financial Statements	1		

As per our report of even date attached

For Gokhale & Sathe.

Chartered Accountants

(Reg No : 103264W)



KEDAR MEHENDALE

Partner

Membership No.116065

Place : Mumbai

Date : April 22, 2016

For and on behalf of Board of Directors



CHITRA RAMKRISHNA

Chairperson

C. N. RAM

Director

N. MURALIDARAN

Managing Director & CEO

Shirish Suvagia

SHIRISH SUVAGIA

Chief Financial Officer

Rathindra Das

RATHINDRA DAS

Company Secretary

NSEIT LIMITED

(Formerly known as *NSE.IT LIMITED*)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

S.No	Particulars	Note No.	For the period ended	For the year ended
			31-Mar-2016	31-Mar-2015
			Rupees	Rupees
I.	Revenue from operations	14	1,43,51,75,970	1,20,01,26,158
II.	Other income	15	4,95,98,343	4,73,16,136
III.	Total Revenue (I + II)		1,48,47,74,313	1,24,74,42,294
IV.	Expenses:			
	Purchases of Stock-in-Trade	16	3,00,025	5,88,070
	Changes in inventories of Stock-in-Trade	17	1,02,077	(2,31,527)
	Employee benefits expense	18	48,81,76,437	43,43,46,445
	Depreciation and amortisation expense	7	3,18,14,622	4,87,34,832
	Other expenses	19	64,81,16,206	56,09,73,396
	Prior Period Expenses		1,53,930	1,48,091
	Total expenses		1,16,86,63,297	1,04,45,59,307
V.	Profit before exceptional and extraordinary items and tax (III-IV)		31,61,11,016	20,28,82,987
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		31,61,11,016	20,28,82,987
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII - VIII)		31,61,11,016	20,28,82,987
X.	Tax expenses:	20		
	(1) Current tax		12,00,00,000	7,08,50,702
	(2) Deferred tax		(72,82,302)	(2,02,84,263)
XI.	Profit/(Loss) for the period from continuing operations (IX - X)		20,33,93,318	15,23,16,548
XII.	Profit/(Loss) from discontinuing operations		-	-
XIII.	Profit/(Loss) for the year (XI + XII)		20,33,93,318	15,23,16,548
XIV.	Earnings per equity share:			
	(1) Basic		20.34	15.23
	(2) Diluted		20.34	15.23
	Notes forming part of the Financial Statements	1		

As per our report of even date attached

For Gokhale & Sathe.

Chartered Accountants

(Reg No : 103264W)

Kedar Mehendale

KEDAR MEHENDALE

Partner

Membership No.116065

Place : Mumbai

Date : April 22, 2016



For and on behalf of Board of Directors

Chitra Ramkrishna

CHITRA RAMKRISHNA

Chairperson

C. N. Ram

C. N. RAM

Director

N. Muralidaran

N. MURALIDARAN

Managing Director & CEO

Shirish Suvagia

SHIRISH SUVAGIA

Chief Financial Officer

Rathindra Das

RATHINDRA DAS

Company Secretary

NSE.IT LIMITED

(Formerly known as *NSE.IT LIMITED*)

Cash Flow Statement for the period ended March 31, 2016

	2015-2016 (Rs)	2014-2015 (Rs)
A CASH FLOW FROM OPERATING ACTIVITIES		
<i>Net Profit before tax</i>	31,61,11,016	20,28,82,987
Add : Adjustments for		
Depreciation	3,18,14,622	4,87,34,832
Less : Adjustments for		
Interest from Fixed Deposits	(4,11,72,262)	(3,38,15,779)
Profit on redemption of Mutual Fund	-	-
Operating profit before working Capital Change	30,67,53,376	21,78,02,040
Change in Working Capital		
Decrease / (Increase) in Sundry Debtors	(11,42,02,889)	5,82,84,666
Decrease / (Increase) in Inventory	1,02,077	(2,31,527)
Decrease / (Increase) in Loans & Advances	5,47,90,258	(5,50,82,288)
Decrease / (Increase) in Interest accrued	6,00,730	12,65,782
(Decrease) / Increase in Long Term Provisions	11,11,233	9,42,655
(Decrease) / Increase in Current Liabilities & Prov	3,21,83,636	1,39,27,079
Cash Generated from Operations	28,13,38,421	23,69,08,407
Direct Taxes Paid (Net of Refunds)	(7,77,61,865)	(5,80,02,148)
Net Cash from Operating Activities	20,35,76,556	17,89,06,259
B CASH FLOW FROM INVESTING ACTIVITIES		
Interest from Fixed Deposits	4,11,72,262	3,38,15,779
Investment in Term Deposits	(2,32,74,338)	(8,08,25,940)
(Additions) / Deductions in Investments	(5,000)	-
Addition to fixed assets (net)	(91,71,844)	(2,36,58,850)
Addition to CWIP	(1,35,000)	-
Cash flow from investing activity	85,86,080	(7,06,69,011)
C CASH FROM FINANCING ACTIVITY		
Dividend Paid	(5,20,00,052)	(4,50,00,045)
Dividend distribution tax	(1,05,85,987)	(76,47,758)
Expenditure towards CSR	(3,56,543)	(1,11,810)
	(6,29,42,582)	(5,27,59,613)
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENT	14,92,20,054	5,54,77,635
Opening balance of Cash & Cash Equivalent	25,13,82,896	19,59,05,261
Closing balances of Cash & Cash Equivalent	40,06,02,950	25,13,82,896
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENT	14,92,20,054	5,54,77,635

Notes to Cash flow statement

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

As per our report of even date attached

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

Kedar Mehendale
KEDAR MEHENDALE
Partner
Membership No. 116065

Place : Mumbai
Date : April 22, 2016



For and on behalf of the Board of Directors

Chitra Ramkrishna
CHITRA RAMKRISHNA
Chairperson

C. N. Ram
C. N. RAM
Director

Shirish Suwagia
SHIRISH SUVAGIA
Chief Financial Officer

N. Muralidaran
N. MURALIDARAN
Managing Director & CEO

Rathindra Das
RATHINDRA DAS
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 1 : Significant Accounting Policies

a. Basis of Preparation of Financial Statements :

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (India GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

b. Expenditure

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

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

c. Use of estimates :

The preparation of financial statements in conformity with India GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

d. Revenue recognition :

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

Revenue from resale of hardware and software is recognised upon delivery.

Revenue from Contracts priced on a time and material basis are recognised when services are rendered. Revenues from software development on time and material basis is recognised based on the terms of specific contracts.

Revenue from fixed price contracts is recognised on the basis of the deliverables / milestone executed and delivered.

Revenues from maintenance contracts are recognised on a pro-rata basis over the period of the contract.

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

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

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

Revenue is exclusive of taxes and other levies, wherever applicable.

e. Fixed Assets:

Fixed Assets are stated at cost of acquisition less accumulated depreciation / amortisation and impairments, if any. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses incurred to bring the asset to its present location and conditions. Capital Work-in-progress includes where assets are not put to use before the year end.

f. Depreciation and Amortisation :

Depreciation on tangible fixed assets is provided on Straight Line Method as per the useful life and in the manner prescribed in Schedule II to Companies Act, 2013, except for the Individual Low Cost Assets and Fixed Assets located at leasehold premises as stated below :

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

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

Software products/ licenses purchased/ acquired for internal use of the Company which have expected longer life are capitalised and depreciated @ 33 1/3 % on Straight Line Method, which is higher than the rates prescribed in the aforesaid schedule. Depreciation on fixed assets other than above is provided using straight line method at the rates specified in schedule XIV to Companies Act, 1956.

g. Inventory :

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



h. Forward Exchange Contract :

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments. Such forward contracts are utilised against the inflow and outflow of funds under firm commitments. The Company does not use the forward contract for speculative purpose. The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

i. Foreign currency transactions :

- i) Transactions in foreign currency are recorded at the rates of exchange prevailing at the date of the transactions.
- ii) Monetary items denominated in foreign currencies at the balance sheet date are translated at exchange rate prevailing on the balance sheet date. Non monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.
- iii) Any income or expense on account of exchange difference either on settlement or on translation at the balance sheet date is recognised in Statement of Profit and Loss in the year in which it arises.

j. Employee Retirement Benefits

Gratuity

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

Superannuation

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

Provident Fund

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

Leave Encashment

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

k. Investments :

Investments classified as long term investments are stated at cost. Provision is made to recognise any diminution, other than temporary, in the carrying value of each investment. Current investments are carried at lower of cost and fair value of each investment.

l. Leases :

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight-line basis.

m. Impairment :

An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit & Loss in the year in which assets are identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been change in the estimate of recoverable amount.

n. Provisions, Contingent liabilities and Contingent assets :

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.



o. Taxation :

Current income tax expense comprises taxes on income from operations in India. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

NOTE 2 : SHARE CAPITAL

	31-Mar-16	31-Mar-15
	Rs.	Rs.
Authorised		
15,000,000 (P.Y. 15,000,000) Equity Shares of Rs. 10/- each	150,000,000	150,000,000
Issued, Subscribed and Paid-up		
10,000,010 (P.Y. 10,000,010) Equity shares of Rs. 10/- each fully paid up	100,000,100	100,000,100
TOTAL	100,000,100	100,000,100

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

	31-Mar-16		31-Mar-15	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the period	10,000,010	100,000,100	10,000,010	100,000,100
Issued during the period	-	-	-	-
Outstanding at the end of the period	10,000,010	100,000,100	10,000,010	100,000,100

b. Terms / rights attached to equity shares

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

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

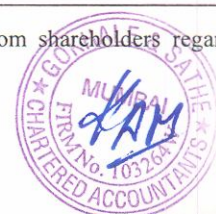
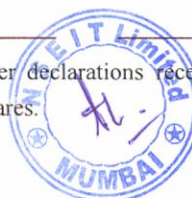
c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates.

	31-Mar-16	31-Mar-15
	Rs.	Rs.
NSE Strategic Investment Corporation Ltd, the Holding company 10,000,010 (P.Y. 10,000,010) Equity shares of Rs. 10/- each fully paid	100,000,100	100,000,100

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

	31-Mar-16		31-Mar-15	
	Nos.	%	Nos.	%
Equity shares of Rs. 10/- each fully paid NSE Strategic Investment Corporation Ltd.	10,000,010	100%	10,000,010	100%

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



NOTE 3 : RESERVES & SURPLUS**General Reserve**

Balance as per the last financial statements	
Add : amount transferred from the surplus balance in the statement of profit & loss	
Closing Balance	

Surplus / (deficit) in the statement of profit & Loss

Balance as per the last financial statements	
Add : Profit / (Loss) for the year	
Less : Adjustment of carrying amount of assets whose useful life has expired	
Less : Expenditure incurred towards Corporate Social Responsibility - CSR	
Less : Transfer to General Reserve	
Less : Proposed Equity Dividend (per share Rs. 1 /- (P.Y. Rs. 5.20/-)	
Less : Tax on proposed equity dividend	
Net Surplus in the statement of profit and loss.	

TOTAL

	31-Mar-16	31-Mar-15
	Rs.	Rs.
	538,506,069	468,506,069
	5,100,000	70,000,000
	543,606,069	538,506,069
	64,839,046	72,597,164
	203,393,318	152,316,548
	-	27,376,817
	356,543	111,810
	5,100,000	70,000,000
	10,000,010	52,000,052
	2,035,800	10,585,987
	250,740,011	64,839,046
	794,346,080	603,345,115

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

Impact of difference between depreciation /amortization charged for the financial reporting and tax depreciation	
Impact of difference arising on account of impairment of intangible asset and tax depreciation,	
Impact of Grauity , Leave Encashment & Performanace Bonus disallow u/s 43 B	
Impact of Non Deduction of TDS u/s 40 (i)(ia)	

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

	31-Mar-16	31-Mar-15
	9,569,407	5,003,021
	875,853	1,167,805
	6,034,046	3,337,650
	311,472	-
	16,790,778	9,508,476
	16,790,778	9,508,476
		-

NOTE 5 : PROVISIONS**Provision for Employee benefits**

Provision for Gratuity (Funded Assets/ Non Funded Obligation)

Provision for Leave Benefits	
Provision for other Employee Benefits	

Other Provisions

Provision for outstanding expenses	
Provision for Proposed Dividend	
Provision for Dividend Distribution Tax	

	Long Term	
	31-Mar-16	31-Mar-15
	-	-
	5,660,716	4,549,483
	-	-
	5,660,716	4,549,483
	-	-
	-	-
	-	-
	5,660,716	4,549,483

	Short Term	
	31-Mar-16	31-Mar-15
	8,920,456	5,934,908
	648,814	1,954,344
	40,735,698	15,606,660
	50,304,968	23,495,912
	15,611,862	13,007,053
	10,000,010	52,000,052
	2,035,800	10,585,987
	27,647,672	75,593,092
	77,952,640	99,089,004

NOTE 6 : TRADE PAYABLE AND OTHER CURRENT LIABILITIES

Trade payables (refer note 31 for details of dues to micro, small and medium enterprises)

Other Current Liabilities

(a) Income received in advance (deferred revenue)	
(b) Advance received from customers	
(c) Other Payables	
Balance in Escrow Accounts (refer note 32)	
Statutory Dues (Sales Tax, Service Tax, TDS etc.)	

	31-Mar-16	31-Mar-15
	38,852,488	29,020,396
	38,852,488	29,020,396
	3,030,939	4,337,882
	37,199,400	68,147,552
	43,447,568	18,986,187
	13,601,720	7,687,186
	97,279,627	99,158,807



Note 7: Fixed Assets

Sr No.	Category	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		As on 1-Apr-15	Additions	Deductions	As on 31-Mar-16	As on 1-Apr-15	For the year	Deductions	Adjusted against Reserves	As on 31-Mar-16	As on 31-Mar-16	As on 31-Mar-15
A	Tangible Assets											
1	Computer Hardware & Server	125,108,259	5,295,719	440,099	129,963,879	108,775,984	9,094,352	401,040		117,469,296	12,494,583	16,332,275
2	Office Equipment	61,150,716	1,144,666	3,392,618	58,902,764	47,004,499	9,989,527	3,392,577		53,601,449	5,301,315	14,146,217
3	Furniture & Fixtures	38,909,507	38,300		38,947,807	20,903,884	5,020,123			25,924,007	13,023,800	18,005,623
4	Building - Civil Work	8,857,194			8,857,194	4,369,572	1,225,649			5,595,221	3,261,973	4,487,622
		234,025,676	6,478,685	3,832,717	236,671,644	181,053,939	25,329,651	3,793,617	-	202,589,973	34,081,671	52,971,737
B	Intangible Assets											
1	Computer Software	64,344,459	2,732,259		67,076,718	55,052,894	6,484,971			61,537,865	5,538,853	9,291,565
2	Software copyrights	25,906,099			25,906,099	25,906,098				25,906,098	1	1
		90,250,558	2,732,259	-	92,982,817	80,958,992	6,484,971	-	-	87,443,963	5,538,854	9,291,566
	GRAND TOTAL	324,276,234	9,210,944	3,832,717	329,654,461	262,012,931	31,814,622	3,793,617	-	290,033,936	39,620,525	62,263,303
	PREVIOUS YEAR	306,192,522	23,780,962	5,697,250	324,276,234	191,476,420	48,734,832	5,575,138	27,376,817	262,012,931	62,263,303	114,716,102



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

Unquoted Equity Instruments

Investments in wholly owned subsidiaries

NSE.IT(US) Inc. [1,000,000 (P.Y. 1,000,000) Equity share of \$ 1 each fully paid]

31-Mar-16
31-Mar-15

53,368,702

53,368,702

Non-trade Investments (Valued at cost)

Quoted Mutual Funds (at cost)

[Market Value as on 31-Mar-16 Rs.51233957/- (P.Y. Rs.47448750/-)]

22,797,359

22,792,359

76,166,061
76,161,061
NOTE 9 : LOANS AND ADVANCES

	Non-current		Current	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
a. Security Deposits (Unsecured, considered good)	42,254,268	44,595,075		
b. Loans and advances to related parties				
Unsecured, considered doubtful	-	-	-	-
c. Other loans and advances (unsecured, considered good)				
Income Tax Refund (Net of Provision)	22,473,042	64,711,177	-	-
Sales Tax Refund	812,565	838,235	-	-
Advance for Expenses (Staff)	-	-	3,378,321	5,890,523
Advance to creditors	-	-	130,844	144,996
Salary Advance	-	-	47,360	110,156
Other Advances	-	-	426,009	426,009
	23,285,607	65,549,412	3,982,534	6,571,684
(a + b + c)	65,539,875	110,144,487	3,982,534	6,571,684

NOTE 10 : OTHER ASSETS

	Non-current		Current	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Interest Accrued but not due	-	-	1,403,869	2,004,599
Service Tax Input Credit	-	-	1,288,986	517,907
Prepaid Expenses	442,195	197,979	10,042,668	9,484,461
Unbilled Revenue	-	-	26,510,262	77,918,395
	442,195	197,979	39,245,785	89,925,362

NOTE 11 : INVENTORIES
Traded goods

Stock of Digital Certificates

(Valued at lower of cost and net realizable value)

31-Mar-16
31-Mar-15

263,462

365,539

263,462
365,539
NOTE 12 : TRADE RECEIVABLES
Trade receivables
Unsecured, Considered good

Outstanding for a period exceeding six months from the date they are due for payment

Other receivables

Current
31-Mar-16
31-Mar-15

17,230,933

23,517,567

240,736,556

120,247,033

257,967,489
143,764,600


NOTE 13 : CASH AND BANK BALANCES**Cash and Cash Equivalent**

- Cash-In-hand
- Balances with banks in current Accounts including auto FD

Other Bank Balances

- Term Deposits having remaining maturity of 12 months or less
- Escrow Account with State Bank of India (refer note 32)

	Current	
	31-Mar-16	31-Mar-15
	28,636	48,813
	400,574,314	251,334,083
	400,602,950	251,382,896
	189,992,204	166,717,866
	23,342,793	18,159,652
	613,937,947	436,260,414

NOTE 14 : REVENUE FROM OPERATIONS**Sale of Products**

- Software Products
- Traded Goods

Sale of Services

- Software Product Revenues
- Application Development & Maintenance Services
- Infrastructure Management Services
- E-Learning Solutions
- Customer Care Services

(A)

(B)

(A + B)

	31-Mar-16	31-Mar-15
	1,716,000	3,175,095
	5,492,478	7,072,894
	7,208,478	10,247,989
	14,516,143	13,839,331
	427,721,441	324,319,133
	317,983,340	316,489,927
	633,186,921	505,747,463
	34,559,647	29,482,315
	1,427,967,492	1,189,878,169
	1,435,175,970	1,200,126,158

NOTE 15 : OTHER INCOME**Interest income**

- Interest on Short Term Deposits & Auto Fixed Deposits with Bank

Other non-operating income

- Excess Provision Written Back
- Gain from Foreign Exchange Fluctuations (Net) (Refer Note 24)
- Miscellaneous Income

	31-Mar-16	31-Mar-15
	41,172,262	33,815,779
	4,304,542	9,824,537
	2,739,773	173,487
	1,381,766	3,502,333
	49,598,343	47,316,136

NOTE 16 : PURCHASES OF STOCK-IN-TRADE**Purchase of Digital Certificates**

	31-Mar-16	31-Mar-15
	300,025	588,070
	300,025	588,070

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

- Opening Inventories of Digital Certificates
- Closing Inventories of Digital Certificates

	31-Mar-16	31-Mar-15
	365,539	134,012
	263,462	365,539
	102,077	(231,527)



NOTE 18 : EMPLOYEE BENEFITS EXPENSES

	31-Mar-16	31-Mar-15
Salaries & Allowances	464,220,640	410,009,873
Contribution to Provident Fund	13,071,212	12,110,618
Contribution to Group Gratuity Scheme	6,529,629	7,629,816
Contribution to Superannuation Scheme	461,453	1,325,097
Staff Welfare Expenses	3,893,503	3,271,041
	488,176,437	434,346,445

NOTE 19 : OTHER EXPENSES

	31-Mar-16	31-Mar-15
Power and fuel	26,849,166	25,622,067
Rent	152,936,964	118,445,917
Repairs to machinery	9,800,123	8,819,550
Insurance	6,996,431	6,308,700
Rates and taxes, excluding taxes on income	813,473	762,481
Travelling expenses	28,960,204	22,789,711
Project Related Purchases	38,946,968	8,530,802
Professional Fees	11,093,818	6,329,814
Conveyance	9,885,976	5,578,036
Telephone & Internet Expenses	20,133,411	19,933,311
Security Services Charges	11,635,426	11,667,948
Fees & Subscription	60,150,243	59,087,242
Technical & Sub Contract Charges	229,168,355	230,023,744
Auditors Remunerations		
- Audit fees	343,500	337,080
- Other Matter	34,842	33,708
Office Expenses	10,972,709	9,399,012
Miscellaneous expenses	29,394,597	27,304,273
	648,116,206	560,973,396

NOTE 20 : Tax expense

	31-Mar-16	31-Mar-15
(a) Current Tax	120,000,000	75,500,000
Short / Excess Provision for taxes (net)	-	(4,649,298)
	120,000,000	70,850,702
(b) Deferred tax	(7,282,302)	(20,284,263)
	112,717,698	50,566,439

NOTE 21 : Contingent Liabilities:

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 80,05,641/- (Previous Year: Rs. 31,990/-).
- (ii) On account of bank guarantees: Rs. 1,10,24,050/- (Previous Year: Rs. 48,47,000/-).
- (iii) On account of corporate guarantee: Rs Nil (Previous Year: Rs. Nil)
- (iv) On account of disputed demand of income tax Rs 1,29,880/- (Previous Year: Rs. 1,29,880/-)
- (v) On account of disputed demand of sales tax: Rs. 6,05,11,212/- (Previous year Rs.Nil)*

*(As against our refund claim of Rs 2,66,627/-for F.Y. 2008-09, the Assessing Authority has raised a demand of Rs 6,05,11,212/-. Against this demand we are in process of filing an appeal.)



NOTE 22 : Expenditure in foreign exchange:

Particulars	For the year ended	
	31-Mar-16	31-Mar-15
Travelling	4,010,018	5,053,520
Direct Fees & Subscription	130,111	351,802
Subcontract/ Technical Fees	203,130,962	211,800,688
Software Licenses	725,792	31,226
Total	207,996,883	217,237,236

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

NOTE 23 : Earnings in foreign exchange:

Particulars	For the year ended	
	31-Mar-16	31-Mar-15
Application Development and Maintenance Services	72,673,242	75,782,112
E-Learning	2,679,994	2,477,986
Total	75,353,236	78,260,098

NOTE 24 : Details of exchange fluctuation:

Particulars	For the year ended	
	31-Mar-16	31-Mar-15
(Loss) on Foreign Exchange transactions	(1,259,412)	(1,712,407)
Gain on Foreign Exchange Transactions	3,999,185	1,885,894
Net Gain / (Loss)	2,739,773	173,487

NOTE 25 : Segment Reporting

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

Primary Business Segments
Year ended March 31, 2016

Particulars	End to End Solutions	E-learning Solutions	Total
Revenues	801,968,635	633,207,335	1,435,175,970
	<i>694,361,915</i>	<i>505,764,243</i>	<i>1,200,126,158</i>
Identifiable operating expenses	575,168,212	451,459,356	1,026,627,568
	<i>533,961,250</i>	<i>381,675,152</i>	<i>915,636,402</i>
Allocated expenses	88,745,470	53,136,329	141,881,799
	<i>75,802,699</i>	<i>52,972,115</i>	<i>128,774,814</i>
Segmental operating income / (loss)	138,054,953	128,611,650	266,666,603
	<i>84,597,966</i>	<i>71,116,976</i>	<i>155,714,942</i>
Other income			49,598,343
			<i>47,316,136</i>
Prior period adjustment			153,930
			<i>148,091</i>
Net profit before taxes			316,111,016
			<i>202,882,987</i>
Income taxes			112,717,698
			<i>50,566,439</i>
Net profit after taxes			203,393,318
			<i>152,316,548</i>

(Figures in *Italics* are for Previous Year)

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

NOTE 26 : Related Party Disclosure

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

A) Names of the related parties and relationship:

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

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

B) Details of transactions with related parties as follows:

Name of the related party	Nature of transactions	Year ended 31/03/2016	Year ended 31/03/2015
National Stock Exchange of India Limited	Infrastructure Management Services	261,766,016	270,566,054
	Application Development and Maintenance Services	90,287,681	75,101,231
	Software Product Revenues	23,522	27,443
	E- Learning	58,411,440	56,704,800
	Customer Care Services	3,776,267	4,950,179
	Bad-debts written off	-	285,586
	Applicable taxes recovered	63,670,651	56,701,282
	Reimbursement of expenses received	50,489	112,371
	CTCL empanelment fee paid	750,000	842,700
	Rent Paid	Nil	Nil
	Usage Charges paid – STP Central HUB & other	329,031	111,533
	Corporate Social Responsibility	356,543	111,810
	Reimbursement paid for other expenses	Nil	6,233,376
	Purchase of fixed assets	Nil	Nil
	Dividend paid	Nil	Nil
	Loan Taken during the Year	Nil	Nil
Loan Repaid during the Year	Nil	Nil	
Interest on Loan paid during the Year	Nil	Nil	
Closing Balance - Dr./ (Cr.)	49,721,877	16,748,688	
National Securities Clearing Corporation Limited	Application Development and Maintenance Services	6,539,726	4,626,324
	Infrastructure Management Services	442,050	Nil
	Software Product Revenue	Nil	5,100
	Customer Care Services	4,366,737	6,398,988
	Applicable taxes recovered	1,623,460	1,363,631
	Reimbursement of expenses received	50,198	Nil
	Closing Balance - Dr./ (Cr.)	5,896,236	3,052,576



National Stock Exchange Investor Protection Fund Trust	Application Development and Maintenance	3,000,000	Nil
	Applicable taxes recovered	585,000	Nil
	Closing Balance - Dr./ (Cr.)	Nil	Nil
NSE Infotech Services Limited	Software Product Revenues	Nil	Nil
	E- Learning	Nil	115,860
	Reimbursement of expenses received	Nil	Nil
	Reimbursement paid for expenses incurred	Nil	Nil
	Applicable taxes recovered	Nil	14,321
	Closing Balance - Dr./ (Cr.)	Nil	Nil
DotEx International Limited	Reimbursement of Expenses received	89,455	Nil
	Reimbursement for Expenses recoverable	Nil	55,324
	Application Development and Maintenance Services	2,845,454	Nil
	Software Product Revenues	Nil	2,550
	Customer Care Services	19,108,786	13,698,328
	Infrastructure Management Services	5,165,954	3,839,448
	Applicable taxes recovered	3,862,958	2,188,027
	Closing Balance - Dr./ (Cr.)	8,139,183	5,462,356
Power Exchange India Limited	Application Development and Maintenance	5,294,193	5,363,855
	Software Product Revenues	Nil	Nil
	Reimbursement of expenses received	Nil	Nil
	Infrastructure Management Services	Nil	Nil
	Applicable taxes recovered	747,055	662,977
	Closing Balance - Dr./ (Cr.)	10,007,518	10,928,904
NSE Strategic Investment Corporation Ltd	Software Product Revenues	Nil	2,550
	Applicable taxes recovered	Nil	443
	Dividend paid	52,000,052	45,000,045
	Closing Balance - Dr./ (Cr.)	Nil	Nil
National Securities Depository Limited	Application Development and Maintenance Services	3,158,435	3,516,522
	E- Learning	Nil	Nil
	Infrastructure Management Services	Nil	129,926
	Applicable taxes recovered	443,453	450,719
	Closing Balance - Dr./ (Cr.)	360,258	2,616,711
NSDL e-Governance Infrastructure Limited	Application Development and Maintenance	6,212,895	7,212,254
	Bad-debts written off	4,974	Nil
	Applicable taxes recovered	878,870	891,450
	Closing Balance - Dr./ (Cr.)	1,337,449	2,361,567
NSDL Database Management Ltd.	Application Development and Maintenance	(1,186)	566,828
	E- Learning	Nil	Nil
	Infrastructure Management Services	668,610	867,330
	Applicable taxes recovered	94,143	177,273
	Closing Balance - Dr./ (Cr.)	232,276	117,627
NSE.IT (US) Inc.	Application Development and Maintenance	72,634,182	76,377,270
	E- Learning	1,114,096	899,482
	Reimbursement of expenses received	1,107,705	62,979
	Applicable taxes recovered	154,384	111,215
	Closing Balance - Dr./ (Cr.)	34,496,263	39,234,260
Key Management Personnel - Ramesh Padmanabhan – MD &CEO (upto March 31, 2015)	Gross remuneration including allowances, perquisites and contribution to Provident Fund and Superannuation Fund etc.	5,862,616	16,670,760
Key Management Personnel - N. Muralidaran – MD & CEO (w.e.f. April 1, 2015)	Gross remuneration including allowances, perquisites and contribution to Provident	13,194,200	Nil

The income figures are excluding applicable taxes recovered.



NOTE 27 : Future Lease Rent Obligations

Future Lease Rent obligations	For the Year ended	
	31-Mar-16	31-Mar-15
Office Premises		
- not later than 1 year	92,219,218	94,091,956
- later than 1 year not later than 5 years	120,374,644	154,363,319
- later than 5 years	-	-
Total	212,593,862	248,455,275

NOTE 28: Earnings Per Share

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

Particulars	For the Year ended	
	31-Mar-16	31-Mar-15
Net Profit attributable to Shareholders	203,393,318	152,316,548
Weighted Average number of equity shares issued (in Nos).	10,000,010	10,000,010
Basic/diluted earnings per share of Rs. 10 each(Rs)	20.34	15.23

NOTE 29 : Provision for Employees benefits

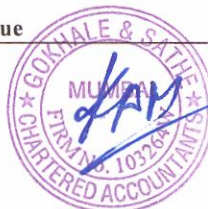
Particulars	F.Y. 2015-16		F.Y. 2014-15	
	Performance Pay (Rs.)	Leave Encashment (Rs.)	Performance Pay (Rs.)	Leave Encashment (Rs.)
Carrying amount at the beginning of the year	14,420,723	6,503,827	24,900,000	5,651,981
Amounts used during the year	35,527,714	2,771,832	40,163,327	2,857,404
Amounts unused reversed during the year	49,207	-	24,809,565	-
Provisions made during the year	43,260,555	2,577,535	54,493,615	3,709,250
Carrying amount at the end of the year	22,104,357	6,309,530	14,420,723	6,503,827

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

NOTE 30 : Gratuity Expenses

Effective April 1, 2007 the company has adopted the Accounting Standard 15 “Employee Benefits”. The Company has charged gratuity expenses to revenue based on gratuity liability estimated as per actuarial report furnished by independent actuarial valuer. The report which uses projected unit credit method shows the position as at March 31, 2016 as under.

Particulars	31-Mar-16	31-Mar-15
Change in present value of benefit obligation		
Obligation at period beginning	25,264,271	19,969,306
Service Cost	5,611,759	4,897,073
Interest Cost	2,018,615	1,859,142
Actuarial (gain)/loss	(1,214,658)	(934,012)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	304,248	3,503,412
(Benefits paid)	(8,355,200)	(4,030,650)
Obligation at period end	23,629,035	25,264,271
Change in plan assets		
Plan assets at period beginning, at fair value	19,329,363	18,248,052
Expected return on plan assets	1,544,416	1,587,581
Actuarial gain / (Loss)	(1,354,081)	108,218
Contributions	3,544,081	3,416,162
(Benefits paid)	(8,355,200)	(4,030,650)
Plan assets at period end, at fair value	14,708,579	19,329,363



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

Particulars	31-Mar-16	31-Mar-15
Fair value of the plan assets at the end of the period	14,708,579	19,329,363
Present Value of the defined obligations at the end of the period	23,629,035	25,264,271
Funded Status	(8,920,456)	(5,934,908)
Asset / (liability) recognised in Balance Sheet	(8,920,456)	(5,934,908)
Assumptions		
Interest Rate	7.95%	7.99%
Gratuity Cost for the period		
Service Cost	5,611,759	4,897,073
Interest Cost	2,018,615	1,859,142
Expected return on plan assets	(1,544,416)	(1,587,581)
Net Actuarial (gain) / loss recognised in the year	443,671	2,461,182
Expenses recognised in statement of Profit & loss	6,529,629	7,629,816

NOTE 31 : Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

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

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

	31-Mar-16	31-Mar-15
- Principal amount due to micro, small and medium enterprises	-	-
- Interest due on above	-	-

The amount of interest u/s 16 of the MSMED Act 2006

- Interest paid along with payments made beyond the appointed day	-	-
- Interest due and payable for payments made beyond the appointed day	-	-
- Interest accrued and unpaid at the end of each accounting year	-	-
- Interest due and payable in the	-	-

NOTE 32: Balance with Escrow Account

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

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

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

NOTE 33: Corporate Social Responsibility (CSR) expenditure

As per the provisions of Companies Act 2013, Company is supposed to spend Rs 3,634,788/- on CSR activities for the year ended 31st March 2016 (Rs 36,99,681/- for previous year). During the current year the Company's Ultimate holding company, National Stock Exchange of India Limited on behalf of the Company has spent Rs.356,543/- (Rs 1,11,810/- for previous year) on activities as stated in the Group CSR policy which has been adopted by the Company as Company's CSR policy . The resultant short fall in CSR expenditure for the year ended 31st March 2016 is Rs. 3,278,245/- (Rs 35,87,871/- for previous year).



NOTE 34: Regrouping

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

As per our report of even date attached

For Gokhale & Sathe.

Chartered Accountants
(Reg No : 103264W)



Kedar Mehendale

KEDAR MEHENDALE

Partner

Membership No.116065



For and on behalf of Board of Directors

Chitra Ramkrishna

CHITRA RAMKRISHNA
Chairperson

C. N. Ram

C. N. RAM
Director

Shirish Suwagia

SHIRISH SUVAGIA
Chief Financial Officer

N. Muralidaran

N. MURALIDARAN
Managing Director & CEO

Rathindra Das

RATHINDRA DAS
Company Secretary

Place : Mumbai

Date : April 22, 2016

NSEIT LIMITED


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

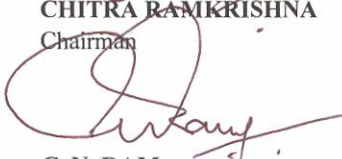
Figures in INR

SN	Particulars	Name of the Subsidiary
		NSE.IT (US) Inc.
1	Financial Period ended	31-Mar-16
2	Holding Company's interest	100%
3	Shares held by the Holding Company in the Subsidiary	1000000 Equity Shares
4	Aggregate of profits or losses of the subsidiary for the current period so far as it concerns the Members of the holding company	
(a)	dealt with or provided for in the accounts of the holding company	NIL
(b)	not dealt with or provided for in the accounts of the holding company	75,80,856
5	The net aggregate of profits or losses of previous financial years of the subsidiary so far it concerns the members of the holding Company	
(a)	dealt with or provided for in the accounts of the holding company	NIL
(b)	not dealt with or provided for in the accounts of the holding company	(6,38,35,395)
	Issued, Subscribed & Paid-up Share Capital	6,63,30,000
	Reserves	(5,62,54,539)
	Loans	-
	Total Assets	4,99,11,932
	Total Liabilities	4,99,11,932
	Investments	-
	Turnover	9,16,10,486
	Profit	75,80,856

Note : Figures are valued at Exchange rates prevailing as on March 31, 2016.


For and on behalf of the Board of Directors


CHITRA RAMKRISHNA
 Chairman


C. N. RAM
 Director


N. MURALIDARAN
 Managing Director & CEO




SHIRISH SUVAGIA
 Head-Finance & Accounts


RATHINDRA DAS
 Company Secretary

Place : Mumbai
 Date : April 22, 2016