



An investment called India

26th Annual Report
2017-18



NIFTY

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

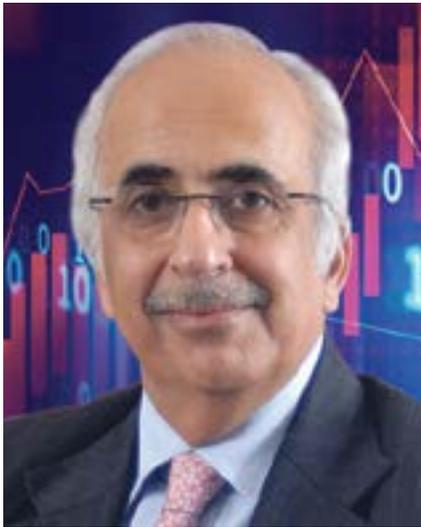
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National Stock Exchange is not merely an exchange; it is the representation of our Indian Economy. NSE is a story of the success of a home-grown Indian brand that stands for entrepreneurship and professionalism. It is a proxy to the nation's development story. Through consistent development, NSE has become one of the largest exchanges worldwide.



Dear stakeholders,

In keeping with its past trend, NSE has completed one more successful year.

As we witnessed a year of major political and economic changes around the world, NSE continued to maintain its leadership position both domestically as well as globally. The innate strength of the Indian economy was reflected in a growth of about 6.7% during the year and it continued to retain its status as the fastest growing major economy of the world.

This was despite some concerns around slowdown in domestic demand, falling rupee and rising oil prices and its consequential impact on inflation and current account deficit.

The year 2017-18 was one of the most vibrant in the last decade in terms of investor participation across the Indian capital market. NSE continued to enjoy a market share of around 87% in the CM segment with near 100% market share in the Equity Derivatives segment. Besides, in the Currency Derivatives market, it retained its leadership with a market share of around 55%.

I am pleased to inform that, over the years, NSE has emerged as a prominent market infrastructure institution in the rapidly changing global market place. Globally, while NSE was ranked 2nd across all the derivatives exchanges in terms of the volume of contracts traded, it was ranked No. 1 in terms of contracts traded in index options and currency options. In the capital market segment, NSE was ranked 3rd largest in the world based on the number of contracts traded in the calendar year

2017. Besides this, in calendar 2017, NSE's SME segment was affirmed as the fastest-growing in the world.

NIFTY50, our flagship index, continued to evince robust acceptance among its peer group. Patronised by various fund houses and other market intermediaries, NIFTY50 is listed in more than 17 countries with total Assets Under Management (AUM) of approx. USD 8.7 billion. This makes NSE and NIFTY50, both, truly Global. Additionally, during the year, India Index Services Limited (IISL), an index arm and wholly owned subsidiary of NSE, launched 88 new indices in the equity and fixed income space. Currently, 17 index funds & 42 ETFs are linked to IISL's indices in the Indian Capital market and 11 ETFs on NIFTY indices are listed outside India.

NSE continued to be the preferred platform for raising capital. With 1900+ companies listed on it with a combined market capitalization of nearly ₹140 trillion, NSE continues to enjoy the status of the premier exchange of the country. The year under review also characterized a high point for the Indian primary market. During the fiscal 2018, fresh capital raised through Initial

Public Offering (IPOs) and Offer for Sale (OFS) was around ₹778 billion. The total funds mobilized through the IPOs increased from ₹284 billion through public offerings in FY2016-17 to ₹906 billion through 47 IPOs during FY2017-18: a three-fold increase. This comprised the largest initial share sale from a state-owned General Insurance company and two large sized IPOs by prominent Life insurance companies. Correspondingly, the secondary market indices also strengthened indicating strong investor sentiment.

NSE has been in the forefront in supporting the small organisations and retail investors. From conventional manufacturing companies to new-economy start-ups, NSE has always endeavoured to create a vibrant environment. We believe that Small and Medium Enterprises (SME) are crucial not only for economic growth, but also for employment and inclusive growth. Currently, there are over 150 SME companies listed on NSE "Emerge" (SME Platform). Of these, 87 were listed during the year raising more than ₹1442 crores.

Technology is the backbone of NSE's core infrastructure. It is both an enabler as well as lever. NSE has always been a thought leader and is known for introducing innovative technologies. Speed, latency, resilience and security are four important tenets for the technology architecture. During the year, many initiatives in these areas have been taken to enhance the overall customer experience and also to keep our technology platform efficient and competitive. Besides, our new state-of-the-art Business Continuity Plan (BCP) centre in Chennai was fully operational during the year which has helped substantially reduce the switchover time to the BCP. Embracing newer areas of technology such as Artificial Intelligence (AI), Block Chain etc. many initiatives / projects were successfully run during the year. Besides, Tech conclaves

were conducted in Bangaluru and New Delhi with a specific focus on tech start-ups to encourage them to list in India.

Two of our subsidiaries, NSE IFSC Limited and NSE IFSC Clearing Corporation Limited, located at the International Financial Service Centre at GIFT City, Gujarat have both promise and potential. With the right regulatory environment and our commitment, they are expected to emerge as a leading Global exchange and a Clearing Corporation respectively. In March 2018, NSE launched the debt securities platform at the NSE IFSC with the maiden listing of IREDA's ₹1950 crores green masala bonds. This was the first debt security to be listed on the NSEIFSC.

The financial results are equally noteworthy. For FY2017-18, the consolidated revenue of the NSE Group stood at ₹3033 crores (y-o-y increase of 13%). Of this, 86% of the revenue was contributed by core operations. The Profit before tax stood at ₹2197 crores; the Profit after Tax (PAT) was ₹1461 crores.

While the EBIDTA margin for the Group stood at 77%, the ratio of Profit after Tax to Revenue was 48%. The Return on Capital Employed (ROCE) was 24%. With this, NSE continues to be in the Top Decile amongst the leading exchanges globally in terms of the financial performance.

The Company believes in creating long term value for its shareholders. It is equally conscious of annual expectations. Consistent with its Dividend Policy, during the year 2017-18 the Company has distributed an interim dividend of 700% (i.e. ₹7.00 per share) and has recommended a final dividend of 775% (i.e. ₹7.75 per share). With this, the total Dividend Pay-out stands at ₹14.75 per share with a Pay-out ratio of 50% of the Consolidated Net profit available for distribution. On a standalone basis, the Dividend Pay Out ratio works out to 63%

of the profits available for distribution. We continue to be hopeful of listing NSE in the current fiscal year.

Going forward, as a country, we are well positioned for growth. It is expected that the Indian capital market will remain robust mainly due to the positive economic fundamentals. The early signs of this are already being witnessed through increased number of Foreign Portfolio Investors (FPIs) registrations during the fiscal 2018 as well as stronger retail participation, both directly and indirectly.

I am also happy to share that NSE enters its Silver Jubilee year in 2018. It's a privilege to be part of this institution which has made India proud! NSE started its journey from a small rented office in Mumbai and has in a short period become one of the world's premier stock exchange. This journey spans market reforms, building of an entire market eco system, innovative products, services & technology and, above all, high standards of ethics and Corporate Governance. With the continued support of all the stakeholders and the Securities Regulator (SEBI), I am confident that NSE will reach greater heights in the years to come.

I would be failing in my duty if I do not express my sincere gratitude to my fellow Board members for their commitment and valuable inputs. I would also like to take this opportunity to thank all our shareholders and other stakeholders for their continued support and confidence in NSE. Last, but not the least, I would like to place on record my sincere appreciation for the employees for their relentless hard work and dedication over the years.

Ashok Chawla

Chairman

National Stock Exchange of India Limited

12 things you need to know about National Stock Exchange

Rich experience

The National Stock Exchange (NSE) is the leading stock exchange in India and the third largest in the world by number of equity trades in 2017.

Background

NSE was incorporated in 1992 and was recognized as a stock exchange by SEBI in April 1993. It commenced operations in 1994 with the launch of the wholesale debt market, followed shortly after by the launch of the cash market segment.

Principals

NSE was set up as a public limited company, owned by leading financial institutions, banks, insurance companies and other financial intermediaries while being actively managed by professionals.

Pioneering

NSE launched electronic screen-based trading in 1994, derivatives trading (in the form of index futures) and internet trading in 2000, which were each the first of its kind in India.

Integration

NSE has a fully-integrated business model comprising exchange listings, trading services, clearing and settlement services, indices, market data feeds, technology solutions and financial education offerings. NSE also oversees compliance by trading and clearing members and listed companies with the rules and regulations of the exchange.

Services

NSE introduced new products for trading, such as futures and options on new currency pairs, new indices and interest rates, tri-party repo market (TRM) platform in debt segment, trading in mutual fund units, non-competitive bidding platform for government securities, and offer for sale bidding. NSE's clearing corporation and subsidiary NSCCL provides clearing and settlement services for the exchange to support members throughout the lifecycle of a trade.

NSE subsidiary companies

National Securities Clearing Corporation Limited (NSCCL)

A wholly-owned subsidiary, it became the first clearing corporation to introduce settlement guarantees.

NSE Strategic Investment Corporation Limited (NSICL)

A wholly-owned subsidiary, it was incorporated to inter alia make or hold all strategic investments in the equity shares and/ or other securities of NSE Group companies.

NSE InfoTech Services Limited (NSETECH)

A wholly-owned subsidiary of NSICL, it caters exclusively to the technological needs of NSE.

India Index Services & Products Limited (IISL)

A wholly-owned subsidiary of NSICL, it provides a variety of indices and index-related services and products.

NSEIT Limited (NSEIT)

A wholly-owned subsidiary of the NSICL, it is a turnkey provider of innovative business solutions

DotEx International Limited (DotEx)

A wholly-owned subsidiary of NSICL, it offers data and info-vending products.

Ranking

NSE has been ranked as the largest stock exchange in India in terms of total and average daily turnover for equity shares every year since 1995. It pioneered a modern, fully-automated screen-based trading system across India. In the process, NSE emerged as the first de-mutualized stock exchange in India.

Presence

NSE is headquartered at Exchange Plaza, Mumbai, with client-facing regional offices in Mumbai, Kolkata, Delhi, Chennai and Ahmedabad. In the last few years, NSE opened offices in Indore, Kanpur, Pune, Jaipur, Rajkot, Cochin, Hyderabad, Bangalore, Patna, Lucknow and Vadodara. NSE has a presence in all the major cities of the country.

Products and services

NSE's scale and breadth of products and services as well as sustained leadership across multiple asset classes in India and the world enable it to be responsive to market demands. NSE delivers innovation in trading and non-trading businesses to provide high-quality data and services to market participants and clients.

State of the-art-technology

NSE is a pioneer in technology and ensures the reliability and performance of its systems through a culture of innovation and investment in technology. NSE has a pan-India, high-speed network, which supported more than 1,89,457 terminals as of 31 March 2018.

Robust network

NSE lists and trades securities on two markets: cash market and derivatives market. NSE's cash market can be categorized into the equity cash market for equities and equity-linked securities, and the debt cash market for fixed income securities.

Market share

NSE began operations in 1994 and enjoys leading market shares by total turnover of 87% in equity cash trading, 100% in equity derivatives trading, 53% in currency derivatives trading, 59% in interest rate derivatives trading, 67% in ETFs trading for fiscal 2018.

NSEIT (US) Inc. (NSEIT US)

A wholly-owned subsidiary of NSEIT, it offers application, assessment, infrastructure and security services, among others.

NSE Academy Limited (NAL)

A wholly-owned subsidiary of NSICL, it offers educational programmes in the areas of banking, financial services, financial markets and financial literacy.

NSE IFSC Limited (NSE IFSC)

A wholly-owned subsidiary of NSE, it provides a platform for trading securities in IFSC.

NSE IFSC Clearing Corporation Limited (NICCL)

A wholly-owned subsidiary of NSCCL, it provides clearing and settlement services in IFSC.

NSE Foundation

A subsidiary formed by NSE along with other seven subsidiaries it is engaged in undertaking CSR activities of NSE Group.

Products and services



Segments	Products and services	Customer groups
Cash market	Products: Equities, Exchange Traded Funds, Mutual Funds, Sovereign Gold Bonds, Infrastructure Investment Trust (InvITs)	Proprietary, retail and institutional participants (domestic and foreign)
Derivatives	Products: Derivatives on global indices and volatility index	Proprietary, retail and institutional participants (domestic and foreign)
Debt market	Products: Tri-party Repo market (TRM) platform in debt segment, debt securities, corporate bonds, government securities and bills	Proprietary, retail and institutional participants (domestic and foreign)
Data and information vending	Products: NSE's online real time data feed, 15-minute-delayed, 5-minute, 2-minute and 1-minute snapshot, EOD data, historical trades and orders and corporate data Services: Providing data feeds	Data vendors, researchers, TV channels, financial websites, software and algorithm developers
Index services	Products: Equity Index- NIFTY 50, NIFTY 100, NIFTY bank indices, and debt indices, among others. Services: Index IP licensing and customised index solution	AMCs, ETF issuers, insurer, NBFCs, investment banks, stock exchanges and AIFs



Ethical pedigree



Vision

To continue to be a leader, establish global presence and facilitate the financial well-being of people.



Purpose

Committed to improve the financial well-being of people.



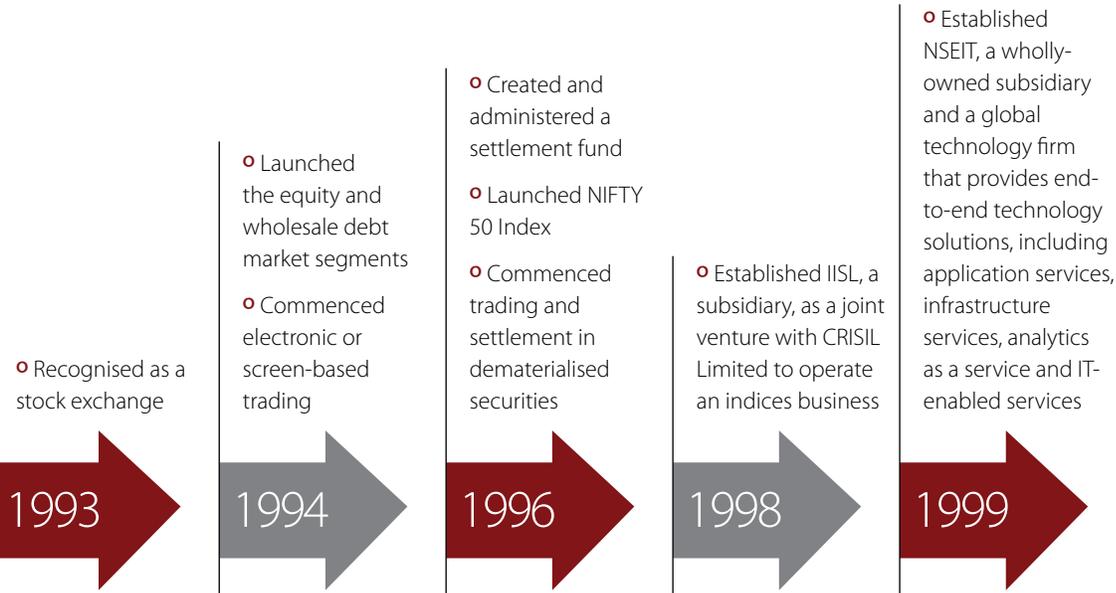
Values

Integrity, customer-focused culture, passion for excellence, trust, respect and care for the individual.

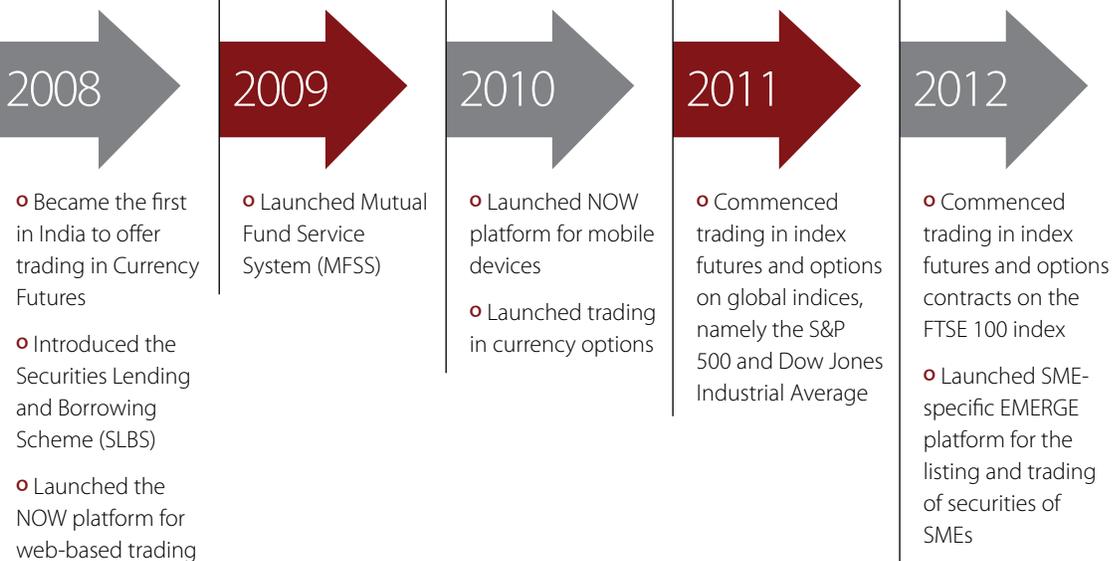


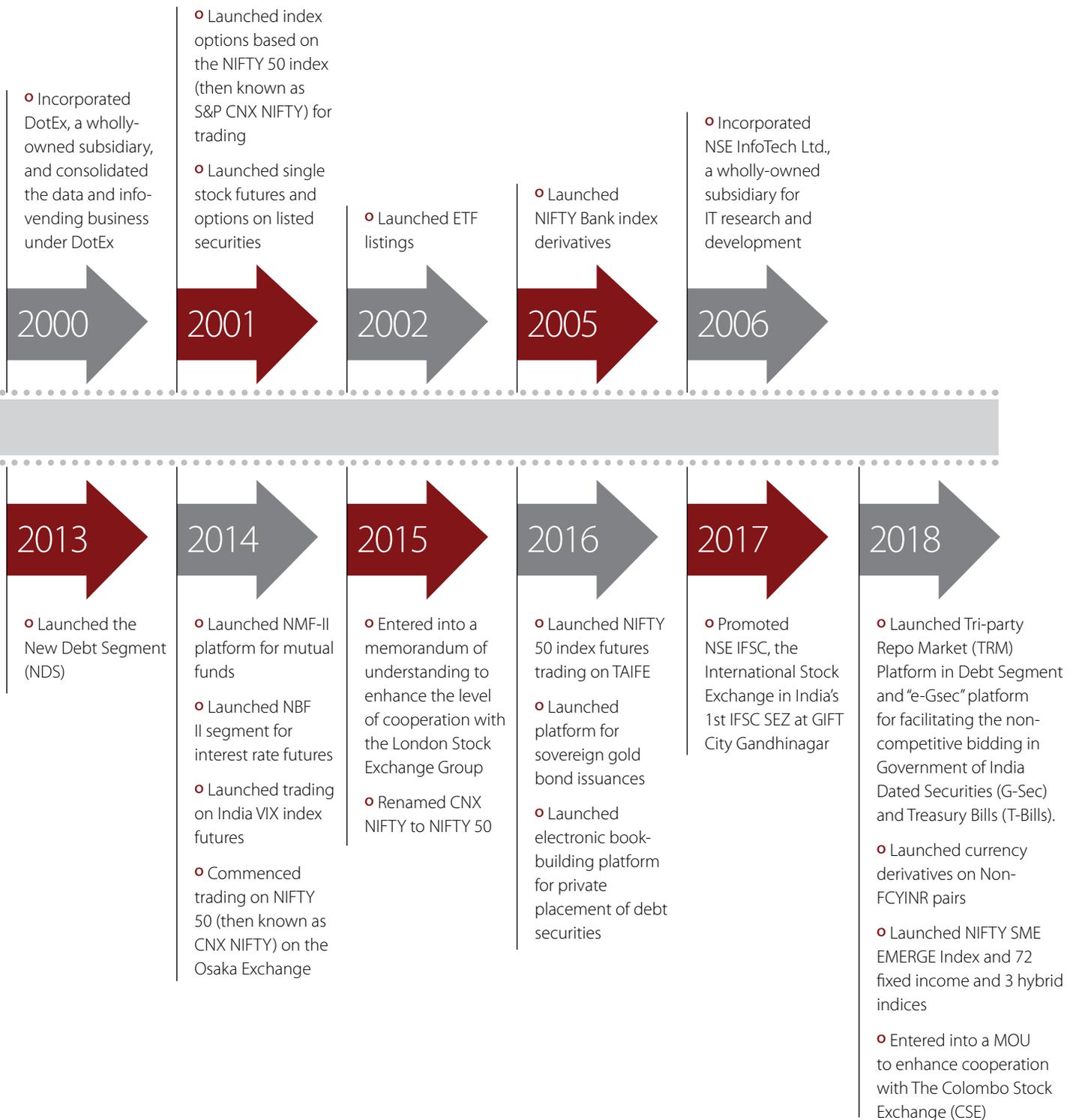
Logo

Logo of the NSE symbolises a single nationwide securities trading facility ensuring uniform access to investors, trading members and issuers all over the country. The initials of the Exchange viz., N, S and E have been etched on the logo and are distinctly visible. The logo symbolises simplicity, technology and connectivity, unleashing of creative energy to constantly innovate for the development and growth of the securities industry.



Milestones





Recognitions



2010-11

- The Asian Banker Achievement Awards for Markets and Exchanges - Financial Derivative Exchange of the Year Award

2013-14

- Capital Finance International - Best Stock Exchange Award, India

2014-15

- Futures and Options World Award for Indian Exchange of the Year
- Global Finance - Best Derivatives Providers Award 2014 for exchange performance
- CII-Exim Bank Prize for Business Excellence

2015-16

- Golden Peacock Innovative Product / Service Award
- The Asian Banker Achievement Awards 2015 - Stock Exchange of the Year
- FOW Awards for Asia - Best New Technology Product - Market Surveillance

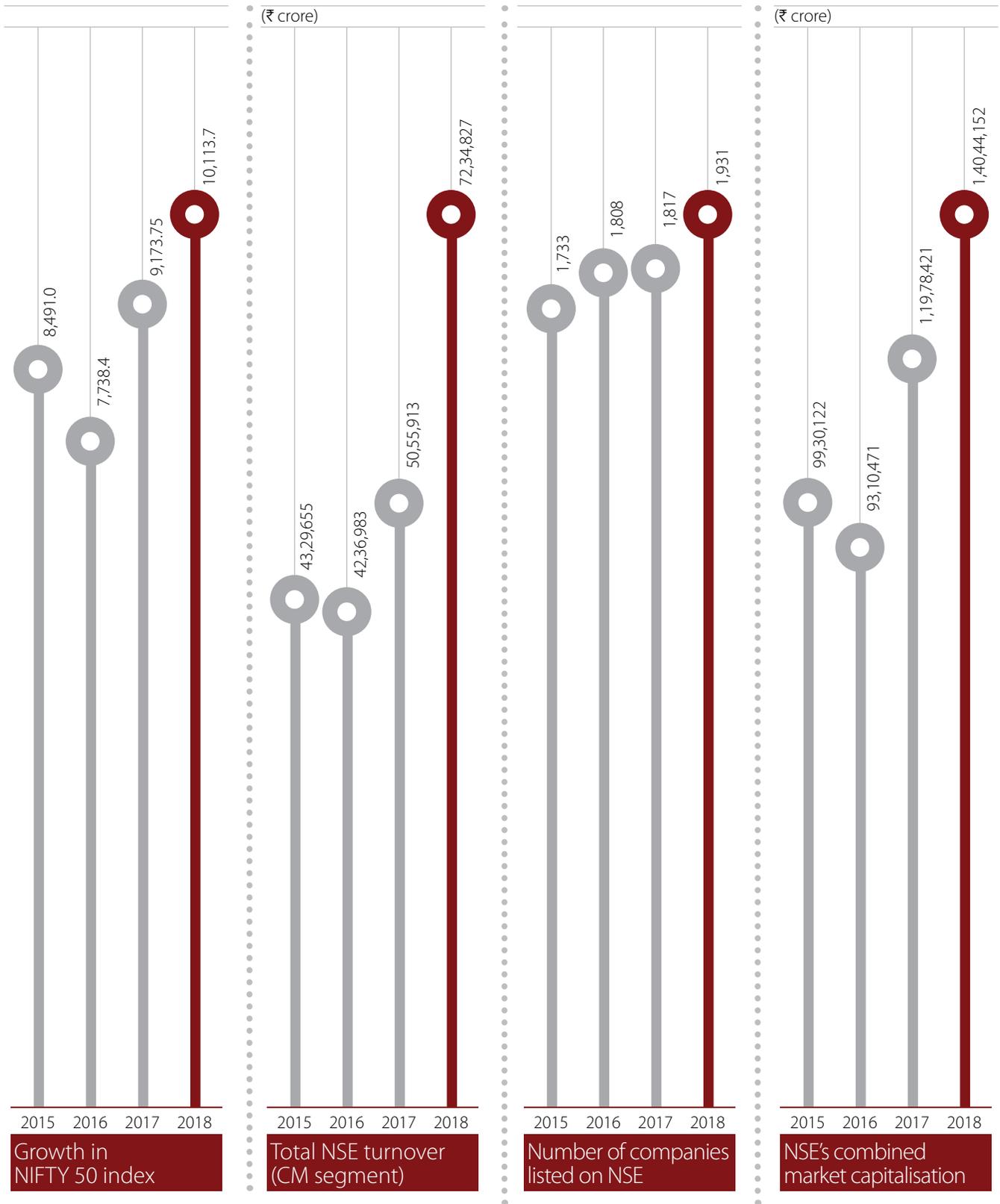
2016-17

- CII- Exim Bank Prize for Business Excellence
- Global Architecture Excellence Awards 2016 - New Service Offering Initiative

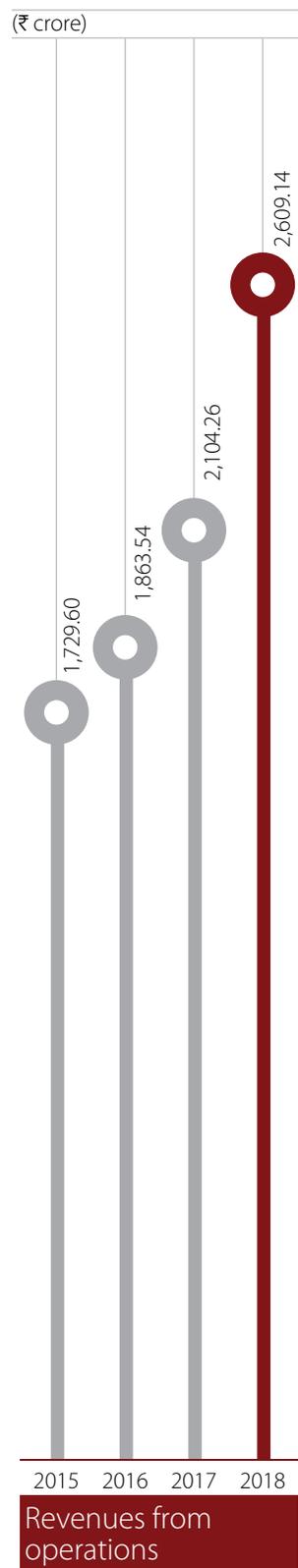
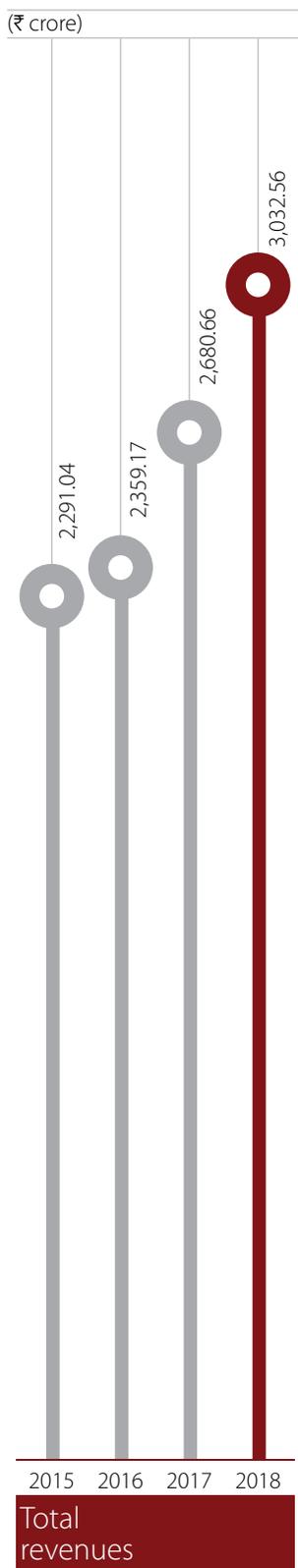
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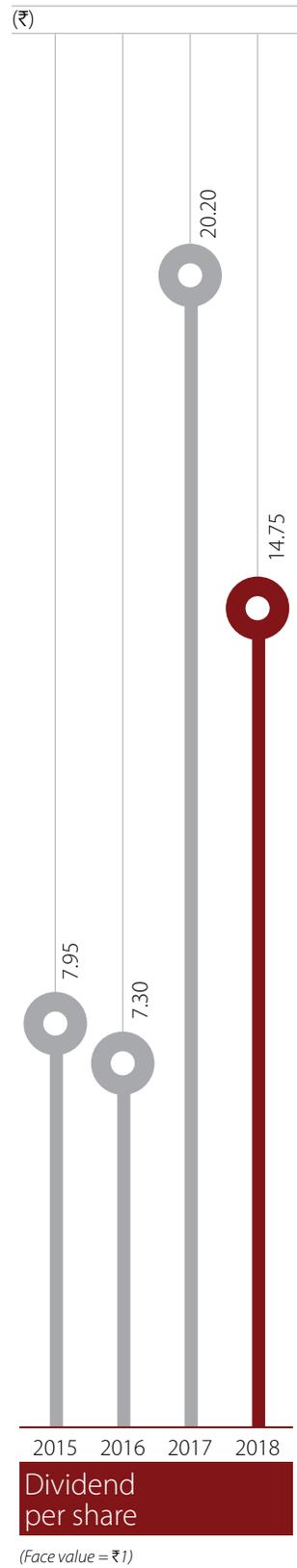
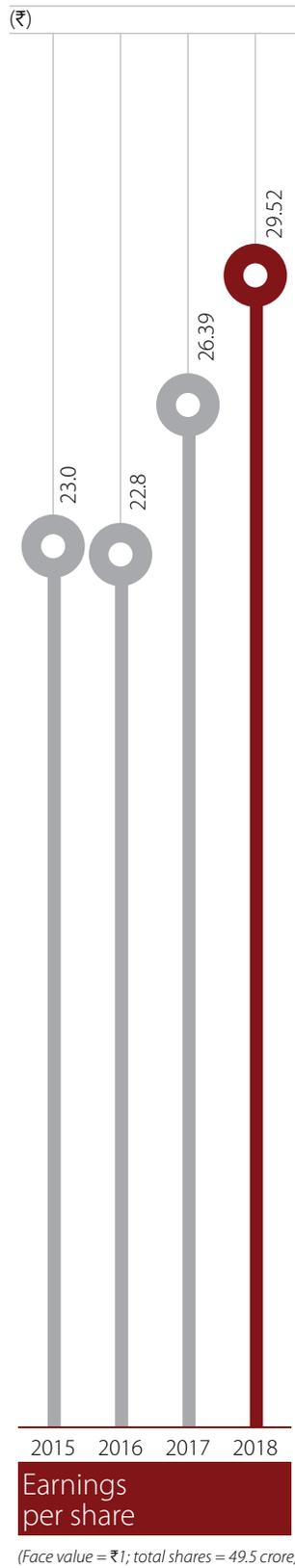
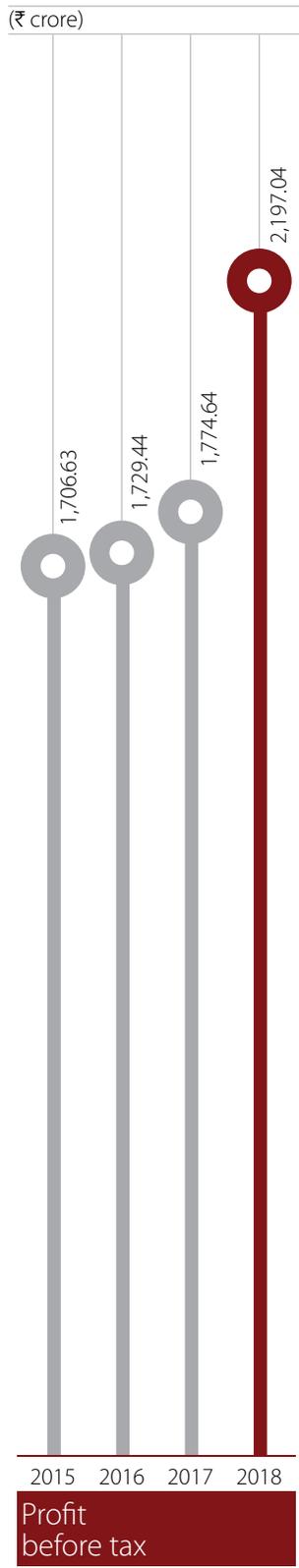
- FICCI CSR Award for Exemplary Innovation
- Capital Market : Vision 2020 - Best Stock Exchange of India
- 7th Annual Greentech HR Award 2017
- Golden Peacock Award for Corporate Social Responsibility
- ET NOW - CSR Leadership Award
- Green IT award
- India Achievers Awards , 2018 - NSE SME Driver of Entrepreneurship
- Datacenter Summit and Awards 2017 for Innovation
- Architecting a "Digital Transformation Journey"
- Ranked among India's Top 50 companies to work for
- Recognized for being among the best in Financial Service Industry

Performance



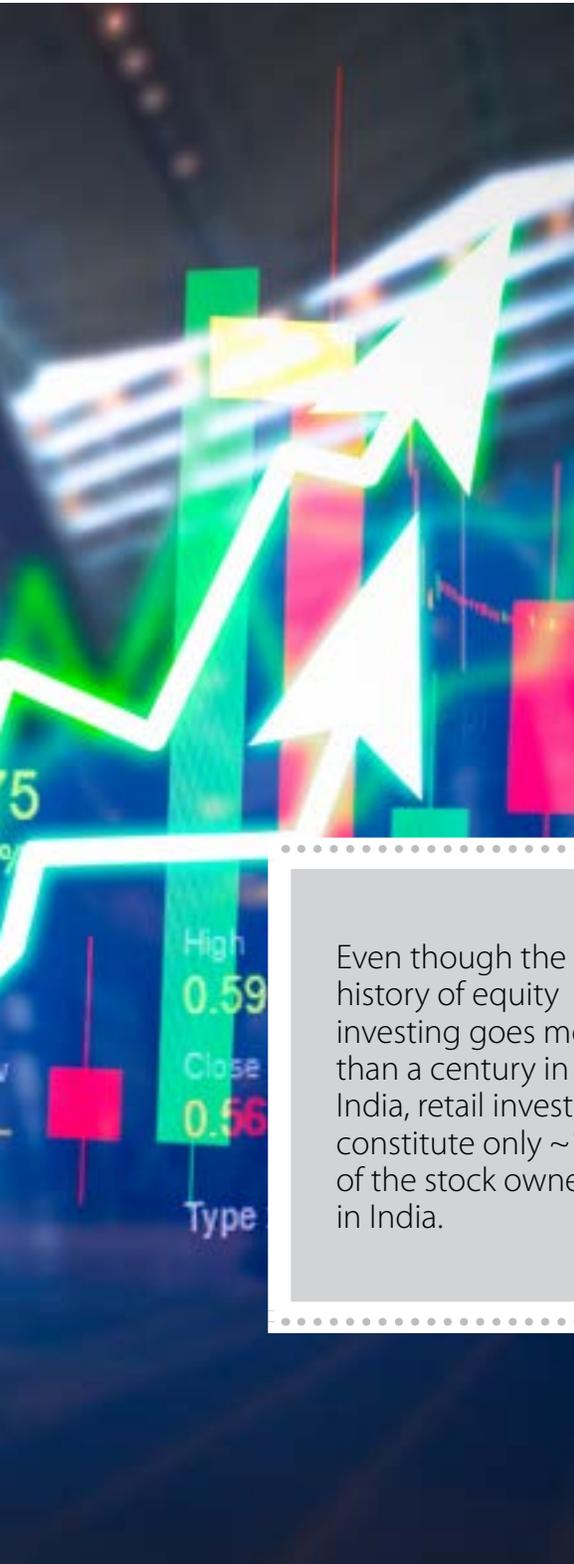
How we have enhanced value in the last 4 years





NSE: At the bottom-end of a long-term growth curve





Even though the history of equity investing goes more than a century in India, retail investors constitute only ~13% of the stock ownership in India.

Even as NSE has been in business for more than two decades, the story of India’s most successful stock exchange is only just starting out.

There is a growing recognition that after decades of under-penetration within India’s investment mix, equity investing in India is finally coming into its own.

Consider the realities that could strengthen NSE’s role and visibility.

High reliance on bank/NBFC funding: Over the last few decades, much of the growth of Indian corporates has been funded by the banking sector. The share of corporate loans to total corporate credit at ~65% indicates extensive headroom for the sustained growth of funding to be derived out of the country’s capital markets. As the Indian economy matures, there is scope for the reliance on bank funding to be moderated in favour of capital markets.

Under-developed corporate bond market and nascent (on-exchange) markets for FX and IR derivatives: Even as India’s equity capital markets are developed, there is still considerable room for the corporate bond markets to acquire critical mass across the primary and secondary markets. The outstanding-corporate-bonds-to-GDP ratio for India is ~13% compared to 21% for China, 28% for Hong Kong, 44% for Malaysia, 32% for Singapore and 75% for Korea. Similarly, exchange-based markets for the trading of

FX derivatives and interest rate derivatives are only at an early stage of development in India.

Low retail investor participation: Even though the history of equity investing goes more than a century in India, retail investors constitute only ~13% of the stock ownership in India. The number of demat accounts in India is <10% of the number of banking accounts, indicating substantial growth room for the greater participation of retail investors in the Indian capital markets. Going ahead, improved ease of access to information driven by increasing mobile penetration could play a decisive role in deepening equity participation

Low free float levels: The trading volumes in India are largely affected by the low float across a large number of listed companies as a result of significant promoter holding. The low float is around 47% for NSE compared to 89% in Bovespa, 66% in HKEX, 80% in JSE, 56% in KRX, 82% for LSE and 90% for NASDAQ. In turn, this low free-float is manifested in lower turnover velocity and there is a conviction that as promoters progressively dilute their holdings, turnover on an exchange like NSE could increase significantly.

The result is that the story at NSE is only just beginning.

NSE: A market leader in India and a leading stock exchange globally





NSE has helped India in becoming a global financial power house through its continuous efforts in financial well being of individuals.

NSE is more than an exchange; it is a national proxy.

NSE has been the largest stock exchange in India by total and average daily turnover of equity shares since 1995.

NSE's leadership has not been derived merely from a first-mover advantage following the discontinuation of outcry trading; it has been derived from the ability to customise products and services in line with evolving market developments and customer needs.

The result is that NSE possesses a scale and breadth of products and services on the one hand and leadership across multiple asset classes on the other.

NSE's ability to provide quality data and services to market participants and clients was unambiguously recognised during the year under review:

- NSE was ranked the second largest exchange in the world based on volume of contracts traded (2,465.33 million) and contracts traded in single stock futures (201.92 million)
- Ranked first in the world in terms of contracts traded in index options, amounting to a notional value of US\$ 21.3 trillion and

ranked first in the world in terms of contracts traded in currency options

- Ranked the second largest in the world in terms of contracts traded in currency (358.25 million)
- Ranked eighth largest in the world in terms of contracts traded in long-term interest rate futures
- Ranked the twelfth-largest in the world in terms of contracts traded in index futures, amounting to a notional value of US\$ 0.66 million
- Ranked the ninth largest in the world in terms of contracts traded in stock options
- Ranked the third largest in the world based in terms of number of trades in the capital market segment
- Ranked the sixth largest in the world in terms of number of listed bonds.
- Ranked first among the fastest growing global markets (NSE SME Emerge)

This undisputed leadership provides the exchange with a robust foundation to take the interests of investors ahead.

NSE: Combining advanced technology with enduring innovation





NSE implemented a top-notch security framework to prevent and detect intrusions and bolster internal and external security levels. It adopted real-time risk monitoring protocols for trading.

Over the years, NSE has reinforced its leadership around continuously reinventing itself through the proactive use of cutting-edge technologies.

NSE complemented an experienced team of IT professionals with select third-party IT vendors resulting in the creation, operation and support of best-in-class technology infrastructure.

NSE developed proprietary technological components and/or in collaboration with agencies like National Exchange for Automated Trading, or NEAT, NSE's screen-based trading system.

NSE licensed the NOW trading software to provide round-the-clock connectivity to the exchange through trading terminals, web-based browsers and mobile devices.

It deployed real-time hardware and software monitoring and analytics with self-correction capability, predictive behaviour

technologies and surveillance of at-risk points, among others.

It eliminated the prospect of outages and disruptions by investing redundancy and excess capacity in its systems at all times. It implemented regular testing protocols and adopted continuous obsolescence planning to update hardware and systems. It implemented a top-notch security framework to prevent and detect intrusions and bolster internal and external security levels. It adopted real-time risk monitoring protocols for trading.

NSE invested ₹815 million in cutting-edge technology (hardware and software) during the past year, processing an average ~900 million messages per day in 2017-18.

NSE: present where its customers are

NSE has played a vital role in transforming Indian capital markets. It introduced electronic trading through VSAT technology to widen its Indian footprint and make the market accessible to all.

National footprint

- o 36 states
- o 565 districts
- o 2,000 cities
- o >1,89,457 access points
- o >24 million investors
- o 1464 trading members
- o >8,400 FIs and sub-accounts registered
- o 1931 listed companies

Global footprint

NSE is ranked among the top exchanges worldwide across a diverse range of parameters. NIFTY50-based products have helped investors around the world to be a part of the India growth story. Currently, ETFs linked to NIFTY indices are listed on 17 exchanges across 15 countries.

NSE: Levelling the playing field for all





NSE launched the Emerge and Emerge-ITP platforms to provide customised listing alternatives for Indian SMEs seeking access to capital.

At NSE, our objective is not merely to address an existing market but to create markets in the first place.

In line with this missionary commitment, NSE conducted financial education workshops under the aegis of the NSE Academy to develop a new generation of investors.

NSE announced that a CTCL/ NNF user ID could also be used for marketing SME securities and improve user experience.

NSE launched the Emerge and Emerge-ITP platforms to provide customised listing alternatives for Indian SMEs seeking capital access.

NSE engaged with State Governments to recommend

the launch of SME-focused investment funds to expand the institutional investor base and attract more SMEs.

NSE diversified its listing acquisition campaigns in line with evolving regulatory environments to target new issuer categories eligible for public listings in India.

The exchange launched a platform for financing SMEs, a space currently marked by a funding gap of ₹27 trillion.

NSE empowered SMEs from the Emerge and Emerge-ITP platforms to mobilise ₹19958.6 million since 2012.

NSE's Emerge platform

The Emerge platform has been operational since 2012 as an alternative listing platform for SMEs with a paid-up capital <₹250 million.

Emerge-ITP was launched in 2014 as a specialised platform for SMEs that operate key high-growth sectors in which sophisticated investors hold substantial ownership interests like information technology, intellectual property, data analytics, biotechnology and nanotechnology, among others.

These platforms are intended to provide access to early-stage capital for SMEs and new investment opportunities for investors.

NSE: Improving financial well-being by offering a diversified product portfolio





NSE has imparted financial knowledge to more than 18 lakh people through its certification programs.



At NSE, we do not just provide a transaction platform.

We focus on improving the well-being of investors.

NSE launched the “e-Gsec” platform for facilitating the non-competitive bidding in Government of India Dated Securities (G-Sec) and Treasury Bills (T-Bills). This will allow retail investors to invest in Government Securities and hold them in existing demat accounts.

NSE launched the ‘Tri-Party Repo Market’ platform in its debt segment to facilitate repo on corporate debt securities.

NSE introduced currency derivatives on new pair’s viz. Euro Dollar, Pound Dollar and Japanese Yen Dollar.

NSE becomes the first Indian stock exchange to be part 30 exempted by Commodity Futures Trading Commission (CFTC). The CFTC exemption enables NSE members to trade in derivatives for US clients.

NSE introduced currency options on new pair’s viz. Euro Indian Rupee, Pound Indian Rupee and Japanese Yen Indian Rupee

NSE has imparted financial knowledge to more than 18 lakh people through its certification programs.

NSE conducts investor awareness programs across the country to inculcate financial literacy amongst the masses.

NSE’s vertically-integrated business model presents opportunities for cross-sale across the value chain.

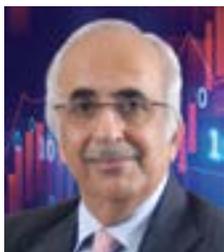
NSE remains focused on educating and hand holding new and existing members to trade across asset classes.

NSE plans to develop new offerings by leveraging IT-enabled management services and analytics in the commercial technology business.

NSE’s products and services foster digital transformation by capitalising on state-of-the-art cloud, cyber security and intelligence solutions, particularly among banking and financial services clients.

At NSE, the future is here.

Board of Directors



Ashok Chawla is the Chairman and Public Interest Director of your Company. He holds a master's degree in economics from Delhi School of Economics. He has 43 years of experience in public service. He was an Indian Administrative Service Officer and has held various posts in Gol, including as the Secretary, Ministry of Civil Aviation, finance secretary, Ministry of Finance and Chairman of the FIPB. He served as the economic counsellor in the Indian Embassy in Washington. He was also an alternate Governor for India at the World Bank and International Monetary Fund. Mr. Chawla has served as a member on the Board of the RBI, State Bank of India, Life Insurance Corporation of India and India Infrastructure Finance Company Limited. In January 2011, he was appointed by the Gol as the Chairman of a committee to examine the allocation and pricing issues relating to scarce natural resources. Subsequently, he was appointed as Chairman of the CCI and retired in January 2016. He has been associated with your Company since March 28, 2016.



Vikram Limaye is the Managing Director & CEO of your company. He started his professional career with Arthur Andersen in Mumbai in 1987 while pursuing Chartered Accountancy and worked in the audit and business advisory services groups of Arthur Andersen, Ernst & Young and the consumer banking group of Citibank before going to the US in 1994 to pursue a MBA. After completing his MBA from the Wharton School of the University of Pennsylvania, he worked on Wall Street in USA for 8 years with Credit Suisse First Boston in a variety of roles in investment banking, capital markets, structured finance and credit portfolio management before returning to India in 2004. He has contributed to various committees of government and industry associations on a range of topics surrounding infrastructure, economic policy, markets, trade, minority affairs, etc. He has been part of international government delegations for infrastructure and foreign direct investments into India. He also served as the Managing Director & CEO of IDFC Limited. He is also member of some of the SEBI constituted committees. He assumed office as MD & CEO of your company with effect from July 17, 2017.



Abhay Havaladar is a Shareholder Director of your Company. He holds a Bachelor's degree in Electrical Engineering from the Mumbai University and a Master's degree in management from the London Business School. Previously, he was associated with General Atlantic, a global growth equity firm as an Advisory Director. He was instrumental in establishing General Atlantic's India Office. He has experience of investing in the Indian markets as a venture capitalist and growth investor. He is also a Board member of the Society for Innovation and Entrepreneurship ("SINE"). He has been associated with your Company since June 13, 2012.



Dinesh Kanabar is a Public Interest Director of your Company. He is a member of the Institute of Chartered Accountants of India. Mr. Kanabar is the Chief Executive Officer of Dhruva Advisors LLP. He has experience in taxation matters. Previously, he was the Deputy Chief Executive Officer of KPMG in India. He also served as Chairman of KPMG's tax practice. Before joining KPMG, he served as the Deputy CEO of RSM & Co, a leading tax boutique in India and subsequently led the tax and regulatory practice of PricewaterhouseCoopers (PwC) upon the merger of RSM & Co with PwC. He is a member of the National Committee of FICCI and the Chairman of its Taxation Committee. He has worked with the Government on several policy committees, including tax reforms. He has been associated with your Company since July 13, 2016.



Anshula Kant is a Shareholder Director of your Company. She holds a Master's degree in Economics from the University of Delhi. She has been working with the State Bank of India for 34 years. Currently, she is holding the position of Deputy Managing Director & Chief Financial Officer. She has experience in Retail Banking, Corporate Credit, Cross-border Trade and Banking in developed markets. She has headed the Mumbai Circle of SBI as the Chief General Manager covering the states of Maharashtra and Goa. In the past, she has also served as the Chief Executive Officer, Singapore, where she was responsible for launching retail operations for SBI in Singapore. She has been associated with your Company since October 19, 2016.



Naved Masood is a Public Interest Director of your Company. He holds Honours degree in law from Aligarh Muslim University. He has 38 years of experience in public service and diverse fields, including Company Law, Finance and Disaster Management. He was an Indian Administrative Service Officer and held various posts in the GoI, including, Special Secretary and Financial Advisor in the Ministry of Health and Family Welfare, the Secretary in the Ministry of Corporate Affairs and member on the Board of SEBI. He has been associated with your Company since July 13, 2016.



T.V. Mohandas Pai is a Public Interest Director of your Company. He is a member of the Institute of Chartered Accountants of India. Mr. Pai is the chairman of Manipal Global Education Services Private Limited. He co-founded AARIN Capital, a venture capital fund. He has served on the Board of SEBI and is currently the Chairman of SEBI Primary Markets Advisory Committee and committee of Financial and Regulatory Technologies Committee. Previously, he worked at Infosys Limited from 1994 to 2011, and was its Chief Financial Officer and later a member of its Board of Directors. He co-founded the Akshaya Patra Foundation, Bangalore in 2001 which runs the world's largest midday meal program. He was awarded the Padma Shri in 2015. He has been associated with your Company since July 13, 2016.



Prakash Parthasarathy is a Shareholder Director of your Company. He holds a Post Graduate degree in Management from Indian Institute of Management, Bangalore and a B. Tech. degree in Computer Science from BITS, Pilani. He is the Managing Partner of Sanctum Management Pte. Prior to Sanctum, Mr. Prakash Parthasarathy was the founding Managing Partner & Chief Investment Officer of PremjiInvest, an investment office serving Azim Premji (Chairman, Wipro) and his Foundations. Mr. Prakash Parthasarathy was responsible for the firm's strategy and operations across all asset classes in India, China and the US and led the Investment Committee of the firm. He has been associated with your Company since May 30, 2012.



Dharmishta Raval is a Public Interest Director of your Company. She holds a degree in law and is enrolled as an Advocate of the Gujarat Bar Association since 1980. Previously, Ms. Raval was a director of Ace Derivates and Commodity Exchange Limited. Previously, she has served on the Board of SEBI as an Executive Director. She is a practicing advocate at the Gujarat High Court. She has been involved in matters relating to service law, banking laws, financial institutions, company law, labour laws and income tax. She has been associated with your Company since February 5, 2016.



Sunita Sharma is a Shareholder Director of your Company. She holds a Master's degree in science from Delhi University. She is the Managing Director of Life Insurance Corporation of India. She has also served as the Managing Director, Chief Executive Officer and Executive Director of LIC Housing Finance Limited and LIC HFL Care Homes Limited. The Institute of Economic Studies conferred her with the Udyog Rattan Award. In February 2015, ABP Real Estate Awards presented her with Women Super Achiever in the real estate sector. She received a certificate of achievement in the Outstanding Category of the Asia Pacific Entrepreneurship Awards, 2016. She has been associated with your Company since October 19, 2016.

Management Discussion & Analysis



Indian economic overview

After registering GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for slower growth estimated at 6.7% in 2017-18. The year under review was marked by structural reforms by the Government. In addition to GST introduction, the year witnessed significant resolution of problems associated with bank non-performing assets, FDI liberalization, bank recapitalization and privatization of coal mines. After remaining in negative territory for a couple of years, export growth rebounded in 2016-17 and strengthened in 2017-18; foreign exchange reserves rose to an all-time high of US\$ 426 billion in April 2018. (Source: CSO, economic survey 2017-18, livemint)

Key government initiatives

o **Bank recapitalisation scheme:** The Central Government announced capital infusion of ₹2.1 lac crore in public sector banks.

o **Expanding road network:** The Government of India announced a ₹6.9

lac crore investment to construct 83,677 kilometres of roads across five years.

o **Improving ecosystem:** The country was ranked at the hundredth position, an improvement of 30 places in the World Bank's Ease of Doing Business 2017 report, a result of the Central Government's pro-reform agenda.

o **Goods and Services Tax:** The Government of India launched GST in July 2017, with the vision of creating a unified market. Under this regime, various goods and services would be taxed as per five slabs (28%, 18%, 12%, 5% and zero tax).

o **Foreign Direct Investment:** Foreign direct investment increased from

Estimation for the FY2017-18 Vs FY 2016-17

GDP growth		GVA growth		Farm growth		Manufacturing growth		Mining growth	
2017-18*	2016-17	2017-18*	2016-17	2017-18*	2016-17	2017-18*	2016-17	2017-18*	2016-17
6.7%	7.1%	6.4%	9.0%	3.0%	9.0%	5.1%	9.3%	3.0%	1.9%

approximately USD 24 billion in FY2012 to approximately USD 60 billion in FY2017, an all-time high.

o Coal mining opened for private sector:

The government opened coal mining to private sector firms for commercial use, the most ambitious sectoral reform since nationalization in 1973.

o Doubling farm incomes: The government initiated a seven-point action plan to double farm incomes by 2022.

Outlook

World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private

consumption and services are expected to continue to support economic activity. Private investment is expected to revive as soon as the corporate sector adjusts to the GST. (Source: IMF, World Bank)

Risks and concerns

While the fundamentals of the Indian economy remain strong, the domestic capital markets and, especially, the inflow

of foreign funds are to a large extent susceptible to the developments in the global economy. However, with key policy

changes and domestic growth expectations within the country and improvement in global economy, these risks would be largely mitigated.

Internal control systems and their Adequacy

The Company has well established internal control systems commensurate with the size and nature of its business and are adequate to ensure compliance with

various internal processes and procedures as well as with various statutory and legal requirements. The Company has appointed reputed firms of Chartered

Accountants to review the effectiveness of the internal control systems and submits its observations, if any, to the Audit Committee of the Board for its review / recommendations.

Financials

The financial statements have been prepared in compliance with the requirements 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). A well known and reputed firm of Chartered Accountants performs the audit and they have confirmed that our practices are as stringent and complete as internationally. Consolidated Financial statements have also been presented in this Annual Report.

Financial performance (2017-18)

During FY2017-18, total revenue increased by around 12% from ₹2,318.41 crores for FY2016-17 to ₹2,592.23 crores for the FY 2017-18.

The total expenditure for the FY 2017-18 was ₹886.01 crores as compared to ₹895.49

crores for FY2016-17, a decline of around 1% over the previous year.

The total profit before tax for FY2017-18 was ₹1,706.22 crores as against ₹1,422.92 crores for FY2016-17, representing an increase of around 20% over the previous year. The increase in profit before tax was mainly due increase in volume resulting to increase in transaction charges

The total provision for tax (including deferred tax) for FY2017-18 was ₹544.41 crores as against ₹389.99 crores for FY2016-17.

The total profit after tax for FY2017-18 was ₹1,161.81 crores as against ₹1,032.93 crores for FY2016-17, an increase of around 12% over the previous year.

Construction growth	Trade, hotel, transport, telecom growth	Financials, realty growth	Public, admin, Defence growth	Per capita income growth																				
<table border="1"> <tr> <td>2017-18*</td> <td>2016-17</td> </tr> <tr> <td>4.3%</td> <td>3.5%</td> </tr> </table>	2017-18*	2016-17	4.3%	3.5%	<table border="1"> <tr> <td>2017-18*</td> <td>2016-17</td> </tr> <tr> <td>8.3%</td> <td>9.8%</td> </tr> </table>	2017-18*	2016-17	8.3%	9.8%	<table border="1"> <tr> <td>2017-18*</td> <td>2016-17</td> </tr> <tr> <td>7.2%</td> <td>9.8%</td> </tr> </table>	2017-18*	2016-17	7.2%	9.8%	<table border="1"> <tr> <td>2017-18*</td> <td>2016-17</td> </tr> <tr> <td>10.1%</td> <td>16.6%</td> </tr> </table>	2017-18*	2016-17	10.1%	16.6%	<table border="1"> <tr> <td>2017-18*</td> <td>2016-17</td> </tr> <tr> <td>8.3%</td> <td>9.7%</td> </tr> </table>	2017-18*	2016-17	8.3%	9.7%
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8.3%	9.7%																							

*Estimated [Source: <http://pib.nic.in/newsite/PrintRelease.aspx?relid=163287>]

Operating revenues

Transaction charges

During the year, an upward trend continued with around 31% in the income from transaction charges from ₹1,335.30 crores for FY2016-17 to ₹1,745.45 crores for FY2017-18. The average daily turnover (billable) on the exchange during FY2017-18 was ₹29,449 crores in the cash market (CM segment) as against ₹20,417 crores for FY2016-17, indicating an increase of around 44%. In the F&O segment, the average daily turnover (billable) for FY2017-18 was ₹85,434 crores as against ₹64,158 crores for FY2016-17, indicating an increase of around 33%. In the currency derivatives segment, the average daily turnover (billable) for FY2017-18 was ₹10,702 crores as against

Interest and other investment income

During FY2017-18, the total investment income decreased by around 30% from ₹722.75 crores for FY2016-17 to ₹509.02 crores for FY2017-18. The decrease was mainly on account of reduction in bank deposits.

Other operating revenues

During FY2017-18, other operating revenue increased by around 26% from ₹210.12 crores for FY2017-18 to ₹167.11 crores for FY2016-17.

Other income

During FY2017-18, other income increased by around 90% from ₹15.98 crores in FY2016-17 to ₹30.34 crores for FY2017-18. The increase was mainly due to net gain on

Clearing and settlement charges

National Securities and Clearing Corporation Limited (NSCCL), a wholly-owned subsidiary of the Exchange, carries out the clearing and settlement of the trades executed in the CM, F&O and CD segments. Consequent to the increase in income from transaction charges, the clearing and settlement charges for the FY 2017-18 paid to NSCCL increased by around 21% i.e. from ₹100.05 crores in FY2016-17 to ₹120.65 crores in FY2017-18.

Employee cost

The exchange recognises the value of its human capital deployed at all levels. To continue to provide best-in-class services to its members and other market participants, it is essential for the Company to attract and retain the best talent available. In this direction, the Company continues to take various initiatives to follow best practices in HR and also keeps benchmarking it with other forward-looking organisations. During the FY 2017-18, the Company has taken a number of HR initiatives in the areas of employee development and training, harnessing knowledge and skill levels as well as various staff welfare measures, etc. During the year 2017-18, the employee-related expenses stood at ₹109.24 crores, which was ₹107.47 crores for FY2016-17.

The exchange recognises the value of its human capital deployed at all levels. To continue to provide best-in-class services to its members and other market participants, it is essential for the Company to attract and retain the best talent available. In this direction, the Company continues to take various initiatives to follow best practices in HR and also keeps benchmarking it with other forward-looking organisations.

₹10,276 crores for FY2016-17, indicating an increase of around 4%.

Listing fees

During the year, there was an increase of around 6% in the income from listing fees – from ₹63.43 crores for FY2016-17 to ₹67.28 crores for FY2017-18. The exchange, as of March 31, 2018, had 1,885 listed companies. The total market capitalisation of these companies, as of March 31, 2018, stood at around ₹140 lakh crores.

Book building fees

During the year, there was a healthy increase in the total book building fees of around 117% from ₹13.83 crores for FY2016-17 to ₹30.02 crores for FY2017-18.

disposal of property, plant and equipment – from ₹0.20 crores for FY2016-17 to ₹12.66 crores for FY2017-18.

Expenditure

IT and telecom expenses

During the FY 2017-18, total IT and telecom expenses were ₹222.03 crores as compared to ₹227.30 crores for FY2016-17.

Other expenses

During FY2017-18, other expenses increased by around 49% from ₹214.92 crores for FY2016-17 to ₹319.39 crores for FY2017-18.

Depreciation

Depreciation increased by around 3% from ₹111.70 crores for FY2016-17 to ₹114.70 crores for FY2017-18.

Financial statement as on March 31, 2018

Share capital

The total paid-up capital of the Company, as on March 31, 2018, is ₹49.50 crores divided in to 49,50,00,000 equity shares of ₹1 each.

Reserves and surplus

The total reserves and surplus, as on March 31, 2018, stood at ₹5,921.26 crores comprising share premium of ₹35.50 crores, investor compensation reserve of ₹10 crores, staff welfare reserve of ₹1.50 crores, other reserves of ₹49.06 crores, general reserve of ₹3,690 crores and balance in P&L

account of ₹2,135.20 crores.

Thus, the total net worth of the Company, as on March 31, 2018, is ₹5,970.76 crores and book value is ₹121 per share.

Deposits from members (Unsecured)

The total deposits from members, as on March 31, 2018, stood at ₹1,052.28 crores as against ₹1,059.58 crores as on March 31, 2017.

Fixed assets

The total gross block, as on March 31, 2018, was ₹1,453.84 crores. Total accumulated depreciation up to March 31, 2018 was ₹872.40 crores. Net fixed assets (including capital WIP) were ₹581.44 crores. As part of the total investments in technology, during the FY 2017-18, the total additions to fixed assets were ₹157.71 crores, mainly pertaining to the trading systems, computer systems, telecom equipment and computer software. Total deletions at cost were at ₹114.70 crores.

Investments

The prudential policy of the Company permits it to invest both long-term and short-term surplus funds into deposits of highly-rated banks, bonds issued by the Central / State governments, institutions and various corporates and into debt-oriented schemes of high-performing mutual funds. As on March 31, 2018, the total non-current investments were ₹3,981.07 crores as against ₹3,567.56 crores as on March 31, 2017, an increase of ₹413.51 crores. Current investments were ₹2,246.55 crores as on March 31, 2018, as against ₹2,349.84 crores as on March 31, 2017, a decline of ₹103.29 crores.

Other non-current and current assets

Total other assets (non-current and current) as on March 31, 2018 stood at ₹991.85 crores, comprising interest accrued on investments and fixed deposits amounting to ₹67.71 crores, trade receivables amounting to ₹328.28 crores and cash and bank balances in current and fixed deposits and certificates of deposits amounting to ₹224.54 crores. Other current assets of ₹104.24 crores and non-current assets of ₹267.08 crores.

Other non-current and current liabilities

Total other liabilities (non-current and current), as on March 31, 2018, stood at ₹777.87 crores mainly comprising security deposits as per listing agreement amounting to ₹86.79 crores, securities transaction tax of ₹163.72 crores, provision

for leave encashment of ₹12.31 crores and other current liabilities amounting to ₹444.08 crores and other non-current liabilities amounting to ₹70.97 crores.

Taxation

The total provision for tax (including deferred tax) for the year FY 2017-18 was ₹544.41 crores, as against ₹389.99 crores for the year FY 2016-17. Though the present Indian corporate tax rate is 34.608% comprising base rate and surcharge and cess, due to investments into various debt schemes of mutual funds, the effective tax rate works out to 31.91%.

Event occurring after the Balance Sheet date

The Directors have recommended the payment of a final dividend of ₹7.75 per fully paid equity share (March 31, 2017: ₹12.25 per equity share). This proposed dividend is subject to approval of shareholders in the ensuing annual general meeting and,

World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and services are expected to continue to support economic activity. Private investment is expected to revive as soon as the corporate sector adjusts to the GST. (Source: IMF, World Bank)

if approved, would result in cash outflow of approximately ₹462.49 crores including corporate dividend tax of ₹78.86 crores.

Disclaimer

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

Corporate Information

Key Management Persons

Mr. Vikram Limaye	: Managing Director & CEO (Assumed office w.e.f July 17, 2017)
Mr. J Ravichandran	: Group President (Ceased to be CEO In-charge w.e.f July 17, 2017)
Dr. V. R. Narasimhan	: Chief Regulatory Officer (Ceased w.e.f April 1, 2018)
Mr. Ravi Varanasi	: Chief Business Development Officer
Mr. Yatrik Vin	: Chief Financial Officer
Mr. G. M. Shenoy	: Chief Technology Officer – Operations
Ms. Priya Subbaraman	: Chief Regulatory Officer (Assumed office w.e.f April 2, 2018)
Mr. Saurov Ghosh	: Group Head – HR (Assumed office w.e.f November 2, 2017)
Mr. M. Vasudev Rao	: General Counsel
Mr. S. Madhavan	: Company Secretary
Mr. Mayur Sindhwad	: Chief Operating Officer – Trading
Mr. Sankarson Banerjee	: Chief Technology Officer – Projects

Other Information

Auditors	: Price Waterhouse & Co Chartered Accountants LLP Veer Savarkar Marg, Shivaji Park, Dadar (West) Mumbai 400 028
Registered Office	: “Exchange Plaza” Plot No. C-1, Block ‘G’, BandraKurla Complex Bandra (East), Mumbai-4000 51
Registrar & Transfer Agents	: Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West) – 400083

Significant employees of our Subsidiaries

Mr. Muralidaran N	: Managing Director & CEO – NSEIT
Mr. Mukesh Agarwal	: Managing Director- IISL & Dotex
Mr. Vikram Kothari	: Managing Director – NSCCL (Assumed office w.e.f November 7, 2017)

STATUTORY SECTION

BOARD'S REPORT

To

The Members,

Your Directors have pleasure in presenting the Twenty Sixth Annual Report and Audited Financial Statements of the National Stock Exchange of India Limited ('NSE' or 'your Company') for the year ended March 31, 2018.

1. OPERATIONS AND MAJOR DEVELOPMENTS DURING THE YEAR

1.1 GLOBAL RANKINGS - DERIVATIVES MARKET

1.1.1 All products

NSE was ranked 2nd across all the Derivatives exchanges in the world based on the volume of contracts traded during the calendar year 2017. The details of the top exchanges are given in Table 1 below:

Table 1

Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2017
1	CME Group	USA	4088.91
2	NSE	India	2465.33
3	Intercontinental Exchange	USA	2125.40
4	Chicago Board Options Exchange	USA	1810.19
5	B3 SA Brasil Bolsa Balcao	Brazil	1809.35

Source: FIA rankings based on number of contracts traded or cleared between Jan 17 -Dec 17 http://marketvoicemag.org/sites/default/files/MARCH_2017_VOLUME_SURVEY.pdf

1.1.2 Single Stock Futures

During the calendar year 2017, NSE was ranked as the 2nd largest exchange in respect of contracts traded in single stock futures.

During the same period, the domestic market cap grew by 43.5% to 2.351 trillion USD.

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

Table 2

Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2017
1	Korea Exchange	Korea	280.06
2	NSE	India	201.92
3	Moscow Exchange	Russia	201.80
4	EUREX	Germany	101.41
5	ICE Futures Europe	UK	82.06

Source: IOMA 2018 Derivatives Report

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

1.1.3 Index Options

During the calendar year 2017, NSE was ranked 1st in the world in respect of contracts traded in index options, amounting to a notional value of USD 21.3 trillion. The details of top 5 exchanges in index options are given in Table 3 below:

Table 3 Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2017
1	NSE	India	1362.72
2	Korea Exchange	Korea	554.76
3	Chicago Board Options Exchange	USA	496.33
4	EUREX	Germany	372.74
5	TAIFEX	Taiwan	186.73

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

1.1.4 Currency Options

During the calendar year 2017, NSE was ranked 1st in the world in terms of contracts traded in currency options. The details of top 5 exchanges in currency options are given in Table 4 as under:

Table 4 Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2017
1	NSE	India	371.60
2	BSE Limited	India	334.05
3	Moscow Exchange	Russia	36.82
4	Johannesburg Stock Exchange	South Africa	20.57
5	CME Group	USA	19.53

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

1.1.5 Currency Futures

During the calendar year 2017, NSE was ranked as the 2nd largest exchange in the world in terms of contracts traded in currency futures. The details of top 5 exchanges in currency futures are given in Table 5 as under:

Table 5 Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2017
1	Moscow Exchange	Russia	660.34
2	NSE	India	358.25
3	BSE Limited	India	264.99
4	B3 SA Brasil Bolsa Balcao	Brazil	222.99
5	CME Group	USA	211.52

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

1.1.6 Long Term Interest Rate Futures

During the calendar year 2017, NSE was ranked as the 8th largest exchange in the world in contracts traded in Long Term Interest Rate Futures. The details of top 10 exchanges in Long Term Interest Rate Futures are given in Table 6 as under:

Table 6

Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2017
1	CME Group	USA	1524.37
2	EUREX	Germany	508.79
3	ICE Futures Europe	UK	454.49
4	B3 SA Brasil Bolsa Balcao	Brazil	355.10
5	Australian Securities Exchange	Australia	133.01
6	Montreal Exchange (TMX Group)	Canada	53.77
7	Korea Exchange	Korea	34.28
8	NSE	India	16.32
9	China Financial Futures Exchange	China	14.77
10	Nasdaq Nordic Exchanges	Sweden	14.70

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

1.1.7 Index Futures

During the calendar year 2017, NSE was ranked as the 12th largest exchange in the world in contracts traded in index futures having total notional value of USD 0.66 million. The details of top 12 exchanges in index futures are given in Table 7 as under:

Table 7

Figure in Millions

Sr no	Exchange	Country	Number of Contracts traded during 2017
1	CME Group	USA	504.15
2	Eurex	Germany	417.17
3	B3 SA Brasil Bolsa Balcao	Brazil	309.12
4	Japan Exchange Group	Japan	278.76
5	Moscow Exchange	Russia	152.62
6	Singapore Exchange	Singapore	141.16
7	Hong Kong Exchanges and Clearing	China	75.54
8	Chicago Board Options Exchange	USA	73.99
9	Korea Exchange	Korea	66.33
10	ICE Futures US	USA	61.05
11	TAIFEX	Taiwan	57.79
12	NSE	India	54.33

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

1.1.8 Single Stock Options

During the calendar year 2017, NSE was ranked as the 9th largest exchange in respect of contracts traded in stock options.

The details of top 10 exchanges in respect of trading stock options are given in Table 8 below:

Table 8

Figure in Millions

Sr no	Exchange	Country	Contracts traded during 2017
1	B3 SA Brasil Bolsa Balco	Brazil	681.90
2	Nasdaq - US	USA	598.66
3	Chicago Board Options Exchange	USA	413.62
4	NYSE Derivatives	USA	318.09
5	International Securities Exchange	USA	302.63
6	BATS Global Markets	USA	270.19
7	EUREX	Germany	169.18
8	Miami International Securities Exchange	USA	116.499
9	NSE	India	116.497
10	Hong Kong Exchanges and Clearing	China	103.22

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

1.2 GLOBAL RANKINGS-CAPITAL MARKET

In the Capital Market segment, NSE was ranked 3rd in the world based on the number of trades during the calendar year 2017. The details of top 10 exchanges are given in the table 9 below.

Table 9

Sr no	Exchange	Country	No. of Trades (in Thousands)
1	Shenzhen Stock Exchange	China	30,66,586.3
2	Shanghai Stock Exchange	China	24,01,779.0
3	NSE	India	23,11,782.3
4	Cboe Global Markets (Bats GM)	UK	21,71,575.3
5	Korea Exchange	Korea	19,58,940.6
6	Nasdaq - US	USA	15,59,866.8
7	NYSE	USA	13,37,001.0
8	Japan Exchange Group	Japan	8,21,212.0
9	BATS Chi-x Europe	UK	5,08,069.8
10	BSE Limited	India	3,62,599.3

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

1.3 Global Rankings- Debt Market

During the calendar year 2017, NSE was ranked as the 6th largest exchange in the world in number of listed bonds. The details of top 10 exchanges in number of listed bond are given in Table 10 as under:

Table 10

Sr no	Exchange	Country	No. of listed bonds
1	Irish Stock Exchange	Ireland	31,384
2	Luxembourg Stock Exchange	Luxembourg	30,344
3	Deutsche Börse AG	Germany	29,749
4	LSE Group	UK	13,676
5	Korea Exchange	Korea	13,119
6	NSE	India	8,149
7	Nasdaq Nordic Exchanges	Sweden	7,558
8	BSE Limited	India	6,702
9	Shanghai Stock Exchange	China	6,017
10	Euronext	UK	5,659

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

1.4 Alternative & SME Market

During the calendar year 2017, NSE SME Emerge (platform) ranked top amongst fastest growing market in the world. The details of top 10 exchanges in showing highest YoY change are given in Table 11 as under:

Table 11

Sr no	Exchange	Name of Market	% change 2017/16
1	NSE	SME Emerge	645.9%
2	Borsa Istanbul	BIST Emerging Companies	401.0%
3	Singapore Exchange	SGX Catalist	83.4%
4	BME Spanish Exchanges	MAB Expansion	76.5%
5	Oslo Børs	Oslo Axxess	60.0%
6	Moscow Exchange	Innovations and Investments Market	54.3%
7	Bursa Malaysia	ACE Market	53.7%
8	Japan Exchange Group	Mothers	49.7%
9	Borsa Istanbul	Watchlist	49.1%
10	Johannesburg Stock Exchange	Alternative Exchange	46.9%

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

1.5 Membership at NSE

22 new members (9 in CM, F&O, CD and Debt segments; 8 in CM and F&O segments; 4 in F&O segment and 1 in CD segment) were registered during the Financial Year 2017 -18.

NSE also granted additional segment membership to 9 members during the Financial Year 2017-18.

The following Table 12 shows the membership details for the Financial Year 2017-18.

Table 12

Category	CM Segment	F&O Segment	CD Segment	Debt Segment	Composite membership (CM, F&O, CDS and Debt)	Total Members
SEBI registered trading members	17	21	9	3	1303*	1464*
Members registered in additional segments	0	2	5	2		
Registered Sub-brokers*	13791	Nil	Nil	Nil		
Authorised persons*	81704	83863	21741	Nil		
Surrender of membership	22	20	14	1		

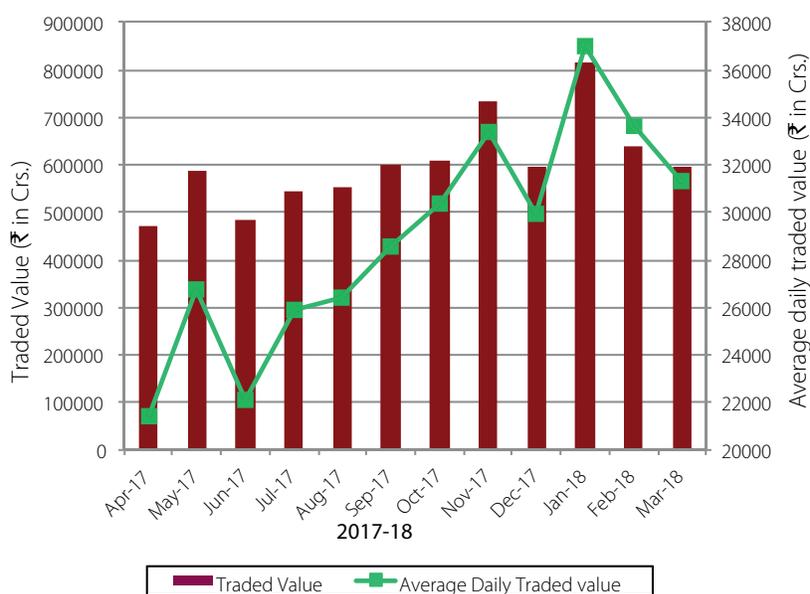
* Data as on March 31, 2018

1.6 Capital Market (CM segment)

The total turnover of CM segment in the year 2017-18 is ₹ 72,34,827 crores as compared to ₹ 50,55,915 crores in the year 2016-17, showing an increase of 43.10%. The average daily traded value in 2017-18 is ₹ 28,906 crores as compared to ₹ 20,387 crores in 2016-17.

As on March 31, 2018, the number of listed companies available for trading was 1758 compared to 1696 at the end of March 31, 2017.

Figure 1: Month-wise Turnover and Average Daily Turnover in CM segment



The changes in turnover statistics over the preceding year are presented in Table 13

Table 13

Turnover Statistics on CM segment

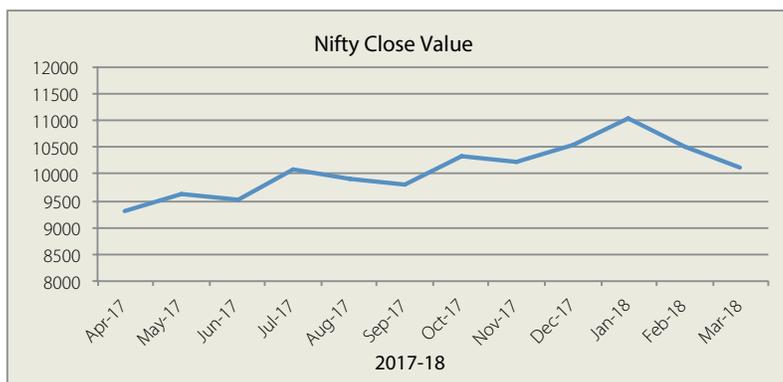
Sr. No.	Details	2017-18	2016-17	% Rise in 2018/17
1	Total Number of trades (In lakhs)	24912	19760	26.07%
2	Total number of shares traded (in lakhs)	3771836	2624532	43.71%
3	Total Turnover (Cr.)	7234827	5055915	43.10%
4	Market Capitalization at the end of year (Cr.)	14044152	11978421	17.25%
5	Turnover of Nifty 50 Securities (Cr.)	2684358	2208210	21.56%
6	Total number of listed companies for trading.	1758	1696	3.66%

1.6.1 Index movement

Nifty 50 saw upward movement of 9.48% moving from 9237.85 to 10113.70 over the financial year 2017-18. During the year 2017-18, the Nifty 50 touched a high of 11171.55 on January 29, 2018 and low of 9075.15 on April 19, 2017. Movement of Nifty 50 is shown in Figure 2.

The turnover of Nifty 50 securities was ₹ 26,84,358 crores in the year 2017-18 as compared to ₹ 22,08,210 crores in the previous year. The contribution of Nifty 50 securities turnover to total turnover during the year 2017-18 was 37.10% compared to 43.68% in the year 2016-17.

Figure 2 : Nifty movement



1.6.2 Market Capitalisation

The market capitalisation of securities available for trading on CM segment has increased by 17.25% during 2017-18 from ₹ 1,19,78,421 crores as on March 31, 2017 to ₹ 1,40,44,152 crores as on March 28, 2018. Out of total market capitalisation of ₹ 1,40,44,151 crores as on March 31, 2018, ₹ 671,042.48 crores was contributed by newly listed securities. The market capitalisation growth is shown in Figure 3.

Figure 3: Market Capitalisation during year 2017-18

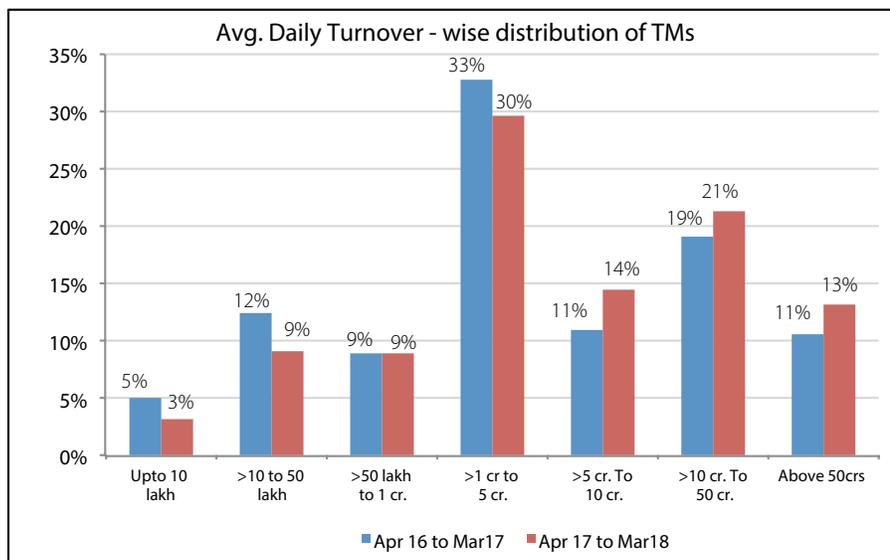


1.6.3 Distribution of Turnover

Turnover-wise distribution of trading members

About 79% of the trading members had an average daily turnover of ₹ 1 crore or more in 2017-18. In 2017-18, around 35% of the trading members have daily turnover of more than ₹ 10 crores.

Figure 4 : Average of Daily Turnover-wise distribution of TMs



1.6.4 New Developments during the year

In year 2017-18, various new developments have been initiated by NSE. The details of the same are given below:-

May 2017- Market Makers on SME Platform

In continuous endeavour to improve member experience, NSE announced that CTCL/ NNF user id can also be used for the purpose of market making for SME securities.

May 2017- Trading in Infrastructure Investment Trusts (InvITs)

NSE introduced units of Infrastructure Investment Trusts (InvITs) trading in the Capital Market Segment.

June 2017- Market Data Broadcast

In continuous endeavour to improve member experience, NSE informed that market data broadcast (5 depth 1 second frequency) shall be available across all category lines i.e. A, B, C and D.

June 2017- Tick by Tick market data via Multicast

NSE revised the details of market data broadcast for Tick by Tick order and trade data via Multicast.

July 2017- Live Trading sessions from Disaster Recovery (DR) site

NSE conducted Live trading sessions from its Disaster Recovery (DR) site on July 31, 2017 and August 01, 2017.

August 2017- Bulk/ Block reporting on ENIT

In continuous effort to facilitate Trading Members, NSE provided an

online reporting facility through ENIT for any disclosures to NSE with respect to the information pertaining to bulk trades and /or trades done under the block deals session/ market on the same day of trade.

October 2017- Events / incidents impacting markets

- Extended live trading session was held on October 17, 2017 on the occasion of Dhanteras
- Muhurat Trading session was held on October 19, 2017 on account of Diwali

December 2017- Revised Block Deal Window Mechanism

Pursuant to SEBI circular CIR/MRD/DP/118/2017 dated October 26, 2017, Exchange had revised the mechanism for block deal window.

January 2018- Live Trading sessions from Disaster Recovery (DR) site

NSE conducted Live trading sessions from its Disaster Recovery (DR) site on January 15, 2018 and January 16, 2018.

March 2018- Revision of Trading Parameters of SME securities in Capital Market segment

Pursuant to SEBI circular CIR/MRD/DP/02/2012 dated January 20, 2012 and CIR/MRD/DP/ 6/2013 dated February 14, 2013, new SME IPO securities shall form part of Special Pre-Open Session (pre-open 2 session) conducted using call auction mechanism for price discovery before being made available for trading in normal market.

New developments in Listing

I. Alerts to investors

As proactive measure, NSE has recently introduced email alert to the shareholders of the listed companies alerting them on non-compliance of the listed company in which they hold shares. The alert is sent to email address of the shareholders registered with Depository System. NSE is of the firm belief that shareholders will find immense value in this alerts.

II. Release of Compendium

The following compilation / compendium were released on February 28, 2018

- i) Board Evaluation
- ii) Business Responsibility Reporting
- iii) Board Composition and Remuneration

III. XBRL Filing

NSE has introduced XBRL based compliance filing platform featuring identical and homogenous compliance data structures between Stock Exchanges for ease of doing business for listed companies. XBRL filing facility has been introduced for modules viz. 'Corporate Governance', 'Shareholding Pattern' and 'Reconciliation of Share Capital Audit' so far and Financial Results module is under progress. This will help listed companies to use the compliance data generated in XBRL format in one Stock Exchange to upload in other Stock Exchanges thus reducing the duplication of compliance efforts of the Listed Companies.

IV. Tech Conclaves for encouraging Tech listings

NSE has always been at the forefront of opening up the Indian capital markets to various segments of the corporates and investors alike. From the conventional manufacturing companies to the technology and new economy start-ups NSE has always tried creating a conducive and vibrant fund raising environment.

Indian start-ups have had limited foray into the Indian capital markets, compared to other global markets including China and the USA where these start-ups typically go public within the first 3–7 years of their inception. As the leading Exchange of India, NSE has been proactively reaching out to various stakeholders of the start-up ecosystem to create awareness about primary markets as well understand their key concerns that currently prevent them from looking at public markets for fund raising as well as creating liquidity for their existing shareholders.

In this context, NSE has been organizing a series of Tech Conclaves for such Technology and new economy companies which have the size and the potential to enter the capital markets. The

first of these, the NSE Tech Conclave was held at Bengaluru on December 05, 2017, followed by a second one in New Delhi on February 27, 2018. The main aim of the NSE Tech Conclave was to create a conducive capital market ecosystem for new economy and technology companies in India and enable these companies to have better access to public markets.

NSE was honoured with the presence of Shri Jayant Sinha (Hon'ble Union Minister of State for Civil Aviation) and Shri Ravi Shankar Prasad (Minister of Law & Justice and Electronics & Information Technology, Government of India) at these Conclaves which also bought together more than 200 leading influencers from the Indian startup ecosystem, including entrepreneurs, investment bankers, Private Equity Investors and regulators.

V. Issuance and Listing of Masala Bonds-Launch of debt securities on NSE-IFSC

The launching of the Debt Securities Market at NSE-IFSC allows the listing and trading of debt securities in foreign currencies as well as the rupee denominated masala bonds. On March 16, 2018, NSE launched the debt securities platform at the NSE IFSC with the maiden listing of IREDA's ₹ 1,950 crore green Masala Bond. The bond issue by Indian Renewable Energy Development Agency (IREDA) was the first debt security to be listed on the NSE-IFSC. The listing and trading of these bonds at IFSC offers high cost efficiency as well as enables issuers to access international investors with focussed funnelled India investment mandates. These masala bonds have scanty trading overseas and diversified investor pool at NSE-IFSC can provide an additional exit opportunity for the current investors. The possibility of an additional liquidity pool to exit holdings will make these bonds more attractive to international investors, further enhancing the price for the issuer by way of liquidity premium.

VI. Roll-out of New Electronic Bidding Platform (NSE-EBP)

Given the lacunae in the traditional OTC method of private placement of debt securities, SEBI introduced the guidelines for the use of Exchange based platforms for private placement of debt in April 2016 and same was launched on July 01, 2016. The electronic bidding platform is aimed at enhancing transparency and price discovery in the debt capital markets and is a part of several initiatives by the regulator towards deepening the debt capital markets.

In another step forward, SEBI vide its circular dated January 05, 2018 issued a revised EBP framework and has included other classes of debt securities including Commercial Papers, Certificate of Deposits, Municipal Bonds and Non-Convertible Redeemable Preference Shares, in addition to corporate bonds which were

earlier allowed for fund raising through private placement. The other salient features include settlement of funds through clearing corporation and mandatory direct participation of QIBs with bid size more than ₹ 15 crore or 5% of issue size whichever is lower on the platform. The issue size for all private placements of debt securities in primary market for which Electronic book mechanism is mandatory too has been lowered to ₹ 200 crores from earlier ₹ 500 crores. The roll-out of the new SEBI circular was made effective from April 01, 2018 with NSE launching the new improvised version of NSE-EBP on March 31, 2018

VII. Equity IPOs

FY 2017-18 has been a historic year for Indian Primary market which witnessed Indian corporates garnering funds to the tune of ₹ 905.64 billion, majority of them being exits by private equity/venture capitalist. Funds raised via IPO increased from ₹ 283.96 billion across 25 IPOs in FY 17 to ₹ 905.64 billion across 47 IPOs

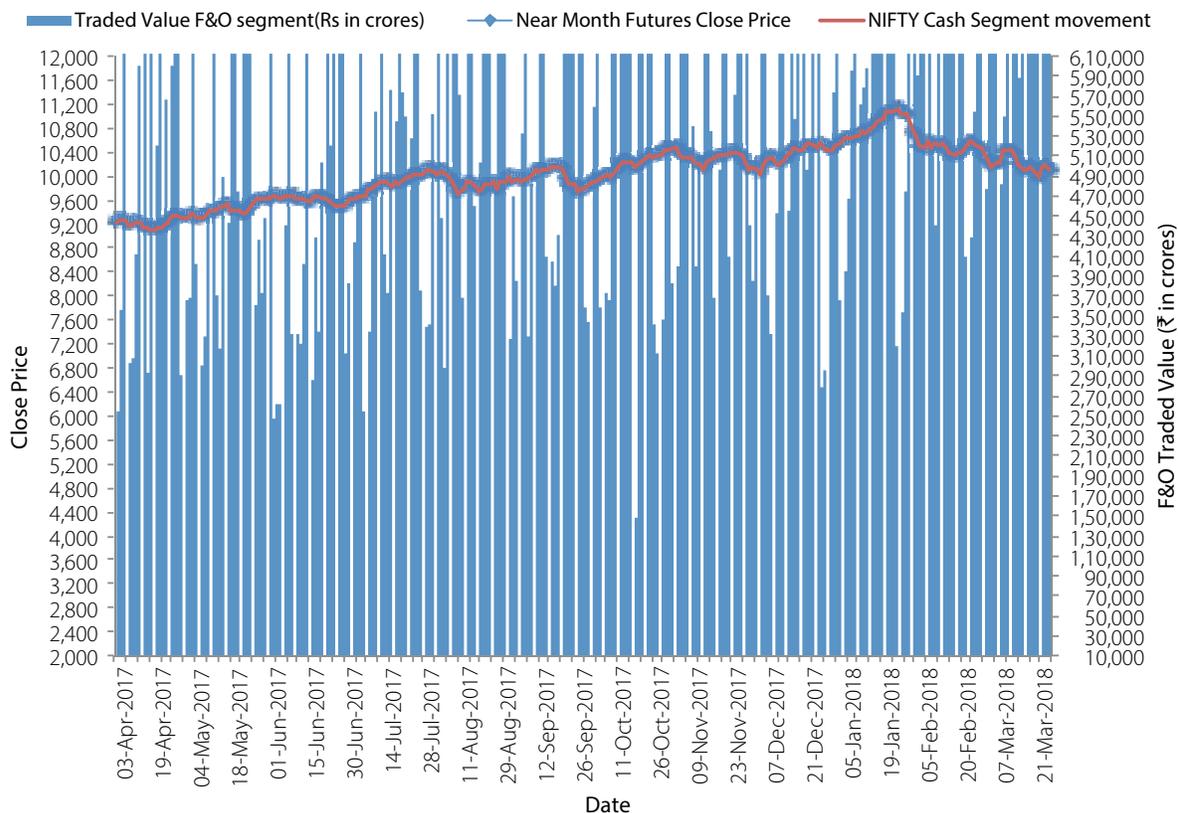
in FY 18, registering over three-fold jump compared to the preceding fiscal. The year also witnessed, the largest initial share sale almost after a decade from state-owned General Insurance Corporation of India for ₹ 11,257 crore and the average deal size stood at ₹ 1,825 crore. NSE facilitated some of the largest IPOs as the Designated Exchange including General Insurance Corporation to raise ₹11,257 crores, HDFC Standard Life Insurance Company Limited to raise ₹ 8,695 crores, SBI Life Insurance Company Limited to raise ₹ 8,400 crores, among others.

1.7 FUTURES AND OPTIONS SEGMENT

The financial year 2017-18 witnessed decrease of 12.58% in turnover and decrease in number of contracts traded by 31.63% vis-à-vis 2016-17 and in daily average open interest, it increased by 39.35% over previous year in the F&O segment. The average contribution of proprietary category increased to 42.37% in 2017-18 from 41.15% in 2016-17.

1.7.1. Comparison of the close prices of the NIFTY Near Month Futures Contract (F&O segment) with the underlying movement of the NIFTY Index (Cash segment) along with the Daily Traded value of the F&O segment:

Figure 5



Note: Special trading sessions on October 19, 2017 (Muhurat Trading) and July 31, 2017, August 01, 2017, January 15, 2018 and January 16, 2018 (Live trading sessions from Disaster recovery site.)

1.7.2 Records achieved in the F&O segment during 2017-18:

Table 14

Category	Total	Date of Record
Stock Futures Traded Value (₹ Crs.)	1,95,433.08	25-Jan-2018
Index Options Premium Traded Value (₹ Crs.)	6,443.05	06-Feb-2018
Total F&O Traded Value (₹ Crs.)	17,50,208.42	25-Jan-2018
Stock Options Traded Value (₹ Crs.)	70,370.76	27-Jul-2017

It may be observed that during 2017-18, new records were set in Stock futures, Index options, Total F&O traded value and Stock options.

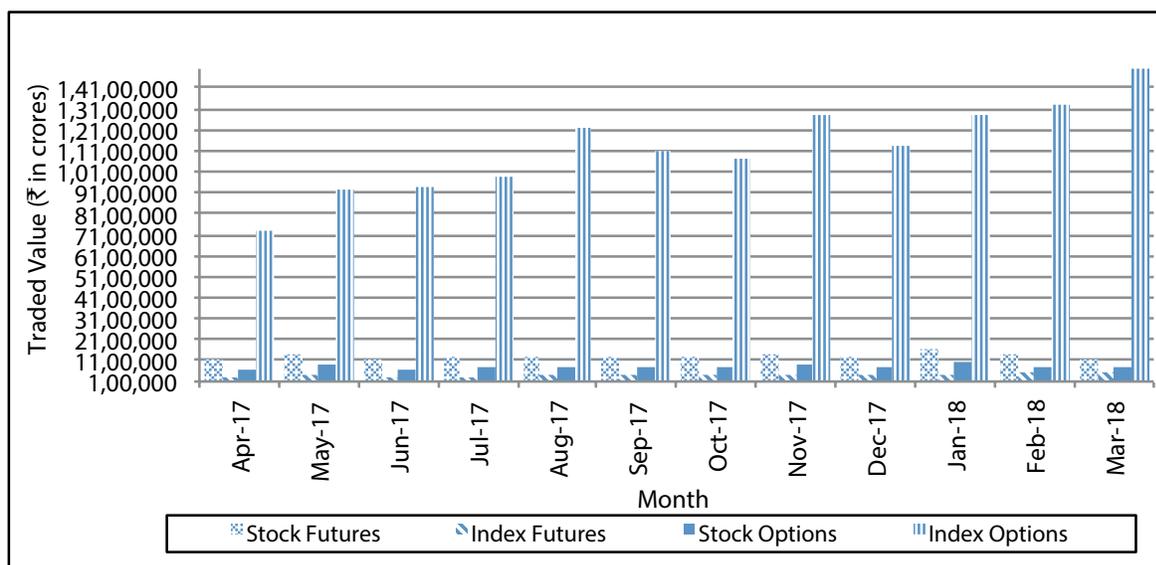
1.7.3 (a) Basic Statistics of the F&O segment:

Table 15

Particulars	Apr 17 to Jun 17	Jul 17 to Sep 17	Oct 17 to Dec 17	Jan 18 to Mar 18	2017-18	2016-17	% Change
Daily Average Traded Value (₹ in crores)	5,37,268.053	6,42,507.1753	6,81,295.7019	8,24,887.0359	6,70,670.16	3,80,525.41	76.25
Daily Average Number of Contracts	66,67,269	75,26,266	77,06,591	92,53,529	77,79,994	56,44,138	37.84
Open Interest (₹ in crores) End of day averages	3,30,614.65	3,58,935.60	4,01,283.05	4,09,353.21	3,74,882.84	2,69,028.91	39.35
% of Open Interest to Daily Average Traded value	61.54%	55.86%	58.90%	49.63%	55.90%	70.70%	

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

Figure 6



Among all products, Index Options continued to dominate the Total Turnover with their contribution observed at 81.77% in 2017-18

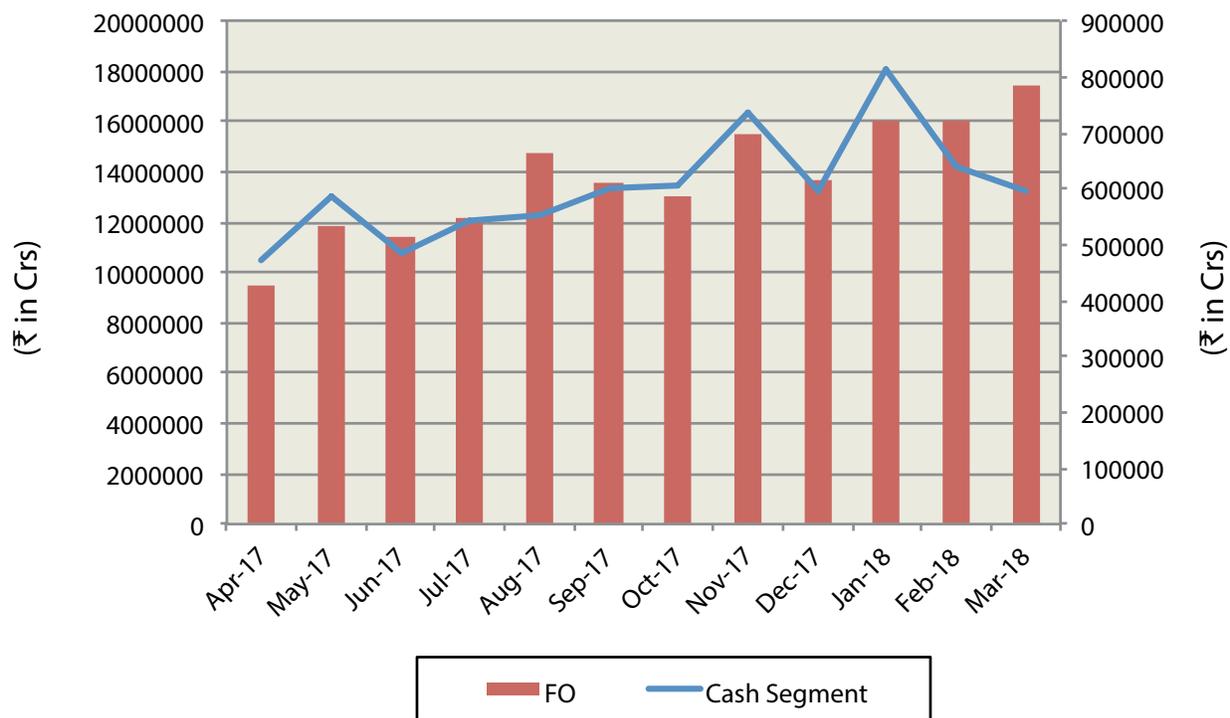
1.7.4 Institutional Retail & Proprietary Investors – Turnover Analysis:

Table 16

Sr.no	Year	Institutional		Retail		Proprietary	
		Average Gross Traded Value (₹ Crs.)	Percentage Contribution	Average Gross Traded Value (₹ Crs.)	Percentage Contribution	Average Gross Traded Value (₹ Crs.)	Percentage Contribution
1	2016-17	2,67,08,140	14.15%	8,26,35,016	43.78%	7,93,97,477	42.07%
2	2017-18	39,646,526	12.02%	150,524,274	45.62%	139,798,918	42.37%

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

Figure 7



The ratio of F&O segment turnover to cash segment turnover was 23 for the year 2017-18 as compared to 19 for the year 2016-17.

1.7.6 Product-wise Basic Statistics:

Table 17

Category	Particulars	Apr 17 to Jun 17	Jul 17 to Sep 17	Oct 17 to Dec 17	Jan 18 to Mar 18	2017-18	2016-17	% Change
Daily Average No. of Contracts	Stock Futures	832234	821581	864804	976911	873001	718430	21.52
	Index Futures	213813	213988	215908	296075	234450	268287	-12.61
	Stock Options	467950	509789	501236	577884	513867	371395	38.36
	Index Options	5153272	5980908	6124643	7402659	6158676	4303407	43.11
Average OI Value (₹ in crores)	Stock Futures	97138	101888	125740	128641	113352	86430	31.15
	Index Futures	27667	29676	31584	33307	30558	31512	-3.03
	Stock Options	17853	28224	30823	29787	26672	32537	-18.03
	Index Options	137161	177974	193327	200320	177196	179059	-1.04
Average Number of OI	Stock Futures	1726078	1630768	1917643	2034403	1827223	1393925	31.08
	Index Futures	497350	449118	465047	517542	482265	482021	0.05
	Stock Options	590084	623051	611829	651406	619092	516783	19.80
	Index Options	2626812	2880318	3072903	2977460	2889373	2761531	4.63
Number of trading days		61	63	62	60	246	248	

1.7.7 TOP 5 TRADED SYMBOLS

Futures:

Figure 8

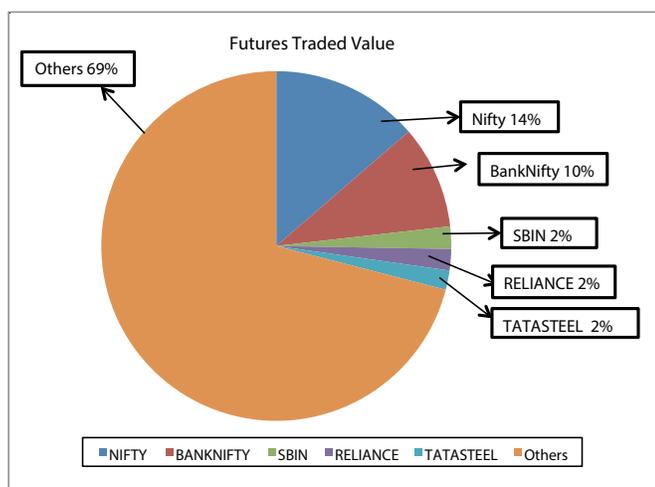
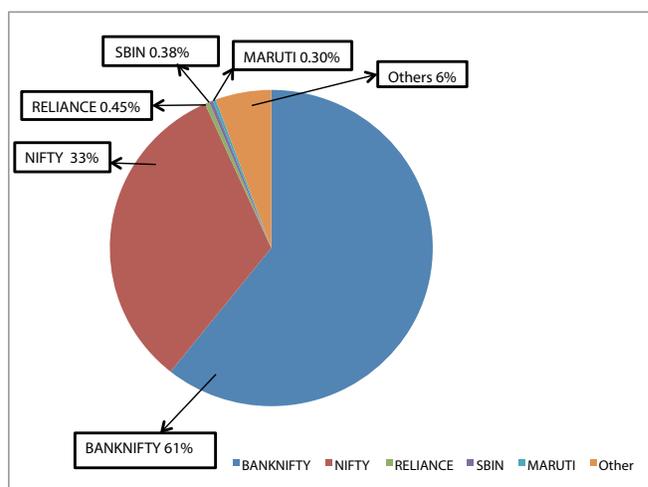


Figure 9



Note: Index Futures includes India VIX* data.

1.7.8 New Developments during the year 2017-18

June 2017- Market Data Broadcast

In continuous endeavour to improve member experience, NSE informed that market data broadcast (5 depth 1 second frequency) shall be available across all category lines i.e. A, B, C and D.

June 2017- Tick by Tick market data via Multicast

NSE revised the details of market data broadcast for Tick by Tick order and trade data via Multicast.

July 2017- Live Trading sessions from Disaster Recovery (DR) site

NSE conducted Live trading sessions from its Disaster Recovery (DR) site on July 31, 2017 and August 01, 2017.

October 2017- Events / incidents impacting markets

Muhurat Trading session was held on October 19, 2017 on account of Diwali.

January 2018- Live Trading sessions from Disaster Recovery (DR) site

NSE conducted Live trading sessions from its Disaster Recovery (DR) site on January 15, 2018 and January 16, 2018.

1.8 CURRENCY DERIVATIVES SEGMENT

The financial year 2017-18 witnessed an increase in currency derivatives (Currency Futures and Options) volumes.

The average daily turnover in currency derivatives increased by 3.53% and stood at ₹ 20,778.93 crores in 2017-18 compared to ₹ 20,070.56

crores in 2016-17.

The daily average number of contracts increased by 7.37% in 2017-18 and stood at 3161007 contracts as compared to 2944014 contracts traded in 2016-17.

The daily average open interest decreased by 8.15% in 2017-18 as compared to what was observed last year during 2016-17.

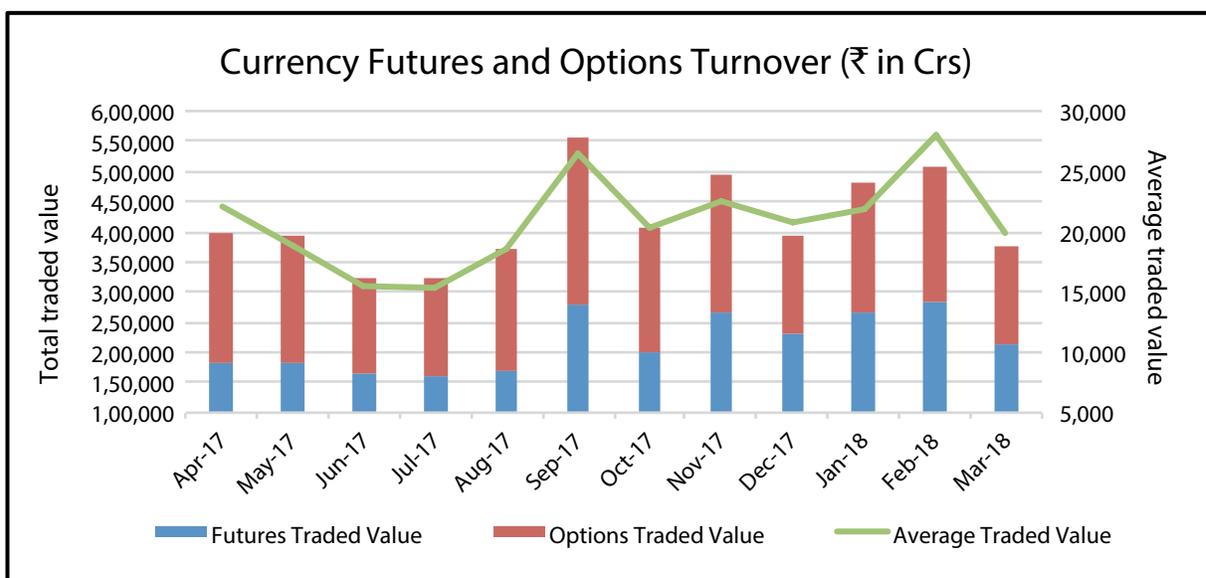
The total number of members enabled in currency derivative segment has declined to 586 for the year 2017-18 as compared to 594 for the year 2016-17.

Currency Futures: Average daily turnover in Currency futures for the financial year 2017-18 increased by 4.25% and stood at ₹ 10,725.97 crores as compared to ₹ 10,288.34 crores seen in 2016-17. Futures trading constituted 51.62% of the total turnover in the segment. USD-INR currency pair was the most traded futures contracts. The average market share of NSE in currency futures stood at 56.69% in 2017-18.

Currency Options: Average daily turnover in currency options increased by 2.77% in 2017-18 at ₹ 10,052.96 crores compared to ₹ 9,782.22 crores observed during 2016-17. The average market share of NSE in currency options stood at 49.90% in 2017-18.

Interest Rate Futures: Average daily turnover in Interest Rate Futures for the financial year 2017-18 increased by 4.35% and stood at ₹ 1,327.31 crores as compared to ₹ 1,271.94 crores in 2016-17. The daily average open interest decreased by 30.43% and stood at 1,17,799 contracts as compared to 1,69,314 contracts in the previous year.

Figure 10



New Developments during the year

In year 2017-18, various new developments have been initiated by NSE. The details of the same are given below:-

June 2017- Market Data Broadcast

In continuous endeavour to improve member experience, NSE informed that market data broadcast (5 depth 1 second frequency) shall be available across all category lines i.e. A, B, C and D.

June 2017- Tick by Tick market data via Multicast

NSE revised the details of market data broadcast for Tick by Tick order and trade data via Multicast.

July 2017- Live Trading sessions from Disaster Recovery (DR) site

NSE conducted Live trading sessions from its Disaster Recovery (DR) site on July 31, 2017 and August 01, 2017.

October 2017- Events / incidents impacting markets

Muhurat Trading session was held on October 19, 2017 on account of Diwali.

November 2017- Introduction of additional quarterly options contracts on USDINR

In continuous effort to facilitate Trading Members, Exchange informed that for USDINR options contract, in addition to the currently available three serial monthly contracts followed by one quarterly contract of the cycle March/June/September/December, two additional quarterly contracts shall be available for trading in Currency derivatives segment.

January 2018- Live Trading sessions from Disaster Recovery (DR) site

NSE conducted Live trading sessions from its Disaster Recovery (DR) site on January 15, 2018 and January 16, 2018.

February 2018- Launch of trading in Exchange Traded Cross Currency Derivatives and Currency Options on EUR-INR, GBP-INR and JPY-INR

NSE has introduced trading in Cross Currency Futures and Options contracts and also introduction of Exchange Traded Currency Options on EUR-INR, GBP-INR and JPY-INR.

1.9 DEBT MARKET SEGMENT

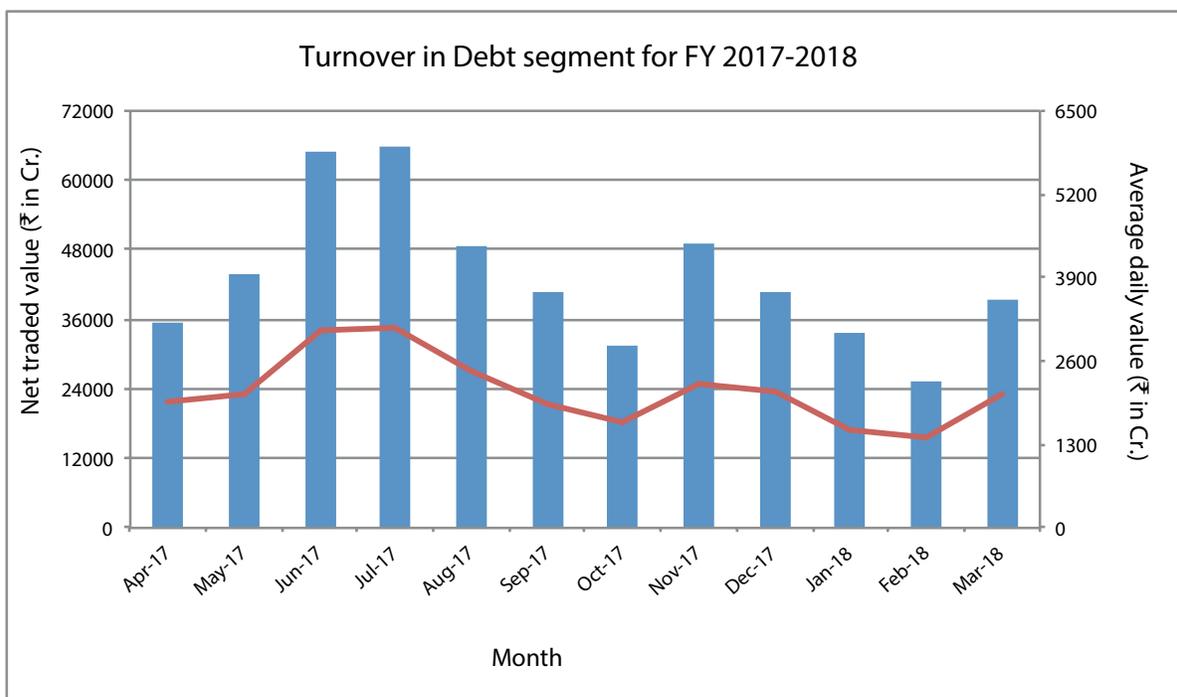
NSE launched first dedicated Debt Platform on May 13, 2013. The Debt segment provided an opportunity to retail investors to invest in corporate bonds on a liquid and transparent exchange platform. The segment has helped Institutions who are holders of corporate bonds an ideal platform to buy and sell at optimum prices and help Corporates to get adequate demand, when they are issuing the bonds.

In endeavour to centralize trading in all debt instruments into a single platform, NSE introduced a new web based negotiated reporting platform for reporting of all the deals in debt instruments by trading members with effect from July 01, 2015 in Debt segment. NSE has closed WDM from July 03, 2015 and merged with New Debt Segment. In 2016, NEATPLUS Debt had been discontinued w.e.f. November 28, 2016 and same was migrated to Web Based New Debt Market (NDM) platform.

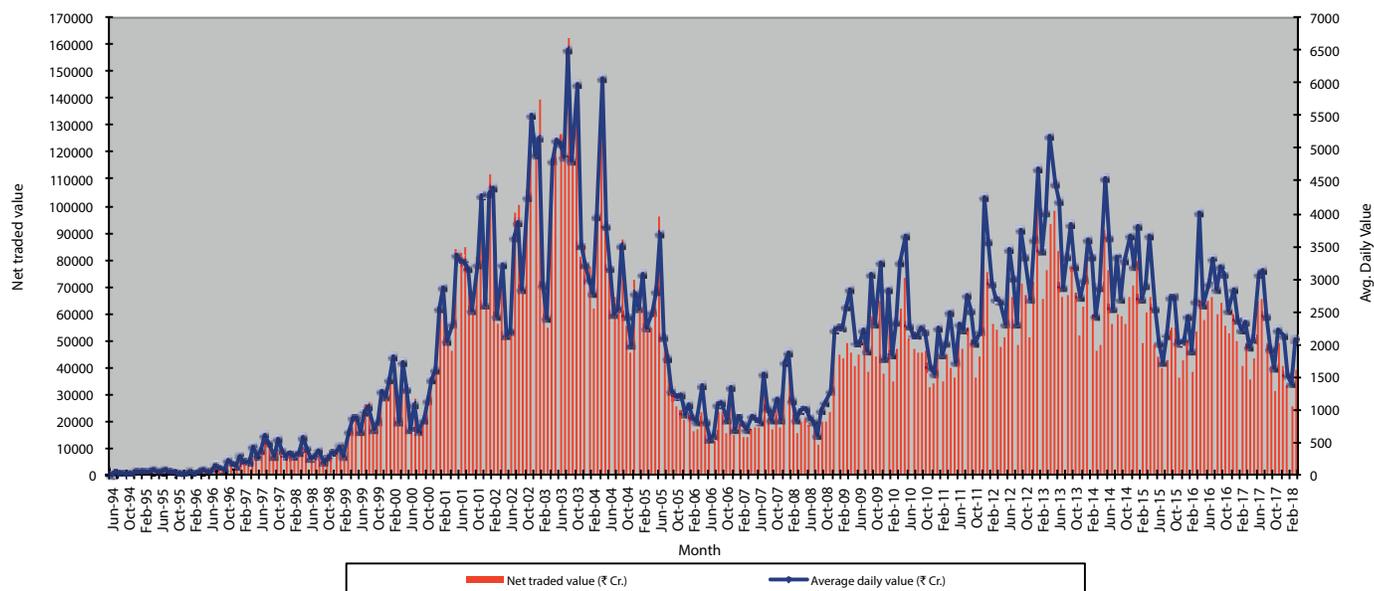
Debt segment consists of negotiated trade reporting platform and order matching platform.

The turnover on Debt segment decreased to ₹ 5,17,889.41 crores in 2017-18 from ₹ 6,82,426.20 crores in 2016-17 registering a decrease of 24.11%. The average daily turnover decreased to ₹ 2,148.92 crores in 2017-18 from ₹ 2,831.64 crores in 2016-17.

Figure 11



The business growth on the Debt segment of NSE is presented in Figure 12



The transactions in dated government securities account for a substantial share in the Debt segment with 66.86% in 2017-2018. Market capitalisation of the Debt segment has witnessed a constant increase in the number of securities available for trading on this segment. Total market capitalisation of the securities available for trading on Debt segment stood at ₹ 72,67,229.57 crores as on March 31,2018.

Table 18: Trades in Debt segment

Particulars	2017-2018	2016-2017
Number of Trades	12419	16875
Average monthly number of trades	1035	1406
Average daily number of trades	52	70
Average Trade Value (₹ in crores)	41.70	40.44
Average Daily Turnover (₹ in crores)	2148.92	2831.64
Turnover (₹ in crores)	517,889.41	6,82,426.18
Number of Active Scrips	1823	1938
Number of Active members	26	29

1.9.1 Securities Profile

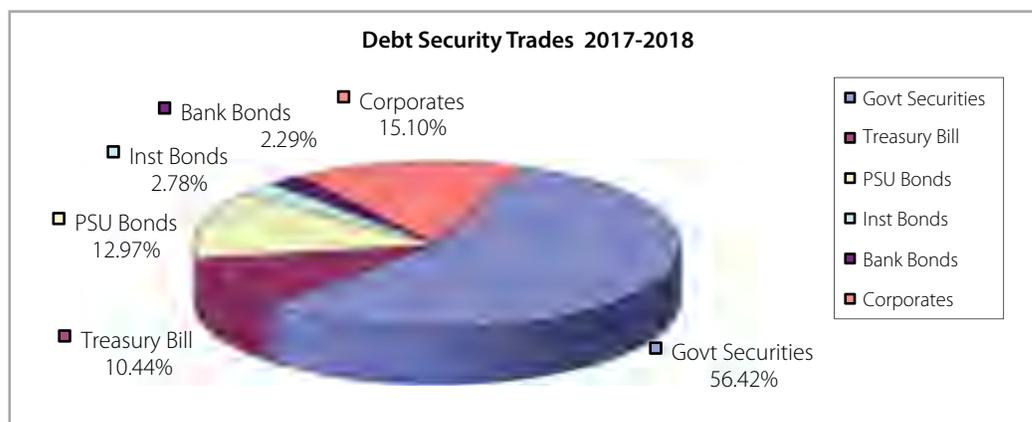
The turnover of Government securities in the Debt segment decreased by 3.62% during 2017-18 from 60.04% in 2016-17 to 56.42% in 2017-18. The share of Treasury Bills increased from 9.99% in 2016-17 to 10.44% in 2017-18. The turnover of Non-Government securities in Debt segment decreased by 16.06% during 2017-18. During 2017-2018 the share of Non Government Securities in total turnover increased to 33.14% as compared to 29.97% in 2016-2017.

Table 19 and Figure 13 represent security-wise distribution of turnover.

Table 19: Security-wise Distribution of Turnover

Securities	2017-18		2016-17	
	Turnover (₹ in crores)	% of Turnover	Turnover (₹ in crores)	% of Turnover
Government Securities	2,92,197.88	56.42	4,09,752.46	60.04
T-Bills	54,063.72	10.44	68,207.95	9.99
PSU Bonds	67,195.88	12.97	71,955.35	10.54
Institutional Bonds	14,371.83	2.78	25,059.03	3.67
Bank Bonds	11,865.50	2.29	17,672.20	2.59
Corporate Bonds	78,194.60	15.10	89,779.19	13.17
Total	5,17,889.41	100.00	6,82,426.18	100.00

Figure 13: Security wise Distribution of Turnover



1.9.2 Issuances in Debt Segment

A total of 1637 securities were listed during the financial year 2017-18. As at end of March 2018, 8111 securities were available for trading on the Debt segment. Details of Issuance in Debt are provided in Table 20.

Table 20: Issuance in Debt Segment

Financial Year	No of New Securities Listed	Total No. of Securities (at year end)	Market Capitalisation (at year end ₹ in Crs)
2004-05	1299	3097	14,61,734.37
2005-06	564	3177	15,67,573.81
2006-07	661	3252	17,84,800.57
2007-08	856	3566	21,23,346.28
2008-09	1026	3954	28,48,315.50
2009-10	959	4140	31,65,929.48
2010-11	1080	4479	35,94,877.15
2011-12	1508	5148	42,72,736.48
2012-13	1707	5782	49,28,331.79
2013-14	1304	5952	51,28,733.33
2014-15	1694	6546	57,39,272.61
2015-16	1905	7089	59,65,056.31
2016-17	1815	8083	66,11,683.72
2017-18	1637	8111	72,67,229.57

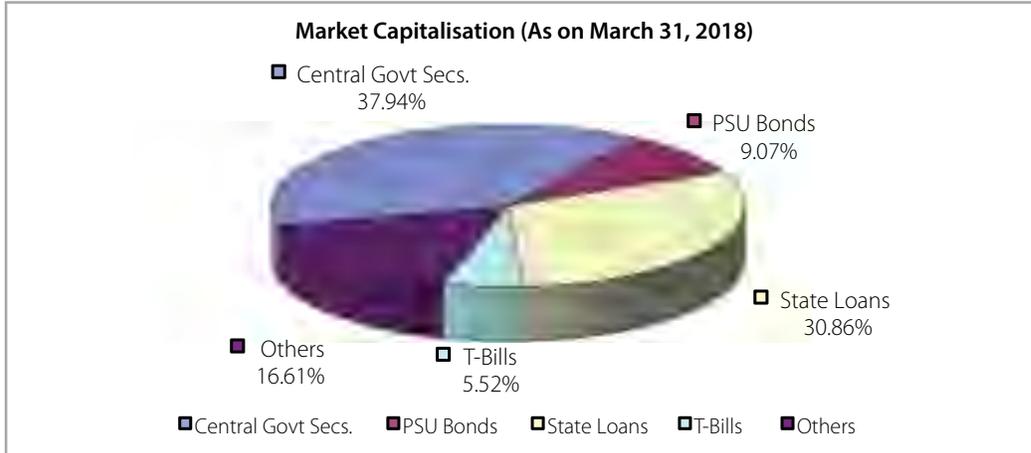
1.9.3 Market Capitalisation

Total Market capitalization of the securities available for trading in Debt segment increased to ₹ 72,67,229.57 crores in 2017-18 from ₹ 66,11,683.72 crores in the previous year registering a growth of 9.91%. The Central Government securities accounted for the largest share of the market capitalization with 37.94% while Non Government Securities accounted for 25.69%. The composition of market capitalization of various securities on Debt is presented in Table 21.

Table 21: Market Capitalisation of Debt segment

Securities	As on March 2018		As on March 2017	
	Market Cap. (₹ in crores)	% of Turnover	Market Cap. (₹ in crores)	% of Turnover
Central Government Secs.	27,57,010.74	37.94	26,78,967.30	40.52
PSU Bonds	6,59,264.37	9.07	6,26,174.28	9.47
State Loans	22,42,467.37	30.86	1,92,3957.93	29.10
T-Bills	4,00,872.61	5.52	3,18,871.85	4.82
Others	12,07,614.47	16.61	10,63,712.36	16.09
Total	72,67,229.57	100.00	66,11,683.72	100.00

Figure 14: Market Capitalisation of Debt segment



1.9.4 Corporate Bond Market

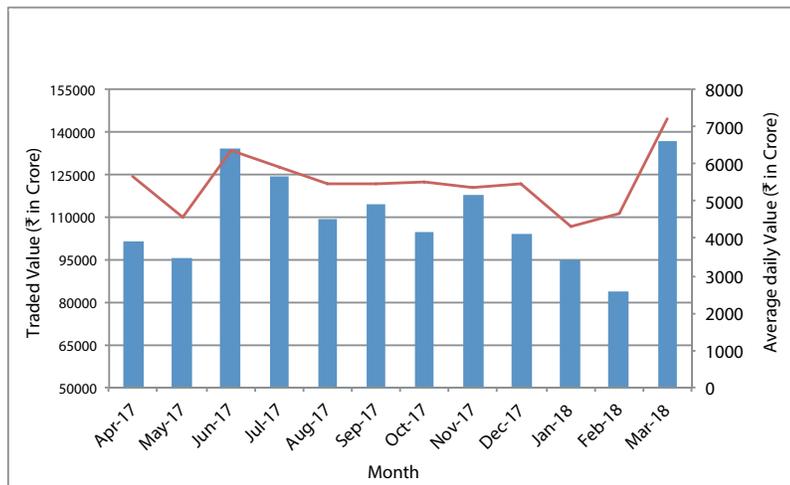
Currently for reporting trades in corporate bonds, Exchanges provides two platforms namely, Debt Segment and CBRICS. The average daily traded value reported through corporate bond for 2017-2018 was ₹ 5,484.39 crores (Debt Segment & CBRICS) as compared to ₹ 4,890.02 crores for 2016-17 with an average of around 258 trades being reported on a daily basis as compared to 266 trades for 2016-17.

Turnover of Corporate Bond is presented in Table 22 and Figure 15.

Table 22: Corporate Bond Turnover

Corporate Bond Turnover	2017-2018	2016-2017	%Change
Total Turnover (₹ Crs.)	13,21,737.75	11,78,493	12.15
Average Daily Turnover (₹ Crs.)	5,484.39	4,890.02	12.15
Total Number of Trades	62215	64123	(2.98)
Average Daily Trades	258	266	(3.01)

Figure 15: Corporate Bond Turnover for FY 2017-2018



New Developments during the year 2017-18 for Debt Market

Introduction of Non-Competitive Bidding Facility on e-Gsec Platform

In April 2018, Exchange has introduced "e-Gsec" platform for facilitating the non-competitive bidding in Government of India Dated Securities (G-Sec) and Treasury Bills (T-Bills). This will allow retail investors to invest in Government Securities and hold them in existing demat accounts. Introduction of this facility provides investors an opportunity to participate in the G-Sec and T-Bills auction.

The non-competitive bidding facility was introduced by the Reserve Bank of India (RBI) to encourage retail participation in the primary market for Government Securities. In continuation of this endeavor, the Union Budget 2016-17 had announced, inter-alia, that RBI will facilitate retail participation in the primary markets through stock exchanges.

Investments in Government Securities are one of the safer investment options available to retail investors. Government Securities are risk free instruments, provides portfolio diversification and are available for longer investment durations.

2. SERVICES TO INVESTORS

During the year 2017-18, NSE dealt with 11088 investor complaints against trading members and companies and facilitated 440 arbitration and appellate arbitration cases.

NSE has twenty four Investor Service Centres at Mumbai, Chennai, Kolkata, New Delhi, Ahmedabad, Hyderabad, Indore, Kanpur, Pune, Bangalore, Jaipur, Vadodara, Patna, Lucknow, Chandigarh, Dehradun, Kochi, Guwahati, Bhubaneswar, Ranchi, Panaji, Raipur, Jammu and Shimla. The Centres are meant to facilitate query resolution, complaint resolution and to provide arbitration facilities. NSE has empanelled 161 Arbitrators and 133 IGRP members across 24 centres.

During the last year, various initiatives have been taken to alert investors, enable them to make informed choices and to provide faster redressal to investors. NSE sends email and SMS to the investors providing information pertaining to their monthly funds and securities balances with the trading member as provided by the trading member to NSE. Further, under the guidance of SEBI, Arbitrators profiles are disseminated on the website to aid investors in selection of an appropriate Arbitrator. Also to hasten the redressal process,

additional fee is imposed on trading member for filing arbitration after one month from Investor Grievance Resolution Panel order. In order to help investors in filing their claims against the defaulter/expelled member, Amrapali Aadya Trading & Investment Private Limited, NSE had set up special camps for investors at 12 locations.

3. RESEARCH INITIATIVES IN FY 2017-18

NSE has set up a joint Initiative with the New York University's Stern School of Business for research in the area of Finance, with a focus on the study of Indian financial markets. The annual conference under this initiative was held in December 2017, which was the fifth in the series.

3.1 Quarterly Briefings under the aegis of the NSE – Centre for Excellence in Corporate Governance (NSE CECG)

To project NSE as a 'thought leader' in corporate governance and engage with its listed companies on important governance issues, the NSE Centre for Excellence in Corporate Governance (NSE-CECG) was established in 2012-13. Under its aegis, four issues of Quarterly Briefings were released and circulated among directors of listed companies and senior SEBI officials in 2017-18.

3.2 Publications of NSE

Indian Securities Market Review (ISMR) and NSE Factbook are two NSE publications which are prepared on an annual basis. In addition, edited transcripts and 'White Paper Series' of NSE-NYU and NSE-IGDR conferences organised by NSE were also circulated among various stakeholders in the securities market.

3.3 Seminars and Panel Discussions

In the year 2017-18, the Economic Policy and Research (EPR) Department continued to organise seminars and panel discussions by eminent people on securities market, corporate governance and macroeconomic issues. In addition to its annual conferences with prestigious universities, New York University (NYU) and Indira Gandhi Institute of Development Research (IGIDR), NSE also collaborated with international agencies like International Monetary Fund (IMF) and European Corporate Governance Institute (ECGI) to conduct such conferences that saw participation from various securities market professionals including mutual funds, investment banks, registrar and transfer agents, brokerage houses, law firms, etc. Details of these conferences provided in the Business Responsibility report.

4.1 Financial Results

The working of NSE during the year has resulted in a net profit after tax of ₹ 1,161.81 crores as per particulars given below: -

Table 23: (₹ in crores)

Particulars	NSE (Standalone)		NSE (Consolidated)	
	2017-18	2016-17	2017-18	2016-17
Income	2,592.23	2318.41	3032.56	2680.66
Expenditure	886.01	761.42	957.86	883.62
Profit before share of net profits of investments accounted for using equity method and tax	1706.22	1556.99	2074.70	1797.04
Add: Share of net profit of associates and joint ventures accounted by using equity method	-	-	122.34	111.67
Profit before contribution to NSCCL Core SGF & tax	1706.22	1556.99	2197.04	1908.71
Less: Contribution to NSCCL Core SGF	-	(134.07)	-	(134.07)
Profit before tax	1706.22	1422.92	2197.04	1774.64
Tax expenses (including deferred tax)	(544.41)	(389.99)	(735.57)	(555.82)
Profit after tax	1,161.81	1032.93	1461.47	1218.82
Surplus brought forward from previous year	5890.14	5675.73	7160.13	6822.67
Add / Less : Other comprehensive income	(8.24)	(20.14)	(8.77)	(26.35)
Less : Dividend Paid (Including Dividend Distribution Tax)	(1,122.45)	(793.88)	(1146.86)	(825.96)
Less: Appropriation to Core SGF (Net of Tax)	-	-	(165.43)	(24.55)
Less: Share issue Expenses	-	-	(0.38)	-
Less: Contribution to IPFT	-	-	(0.10)	-
Transfer to / (from) CSR Reserve	(53.13)	53.13	(72.06)	72.06
Transferred (to) / from Retained Earnings	53.13	(53.13)	72.06	(72.06)
Less: Issue of bonus shares	-	(4.50)	-	(4.50)
Balance carried to Balance Sheet	5921.26	5890.14	7300.06	7160.13
Earnings per share (EPS) (FV ₹ 1 each) before contribution to core SGF				
Basic (₹)	23.47	22.64	29.52	26.39
Diluted (₹)	23.47	22.64	29.52	26.39
EPS (FV ₹ 1 each) after contribution to core SGF				
Basic (₹)	23.47	20.87	29.52	24.62
Diluted (₹)	23.47	20.87	29.52	24.62

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

On a standalone basis, the total income of the Company increased to ₹ 2592.23 crores from ₹ 2318.41 crores in the previous year and the profit after tax stood at ₹ 1161.81 crores as against ₹ 1032.93 crores of previous year.

On a consolidated basis, the total income of the Company increased to ₹ 3032.56 crores from ₹ 2680.66 crores in the previous year and the profit after tax stood at ₹ 1461.47 crores as against ₹ 1218.82 crores of previous year.

Colocation matter

SEBI had directed NSE to carry out an investigation including forensic examination by independent external agencies in respect of certain aspects of NSE's Colocation facility. NSE had from time to time complied with the stipulations prescribed by SEBI including submitting to SEBI the reports prepared by independent external agencies relating to the Co-location matter.

SEBI had earlier directed that, pending completion of investigation to the satisfaction of SEBI, all revenues emanating from colocation facility including the transaction charges on the trades executed through colocation facility be placed in a separate bank account. Accordingly, such transfers are made from time to time. As of March 31, 2018, an amount of ₹1,197.26 crores was transferred to a separate bank account. The Management is of the view that pending conclusion of this matter with SEBI, a reliable estimate of the obligation in respect of this matter cannot be presently made and therefore no provision / adjustment to this effect has been made in the financial results as at and for the year ended March 31, 2018.

NSE had earlier filed the consent application with SEBI under the Settlement Regulations in July, 2017. However, SEBI had returned the said consent application to NSE on account of ongoing investigations relating to the said matter. NSE can file the said consent application after the completion of the investigations. NSE is committed to resolving the regulatory issues expeditiously.

4.3 Share Capital

During the year under review, the Issued, Subscribed and Paid-up equity share capital of NSE was ₹ 49.50 crores divided into 49.50 crore equity shares of face value of ₹1 each.

4.4 Dividend

The dividend policy as adopted by NSE inter-alia states that the declaration and payment of dividends will be recommended by the Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, particularly the Companies Act, 2013, the SEBI (Listing Obligations

& Disclosure Requirements) Regulations, 2015 (Listing Regulations and Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations, 2012 (SECC Regulations). The dividend payable depends on a number of internal as well as external factors, including inter-alia capital requirements, earnings, contractual restrictions, applicable legal restrictions, volatility in the capital markets, overall financial position of your Company, uncertainty in the economic conditions and changes in the rate of dividend distribution tax.

Subject to applicable statutory provisions and to retain Shareholders' confidence, your Company intends to have a total dividend payout (including dividend distribution and other taxes, cess, levies, if any relating to the dividend) of around 60% of its consolidated profit, net of tax for the relevant financial year, subject to the aforementioned factors and such other factors as may be decided by the Board from time to time. The dividend policy is available on the website of NSE.

During the year under review, the Board had declared and paid an Interim dividend of ₹7 (700%) per equity share (on the face value of ₹ 1 each) for which the record date was fixed as November 9, 2017 and the said amount was paid to the Shareholders of NSE on November 14, 2017. The total Interim dividend outflow was ₹ 346.50 crores and dividend distribution tax was ₹ 60.79 crores.

The Board of Directors at their meeting held on May 4, 2018 recommended the payment of final dividend at ₹ 7.75 per equity share (on the face value of ₹ 1 each) for the year 2017-18. The final dividend outflow shall amount to ₹ 383.63 crores and dividend distribution tax shall be ₹ 78.86 crores. The payment of the final dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting and shall be paid to those members whose names appear in the Register of Members of NSE as on July 27, 2018, being the record date for the purpose of final dividend.

With the payment of interim dividend and proposed final dividend, the total equity dividend for the year 2017-18 (including dividend tax) shall aggregate to ₹ 869.78 crores.

4.5 Transfer to Reserves

In FY 2016-17, NSE had created CSR Reserve to undertake CSR activities and transferred unspent amount of ₹ 53.43 crores from Retained earnings to CSR Reserve. Further, during the current year, your Company is required to spend an amount of ₹ 23.83 crores being 2% of average profit of last 3 financial years. Against the same, an amount of ₹ 22.78 crores has been spent by your Company. Accordingly the balance amount of ₹ 1.06 crores along with the previous years unspent amount of ₹ 53.43 crores lying in the CSR reserve has been contributed to NSE Foundation. Accordingly, CSR reserve created during previous

year has been utilised in the current year and have been credited to Retained Earnings.

In accordance with Regulation 33 of the SECC Regulations, every recognized stock exchange was required to transfer twenty five percent (25%) of its annual profits every year to a Settlement Guarantee Fund ("SGF") of the recognized clearing corporation(s) which clears and settles trades executed on that stock exchange to guarantee settlement of trades. Subsequently, SEBI in its press release No.66/2012 dated June 21, 2012 made an announcement about expert committee being formed to inter-alia look into the norms for adequacy of the core corpus of the SGF and its sourcing, including transfer of profits by stock exchanges to SGF in the long run. As a matter of prudence, your Company had recorded the provisional appropriation from reserve at 25% of its annual profit after tax in its financial statements.

Effective August 29, 2016, SEBI amended Regulation 33 of SECC Regulations and NSE was required to contribute only towards the MRC of Core SGF. During the previous year ended March 31, 2017, your Company has recorded an expense of ₹ 121.07 crores (pro-rata based on profits till the date of amendment of the Regulation) (net of ₹ 13 crores for contribution to MRC of Core SGF for the year ended March 31, 2017) in its Statement of Profit and Loss and disclosed ₹ 284.39 crores as the amount payable to Core SGF as other current liability in its Balance Sheet as of March 31, 2017, which has been paid during the year. During the year ended March 31, 2018, as per the SEBI amended Regulation 33 of SECC Regulation, your Company was required to contribute a sum of ₹ 223 crores towards MRC of Core SGF. However, as permitted vide SEBI circular no. CIR/MRD/DRMNP/25/2014 dated August 27, 2014, the same has been adjusted against 25% transfer of profits already made in past years including income generated there from. Accordingly, there were no additional contribution necessary to be made to the MRC of Core SGF during the current year ended March 31, 2018. Further, out of the total amount of ₹ 1065.58 crores contributed in past years in the form of 25% transfer of profits by stock exchange under the SEBI regulations, as at March 31, 2018, an amount of ₹ 350.59 crores is lying with NSCCL Core SGF available for set off against any future contribution to the MRC of Core SGF, if and as required.

4.6 Particulars of Loans, Guarantees or Investments under section 186 of the Companies Act, 2013

No loan or guarantee was given to any person during the year. The investments made by your Company during the year are in accordance with the provisions of the Companies Act, 2013. The particulars of Investments made during the financial year are set out in the Notes to Accounts which forms part of this Annual Report.

4.7 Particulars of Contracts or Arrangements with Related Parties

All contracts/arrangements/transactions entered by your Company during the financial year with related parties were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations. There are no materially significant Related Party Transactions entered into by your Company with the Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of your Company at large.

All Related Party Transactions are placed before the Audit Committee of your Company for its approval. The transactions with related parties are also reviewed by the Board on a quarterly basis.

Your Company has adopted a Policy on Related Party transactions as approved by the Board, which is uploaded on NSE's website. (weblink:https://www.nseindia.com/global/content/about_us/PolicyonMaterialityandDealingwithRelatedPartyTransactions.pdf)

The particulars of contracts or arrangements with related parties are given in Form AOC-2 and is enclosed as **Annexure-1** to this Report.

4.8 Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statements

Currently there is high degree of automation in most of the key areas of operations and processes of your Company. Such processes are well documented with comprehensive and well defined Standard Operating Procedures (SOPs) which inter alia include, financial controls in the form of maker checker, strict adherence to financial delegation made by the Board at various levels, systemic controls, information security controls as well as role based access controls etc. Such controls are periodically reviewed for change management in the eventualities of introduction of new processes / change in processes, change in systems, change in personnel handling the activities etc. Such controls are independently reviewed by the internal auditors / operational reviewers of your Company. Internal Auditors, Operational reviewer and Independent Practising Company Secretary also review the compliances by your Company of applicable laws on a quarterly basis.

The observations, if any, of the internal audit, operations review and the compliance report issued by independent practicing company secretary are also presented to the Audit Committee every quarter.

The Statutory Auditors have conducted a review of Internal Financial Controls including Entity Level Controls. IT General Controls, risk control matrix and process walk through on as sample basis as per the guidelines issued by ICAI.

4.9 Subsidiaries, Joint Ventures and Associate Companies

NSE has 11 (direct and indirect) subsidiaries (10 in India and 1 abroad) as on March 31, 2018. During the year under the review, 'NSE FOUNDATION' was incorporated on March 5, 2018 under Section 8 of the Companies Act, 2013 by NSE together with its other seven subsidiaries. NSE has adopted a Policy for determining Material Subsidiaries which is available on its website. (weblink: https://www.nseindia.com/global/content/about_us/PolicyonDeterminingMaterialsubsidiaries.pdf).

Report on Performance & Financial position of the Subsidiaries:

The highlights on performance and financial position of your Company's subsidiaries (included in the consolidated financial statement for FY 2017-18) are as under:

4.9.1. National Securities Clearing Corporation Limited (NSCCL)

NSCCL, wholly owned subsidiary of your Company carries on the business of, inter alia, clearing and settlement of shares, other securities and instruments traded and to regulate and manage dealings in securities and instruments. The paid-up share capital of NSCCL as on March 31, 2018 stood at ₹ 45 crores.

During the financial year 2017-18, NSCCL earned net profit after tax of ₹ 158.84 crores as compared to net profit after tax of ₹ 152.84 crores for the financial year 2016-17. The Board of NSCCL have recommended dividend of ₹ 8 per equity share of ₹ 10 each for the year 2017-18. The payment of dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of NSCCL.

Initiatives, Operations and Major Events during the year

CM Segment: NSCCL successfully continued its track record of completing all settlements in a timely manner. During the period under review, 246 rolling settlements were handled in de-materialised mode. The average value of securities handled per settlement was ₹8,210.95 crores in 2017-18. The average funds pay-in per settlement was ₹2,070.79 crores in 2017-18. The average number of shares processed per settlement was about 3,873.22 lakhs in 2017-18. Short deliveries per settlement averaged around 0.16% in 2017-18. The Core Settlement Guarantee Fund stood at ₹224.59 crores as on 31st March 2018

F&O Segment: The total value of settlement was ₹ 1,39,821.73 crores in 2017-18. The highest monthly settlement was ₹15,822.44 crores in the month of February 2018. March 2018 witnessed the highest monthly trading volumes of ₹ 1,74,56,825.61 crores. As on March 31, 2018, the Core Settlement Guarantee Fund in F&O segment stood at ₹1617.45 Crores.

Currency Derivatives segment: The total value of settlement was ₹ 5,842.30 crores in 2017-18. The highest monthly settlement value was ₹ 707.45 crores in the month of September 2017. The highest trading

value in Currency Futures on NSE in 2017-18 was ₹ 39,409.42 crores with total of 59,20,966 contracts being traded and in Currency Options it was ₹ 31,726.30 crores, with total of 48,95,953 contracts being traded. The highest trading volume in Interest Rate Futures on NSE in 2017-18 was ₹6,437.95 crores with total of 3,13,565 contracts being traded. As on March 31, 2018, the Core Settlement Guarantee Fund in Currency Derivatives segment stood at ₹133.38 Crores.

Securities Lending and Borrowing segment (SLBS): NSCCL is an Approved Intermediary (AI) for SLBS with SEBI. In 2017-18, the volumes in SLBS increased by 56.41% from ₹11,936.76 crores in 2016-17 to ₹18,670.63 crores. As compared to previous year, during 2017-18, securities traded in SLBS increased from 185 to 242. As on March 31, 2018, there are 141 participants, 5 custodian-cum-participants and 5 custodians registered in SLBS.

Mutual Fund Service System (MFSS): As on March 31, 2018, 35 mutual fund houses with 6239 schemes were enabled under the revised MFSS scheme. The average daily value of funds settled for subscription of mutual fund units for financial year 2017-18 was ₹22.96 Crores. The average daily value of funds settled for redemption of mutual fund units for financial year 2017-18 was ₹13.78 crores.

Corporate Debt Instruments. NSCCL provides DVP-1 based settlement for OTC trades in Corporate Bonds, Repo in Corporate Bonds, Commercial Papers (CP) and Certificate of Deposits (CD). The average daily settlement value at NSCCL for OTC trades in Corporate Bonds, CP and CD during the financial year 2017-18 stands at ₹4,795.70 crores, ₹4,187.82 crores and ₹3,022.18 crores respectively. The highest settlement value during this period of ₹34,969.19 crores (across all corporate debt instruments) was recorded on March 28, 2018. During the financial year 2017-18, NSCCL settled 1206 repo trades valued at ₹22,988.90 crores.

4.9.2. NSE Strategic Investment Corporation Limited (NSICL)

NSICL, wholly owned subsidiary of your Company has its main objectives, to make or hold all strategic investments in the equity shares and/or other securities of various companies. The paid-up share capital of NSICL as on March 31, 2018 stood at ₹ 825.99 crores comprising of about 41.30 crore equity shares and about 41.29 crores 6% Non-cumulative Compulsorily Convertible Preference Shares (NCCPS) of ₹ 10 each.

During the financial year 2017-18, NSICL earned net profit after tax of ₹ 105.68 crores as compared to net profit after tax of ₹ 20.31 crores for the financial year 2016-17. The Board of NSICL has declared and paid an Interim Dividend of ₹ 0.56/- per equity share and ₹ 0.6/- per NCCPS for the financial year 2017-18. Also, the Board of NSICL has recommended a final dividend of ₹0.40/- per equity share for the year 2017-18. The

payment of final dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of NSICL.

4.9.3. India Index Services & Products Limited (IISL)

IISL, a step-down subsidiary of NSE whose 100% share capital is held by NSICL, carries on the business of, inter alia, development, construction, computation and maintenance of indices in relation to the capital markets. The paid-up share capital of IISL as on March 31, 2018 stood at ₹ 1.30 crores comprising 13 lakh equity shares of ₹ 10 each.

During the financial year 2017-18, IISL earned net profit after tax of ₹ 65.02 crores as compared to net profit after tax of ₹ 57.95 crores for the financial year 2016-17. The Board of IISL recommended dividend of ₹ 250/- per equity share for the year 2017-18. The payment of dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of IISL.

Initiatives, Operations and Major Events during the year

IISL continued to be the primary provider of indices and related products and services to various participants in the Indian Capital Market.

In FY 2017-18, 72 fixed income indices, 6 hybrid indices and 10 equity indices were launched by IISL. In addition, 2ESG based indices were also launched.

NIFTY 50 Futures trading on NSE recorded a turnover of ₹ 28,23,576 crores in the financial year 2017-18 as compared to a turnover of ₹ 27,25,293 crores in the financial year 2016-17, thus registering an increase of 3.6%. Premium Turnover of NIFTY 50 Options traded on NSE increased to ₹ 2,78,343 crores in the financial year 2017-18 from ₹ 2,57,023 crores in the financial year 2016-17, registering an increase of 8.3%.

The NIFTY 50 Futures traded on Singapore Exchange (SGX) recorded a growth of 8% in trading volume as compared to previous financial year.

As on March 31 2018, 17 index funds & 42 ETFs are linked to IISL's indices in India. In addition, 11 ETFs on NIFTY indices are listed outside India.

Other key developments:

During the year under review, the following new products were launched using IISL's indices:

1. ICICI Prudential Mutual Fund has launched ETF on NIFTY100 Low Volatility 30
2. UTI Mutual Fund has launched ETF on NIFTY Next 50 Index
3. DSP Blackrock Mutual Fund has launched Index Fund and ETF on NIFTY50 Equal Weight and NIFTY 1 D Rate Index respectively

4. Reliance Nippon Asset management has started using NIFTY 1 D Rate Index as an underlying index for Reliance ETF Liquid BeES

On February 9, 2018, Indian exchanges namely, NSE, BSE and MSEI issued a joint press release (PR) on "Licensing of Indian Indices and Market Data of the securities listed or traded in India" communicating that the stock exchanges in Indian would not license their indices or the data for trading derivative products or India Securities on any offshore exchange. On account of Joint PR, IISL has terminated licensing agreement with SGX, OSE, CME and TAIFEX, subject to the notice period mentioned in the respective licensing agreements. This will impact the revenue of IISL from FY 18-19 onwards.

4.9.4 NSE Infotech Services Limited (NSE Infotech)

NSE Infotech, a step-down subsidiary of NSE whose 100% share capital is held by NSICL, carries on the business of, inter alia, advising, providing services, developing, carrying out research and development for the customers on all matters involving computer software and hardware systems and management of data processing and information and data communication systems. The paid-up share capital of NSE Infotech as on March 31, 2018 stood at ₹5 lakhs.

During the financial year 2017-18, NSE Infotech earned net profit after tax of ₹0.70 crores as compared to net profit after tax of ₹ 2.46 crores for the financial year 2016-17.

Initiatives, Operations and Major Events during the year

As a Technology partner, NSE Infotech continues to plan, deliver and maintain technology products and services for NSE. NSE IFSC made operational in GIFT CITY since 5th June 2017, Muhurat Trading successfully done and organization-wide Business Intelligence & Analytics platform setup completed.

Disaster Recovery (DR) failover time reduced from existing 150 minutes to 40 minutes in CM, FO & CD

Operationalization of new datacenter (DC) at DR site using software defined network in non-trading area and hyper converged infrastructure.

Cross currency pairs changes for extending CD market timings till 7:30 PM for cross currency contracts done.

New Block Deal framework to facilitate two block deal windows for CM completed.

Addition of 36 contracts with new series in Securities Lending and Borrowing (SLBM) to handle corporate actions of Annual General Meeting (AGM)/Extraordinary General Meeting (EGM) were implemented.

Gateway router implemented for fair and equitable access to member in CM, FO & CD segment.

COLO Rack allocation is offered as online self service module to members through ENIT.

Inspection Automation of selection of Trading Member (TM) list for Inspection based on 14 defined risk criteria to select/deselect TMs through dashboard.

NEAPS system updated to provide rumors verification facility, for enabling debt listed companies and debt eligible CM companies to file a request and Draft Red Herring Prospectus (DRHP) and In-principle application processing automation.

Implementation of GST in NFA, Listing, NCFM, ENIT and Membership systems.

Migration of Enterprise Data Warehouse system to Open Source technology on commodity servers.

Enterprise CRM system rolled out across all departments of the organization.

ISO 27001:2013 Certification achieved for Information Security Management System (ISMS) of NSE and NSE Infotech.

OPERATIONS STRENGTHENING

Two BCP live sessions conducted in Financial Year 2017-18. NSE was also able to demonstrate the intraday switch-over drills within the SEBI stipulated RTO of 4 hours and with Zero RPO.

Disaster Recovery Management using Sanovi tool was carried out by Chennai operations team, which reduced Infra switchover and application service restorations time to less than 2:30 minutes.

4.9.5 NSEIT Limited (NSEIT)

NSEIT, a step-down subsidiary of NSE, whose 100% of share capital is held by NSICL, carries on the business of, inter alia, designing, developing, maintaining, marketing, buying, importing and exporting, licensing and implementing computer software and hardware. The paid-up share capital of NSEIT as on March 31, 2018 is about ₹10 crore comprising of about 1 crore equity shares of ₹ 10 each.

During the financial year 2017-18, NSEIT earned a consolidated net profit after tax of ₹18.06 crores as compared to consolidated net profit after tax of ₹19.46 crores for the financial year 2016-17. The top line of NSEIT grew by 19.41% to ₹190.28 crores in financial year 2017-18 as compared to ₹159.35 crores in financial year 2016-17. The Board of NSEIT recommended dividend of ₹ 1 per equity share for the financial year 2017-18. The payment of dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of NSEIT.

Initiatives, Operations and Major Events during the year

NSEIT's focus is to deliver value to the financial market ecosystem by ushering in innovative platform based solutions in digital, analytics and information security.

NSEIT acquired digital transformation projects which are currently under execution. NSEIT initiated "analytics as a service" model. Proof-of-Concept projects are underway.

Information Security is a key focus area where NSEIT has invested to build a security operations centre and establish alliances with leading OEMs. Assignments for web application testing, vulnerability assessment, penetration testing have been executed. NSEIT has also started to look at inorganic growth opportunities in this space.

The Online Examination Services (OES) vertical of NSEIT was strengthened during the year with additional investment in people, process and technology. The division achieved its target of ₹100 crores and is a significant player in this market. Delivery & operation process Automation is been initiated for pre & post examination areas. Cyber security enhancement and social digital marketing has been planned and implemented this quarter. State wise focus is planned adding skilled manpower both sales and operation regional heads for reach and to strengthen Customer Relationship Management (CRM).

4.9.6 DotEx International Limited (DotEx)

DotEx, a step-down Subsidiary of NSE, whose 100% share capital is held by NSICL, carries on the business of, inter alia, owning, operating and maintaining websites and portals that will enable participants, including stock brokers and all intermediaries of different markets to have a common virtual place to know, transact and fulfil their transactions in a secured manner. The paid-up share capital of DotEx as on March 31, 2018 stood at ₹ 9 crores comprising of 90 lakh equity shares of ₹10 each.

During the financial year 2017-18, DotEx earned net profit after tax of ₹38.26 crores as compared to net profit after tax of ₹ 36.96 crores for the financial year 2016-17. The Board of DotEx recommended dividend of ₹ 21/- per equity share for the year 2017-18. The payment of dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of DotEx.

Initiatives, Operations and Major Events during the year

DotEx Infofeed

During FY 17-18, DotEx Infofeed on-boarded a number of new clients in India as well as international markets. Implementation of non-display policy was again a focus area for DotEx and a number of new clients signed up under non-display policy during the year. Vendor audit is a common market data industry practice which is followed globally

in order to maintain highest standard of compliance at the vendor's site. DotEx appointed one of the big 4 auditors for conducting vendor audits and undertook audit for few large customers.

Pursuant to the joint press release issued by Indian exchanges namely, NSE, BSE and MSEI dated February 9, 2018 on "Licensing of Indian Indices and Market Data of the securities listed or traded in India" communicating that the stock exchanges in India would not license their indices or the data for trading derivative products or India Securities on any offshore exchange, DotEx would require to amend the existing agreements with some of the clients and DotEx has started the process.

4.9.7. NSE Academy Limited (NAL)

NAL, a step-down Subsidiary of NSE, whose 100% share capital is held by NSICL, carries on the business of, inter alia, conducting tests and certification programs in various areas including financial markets, conducting professional education programs and providing professional training to individuals in collaboration with various educational and financial institutions. The paid-up share capital of NAL as on March 31, 2018 stood at ₹ 25 lakhs comprising of 2.5 lakh equity shares of ₹ 10 each.

During the financial year 2017-18, NAL earned net profit after tax of ₹ 1.53 crores as compared to net profit after tax of ₹ 0.57 crores for the financial year 2016-17.

NAL has been offering various educational courses in the financial market either on a standalone basis or in association with various industry participants and educational institutes. Various new educational courses were launched during the financial year 2017-18 which inter-alia included courses on Global Applied Financial Analyst, Post Graduate Certificate Programs in (i) Investment Banking and Research, (ii) Security Analysis and (iii) Investment Banking & Capital Markets.

4.9.8. NSE IFSC Limited (NSE IFSC)

NSE IFSC, a wholly owned subsidiary of NSE commenced operation as a Stock Exchange in GIFT City, Gandhinagar from June 5, 2017 after receiving approval from SEBI vide its letter dated June 2, 2017 granting recognition as Stock Exchange for a period of one year effective from May 29, 2017. The application for renewal of the recognition as Stock Exchange has been submitted to SEBI. Approval from SEBI is awaited. The paid-up share capital of NSE IFSC as on March 31, 2018 stood at ₹ 50 crores comprising of 5 crore equity shares of ₹ 10 each.

During the financial year 2017-18, NSE IFSC incurred loss of ₹ 15.93 crores as compared to loss (after tax) of ₹ 3.02 crores for the financial year 2016-17.

NSE IFSC has introduced trading in the following asset classes: Equity Index Derivatives; Indian Stock Derivatives; Global Stock Derivatives; Commodity Derivatives; Currency Derivatives. The aggregate turnover from commencement of trading (June 5, 2017) to March 31, 2018 was USD 6.67 billion.

4.9.9 NSE IFSC Clearing Corporation Limited (NICCL)

NICCL, a step-down subsidiary of NSE, whose 100% share capital is held by NSCCL, commenced operations as Clearing Corporation in GIFT City, Gandhinagar, after receiving approval from SEBI vide its letter dated June 2, 2017, granting recognition as Clearing Corporation for a period of one year effective from May 29, 2017. The application for renewal of the recognition as Clearing Corporation has been submitted to SEBI. Approval from SEBI is awaited. The paid-up share capital of NICCL as on March 31, 2018 stood at ₹ 70 crores comprising of 7 crore equity shares of ₹ 10 each.

During the financial year 2017-18, NICCL incurred loss of ₹ 8.94 crores as compared to loss (after tax) of ₹ 0.83 crores for the financial year 2016-17.

NICCL clears and settles trades executed on NSE IFSC. NICCL has the following types of clearing Membership – Professional Clearing Member, Trading Cum Clearing Member and Trading Cum Self Clearing Member. NICCL has put in place a robust and comprehensive Risk Management System.

Till March 31, 2018, NICCL had 6 clearing members (3 Trading cum Clearing Member and 3 Trading cum Self Clearing Member). Clearing Banks are the key link between clearing members and NICCL for funds settlement. Members are required to maintain and operate a clearing account with any one of the designated clearing banks empanelled with the Clearing Corporation. There are currently 4 clearing Banks empanelled with NICCL.

4.9.10 NSEIT (US) Inc. ("NSEIT US")

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

During the financial year 2017-18, NSEIT US earned profit of ₹ 0.62 crores as compared to net loss after tax of ₹ 0.81 crores during the financial year 2016-17.

4.9.11 NSE Foundation

During the year under review, NSE Foundation, a section 8 Company under the Companies Act, 2013 was incorporated on March 5, 2018 by NSE and its other seven subsidiaries. The funds earmarked by NSE and other NSE group companies for the purpose of undertaking

CSR activities were transferred to NSE Foundation, thereby allowing the Foundation to undertake impactful and sustainable social programmes on behalf of NSE and other NSE group companies. The paid-up share capital of 'NSE Foundation' as on March 31, 2018 stood at ₹ 5 lakhs comprising of 50,000 equity shares of ₹ 10 each.

During the period ended March 31, 2018, NSE Foundation's income (arising out of donations / contributions received from NSE and subsidiary companies) over expenditure was ₹ 82.47 crores.

4.9.12 Associate and Joint Venture companies

Computer Age Management Services Private Limited (CAMS) is an associate of NSE Strategic Investment Corporation Ltd. (NSICL), a wholly owned subsidiary of NSE, in which NSICL presently holds 44.99% of the equity share capital. During the year under review, NSICL had initiated the process to partially divest its stake in CAMS. NSICL had signed an agreement to divest 10% of its equity stake held in CAMS to Great Terrain Investment Limited (affiliate of Warburg Pincus LLC) for a consideration of ₹ 332.50 crores. The aforesaid agreement was revised on March 07, 2018, as per which, NSICL will divest 7.5% (instead of 10% as agreed before) of its equity stake in CAMS to Great Terrain Investment Limited for a consideration of ₹ 249.13 crores. Consequent to the above, NSICL will hold 37.50% equity stake in CAMS. The said transaction is not a related party transaction and is at arm's length. The sale transaction is expected to be completed soon on compliance of agreed conditions.

During the year under review, NSICL had provided for impairment amounting to ₹ 2.93 crores (Previous Year: ₹ 4.27 crores) in respect of Market Simplified India Limited, an associate company, since it had continuously defaulted in statutory payments. The impairment has been debited to the consolidated statement of Profit and Loss of NSE.

National Securities Depository Limited (NSDL) is an associate of NSE in which NSE presently holds 24% (earlier 25.045%) of the equity share capital. NSE also continues to hold equity investment in BFSI Sector Skill Council of India.

Further, NSDL e-governance Infrastructure Limited, Power Exchange India Limited (PXIL) and Receivables Exchange of India Limited are associates of NSICL, a wholly owned subsidiary of NSE. NSICL also has equity investments in Goods and Services Tax Network.

NSICL had entered into an agreement for sale of equity shares and Optionally Convertible Redeemable Preference shares (OCRPS) held in PXIL during the year under review. However, the proposed sale of shares of PXIL was not consummated. After discussing the same with other shareholder, efforts have been put in place to review the business.

4.10 Deposits

Your Company has not invited, accepted or renewed any deposits within the meaning of Section 73 of the Companies Act, 2013. Accordingly, the requirement to furnish details relating to deposits covered under Chapter V of the Companies Act, 2013 does not arise.

4.11 Risk Management Policy

Your Company has an enterprise-wide risk assessment and review mechanism which inter alia consists of risk identification, assessment and categorisation of risks taking into account the impact and likelihood of risks and putting in place adequate controls and mitigation plans which has helped in reducing the overall risk exposure for your Company and also the impact thereof.

Your Company has a Risk Assessment & Review Committee, a sub-committee of the Board, which meets periodically to review the efficacy and adequacy of your Company's risk management exercise and the controls and mitigation plans put in place to reduce the overall impact of the various inherent risks.

Your Company has also appointed a management consultancy firm to assist in identifying, assessing and minimising the risk exposure of your Company. For each of the identified risk areas, your Company maintains detailed Risk Registers mainly containing details such as risk description, risk indicators, categorisation of the risk, current controls and mitigation plans, etc.

4.12 Material changes and commitments, if any, affecting financial position of the Company which have occurred between the end of the financial year of the Company and the date of the Report

There were no material changes and commitments affecting the financial position of your Company which have occurred between the end of financial period of your Company to which the Financial Statements relate and the date of this Report

4.13 Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's Operations in future

During the year under review, there were no significant or material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of your Company and its future operation.

4.14 Explanations or comments on the qualification, reservation or adverse remark or disclaimer made by the Auditor in his Report

There is no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors appointed under Section 139 of the Companies Act, 2013 in their report. Hence the need for explanations

or comments by the Board does not arise. The report of the Statutory Auditors forms part of the financial statements.

Reporting of frauds by auditors

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

4.15 Update on Listing

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

SEBI vide its letter dated May 31, 2017 had informed that certain regulatory/policy issues were under examination and advised that NSE shall not proceed with the IPO unless NSE receives SEBI's observation on the DRHP.

Pursuant to a communication sent to the selling shareholders in November, 2017 seeking their consent for retaining the offered shares in the share escrow account for further period of 12 months from December 27, 2017 (i.e. for an aggregate of 24 months from the date of filing of the DRHP with SEBI) and continue their participation as selling shareholders in the Offer, 14 participating shareholders with a total holding of 13.75% of the paid up share capital of NSE consented to continue holding shares in the escrow for a further period of 12 months, whereas 15 shareholders with a total holding of 8.76% of the paid up share capital of NSE had opted to withdraw. Thus 6,80,72,250 shares representing 13.75% of the paid up share capital of NSE by the 14 shareholders continued to be held in the share escrow account.

4.16 Extracts of the Annual Return

The extracts of the annual return as on the financial year ended on March 31, 2018 in Form MGT-9 is enclosed as **Annexure-2** and shall form part of Board's Report.

5. CONSOLIDATED FINANCIAL STATEMENTS

Your Company announces consolidated financial results on a yearly basis. The consolidated financial statements of your Company and its subsidiaries, prepared in accordance with Indian Accounting Standard

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

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

6. HUMAN RESOURCES

Following developments have taken place in Human Resources / Employee Relations front in the financial year 2017-18:

6.1 Talent Management and Development:

During the financial year 2017-18, the training needs for each employee was based on the competency framework. In line with the Business Strategy, Company has continued to focus on the functional and behavioral training based on the Individual and the organizational need.

6.2 Employee Effectiveness Survey / Perception Study:

An Employee Effectiveness Survey (EES) was conducted in the financial year 2017-18. The EES action plans are formulated by the respective teams and the implementation of EES action plans are monitored on a regular basis.

6.3 Employee Relations:

The employee relations scenario has been harmonious throughout the period under consideration.

6.4 Talent Management & Development - Training

1. Total hours of skill up gradation training in FY 2017-18 was 11556 hours
2. Total hours of Fire Safety training in FY 2017-18 was 543.95 hours
3. Total number of complaints received and number of those complaints pending - Complaints in Child Labor, forced labor and involuntary labor, sexual harassment and discriminatory employment were Nil

Table : 24

Skill Up gradation Training for Permanent employees		
Gender	Female	Male
Percentage	64%	65%

6.5 Employee Engagement Initiative: Internal HR Engagements

Table : 25

Activities	Description	Participation in FY17-18
Women's Day Celebration	Two day event organized on 7th & 8th March, 2018. The program was based on theme 'SHE' representing Surprise, Honour and Empower. Various events and activities were planned and executed based on the theme, also involving CSR initiatives	7th & 8th March, 2018 to honour the NSE women employees
Bouquets	Flowers sent to new joiners and to women employees delivering a baby	Ongoing

6.6 Operations Enhancement/ Improvement:

- Performance Management System (PMS): PMS Annual Cycle for FY 17-18 completed in April 18 for 497 eligible employees
- Rewards and Recognition: 262 books were given to best performers as non-monetary rewards from 1st April, 2017 to 31st March, 2018.
- Attrition: Attrition % in FY 2017-18 was 13.5% (decrease as against 14.2% in FY 2016-17).
- Manpower: Employee Strength as on 31st March, 2018 is 497
- Campus Hiring: Total 12 Management Trainees (MTs) selected during 2017-2018 from campuses.

Table : 26

Employee Strength as on April 1, 2017	542
Fresh recruitments (April 1, 2017 - March 31, 2018)	87
Resignations (April 1, 2017 - March 31, 2018)	67
Employees Transferred to NSCCL	65
Employee Strength as on March 31, 2018	497

During the year under review, Mr. Saurov Ghosh was appointed as the 'Group Head – HR' of NSE.

6.7 Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The disclosures required to be made under Sexual Harassment of

Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are given in the following table 27:

Table : 27

1	Number of complaints of sexual harassment received in the year	NIL
2	Number of complaints disposed off during the year	Not Applicable
3	Number of cases pending for more than ninety days	Not Applicable
4	Number of workshops or awareness programs against sexual harassment carried out	Awareness program for all employees was done
5	Nature of action taken by the employer	Not Applicable

7.1 Directors and Key Managerial Personnel

As per the provisions of SECC Regulations, the Governing Board of every recognised stock exchange shall include (a) Public Interest Directors (PID); (b) Shareholder Directors; and (c) Managing Director. Mr. Ashok Chawla, Chairman of the Board, Ms. Dharmishta Raval, Mr. Dinesh Kanabar, Mr. Naved Masood and Mr. T.V. Mohandas Pai are Public Interest Directors while Mr. Abhay Havaladar, Mr. Prakash Parthasarathy, Ms. Anshula Kant and Ms. Sunita Sharma are Shareholder Directors. Mr. Vikram Limaye is the Managing Director & CEO of your Company.

During the year under review, Mr. Ravi Narain, Vice Chairman (Shareholder Director) resigned from the Board of Directors of your Company with effect from June 01, 2017 due to personal reasons. The Board placed on record its appreciation for the valuable contribution made by him during the long years that he had been associated with NSE.

Mr. Vikram Limaye assumed office as MD & CEO on July 17, 2017, following SEBI's approval vide its letter dated June 9, 2017 approving the appointment of Mr. Vikram Limaye as the Managing Director & CEO of your Company. Consequently, Mr. J Ravichandran ceased to be CEO In-charge with effect from the same date and also ceased to be Key Managerial Personnel under the Companies Act, 2013. Mr. J Ravichandran continues to be in the employment of NSE as Group President and continues to be treated as Key Management Personnel under SECC regulations.

In terms of Section 152 of the Companies Act, 2013, Mr. Abhay Havaladar, Shareholder Director retired by rotation and was re-appointed as a Director under "Shareholder Director" category at the 25th Annual General Meeting (AGM) held on August 4, 2017 subject to approval of SEBI. Subsequently SEBI approved his re-appointment as a

“Shareholder Director” vide its letter dated August 28, 2017.

In terms of Section 152 of the Companies Act, 2013, Mr. Prakash Parthasarathy retires by rotation at the ensuing AGM and is eligible for re-appointment subject to approval of SEBI. Notice from a shareholder proposing the nomination of Mr. Prakash Parthasarathy as a Shareholder Director on the Board of NSE has been received. The Board recommends the re-appointment of Mr. Prakash Parthasarathy as Director of your Company to the Shareholders at the forthcoming AGM of your Company, subject to approval of SEBI. A brief profile of Mr. Prakash Parthasarathy seeking re-appointment has been provided in the notice of the AGM.

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

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

Pursuant to SECC Regulations, the Key Management Personnel of your Company are Mr. Vikram Limaye, Managing Director & CEO, Mr. J Ravichandran - Group President, Mr Yatrik Vin, CFO, Mr. Sankarson Banerjee- Chief Technology Officer – Projects, Mr. Ravi Varanasi – Chief Business Development Officer, Mr. G. M. Shenoy - Chief Technology Officer – Operations, Ms. Priya Subbaraman, Chief Regulatory Officer (with effect from April 2, 2018) and Mr. Mayur Sindhwad, Chief Operating Officer – Trading.

7.2 Board and Committees

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

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

7.3 Declaration by Independent Directors

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

In terms of SECC Regulations, SEBI had nominated Mr. Ashok Chawla, Mr. Dinesh Kanabar, Mr. T.V. Mohandas Pai, Ms. Dharmishta Raval and Mr. Naved Masood as Public Interest Directors. They have given declaration of independence.

7.4 Company's policy on Directors' Appointment and Remuneration including Criteria for determining Qualifications, Positive Attributes, Independence of Directors

Pursuant to requirements of the Companies Act, 2013, NSE has framed a policy on appointment of Directors and Senior Management personnel and a policy on remuneration of Directors and Key Management Persons identified under SECC Regulations and under the Companies Act, 2013 and the same are in force. The Remuneration Policy of NSE is annexed as **Annexure-3**.

7.5 Performance Evaluation of the Board, its Committees and Individual Directors

The Nomination and Remuneration Committee (NRC) had approved a framework/policy for evaluation of the Board, Committees of the Board and the Individual members of the Board.

One of the key functions of the Board is to monitor and review the Board evaluation framework. Pursuant to the provisions of the Companies Act, 2013, Listing Regulations and SEBI Guidance Note on Board evaluation issued on January 5, 2017, the Board has carried out an annual evaluation of its own performance and that of its Committees and Individual Directors.

Your Company has for the first time engaged the services of a reputed external consultant for assisting to conduct Board Effectiveness Evaluation 2018 (BEE). The scope and objectives of BEE, inter-alia, reviewed by the external consultant were as under:

1. The Board's overall performance and corporate governance in terms of best practices and policies by conducting in-depth evaluation of the Board including Committees and its Directors with an intent to recommend enhancements, if any, based on insights gained. This included study of the Board & Committee charters, composition, meetings calendar and agenda, Committee responsibilities, etc.
2. The Board Member's individual contribution evaluation by conducting one-to-one interviews against agreed competencies, conducted one 360* feedback and potentially interviewed senior management feedback on the performance of the Directors / Board / Committees.

The responses received from the Board members were compiled by the external consultant and a Report was submitted by them. Based on

the observations and analysis including various one-to-one meetings by the external consultant with the individual Directors, external consultant concluded that NSE's Board's practices are generally in line with international best practices subject to provisions of SECC Regulations with the opportunity for some incremental improvement.

A separate meeting of Independent Directors was held on March 28, 2018 to review the performance of Non-Independent Directors, Board and the Chairman, taking into account the views of Directors. NRC evaluated every Director's performance. The performance of the Independent Directors was evaluated by the entire Board except the person being evaluated. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. Report was placed and discussed at the said meeting of Independent Directors, NRC Meeting and the Board meeting and the suggestions to further strengthen the effectiveness of the Board were noted for action.

7.6 Directors' Responsibility Statement

Your Directors confirm that -

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of NSE at the end of the financial year i.e., March 31, 2018 and of the profits of NSE for that year;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of NSE and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis;
- (v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and were operating effectively.

8. CORPORATE SOCIAL RESPONSIBILITY

NSE is covered under the purview of Section 135 of the Companies

Act 2013. Similarly many of its subsidiaries are also covered. A common CSR policy was adopted by NSE and its subsidiaries to avoid duplication of functions and enable scaling up of activities.

During the FY 2017-18, NSE Foundation, a section 8 company under the Companies Act, 2013 was incorporated by NSE and seven of its subsidiaries. The funds earmarked by NSE and other NSE group companies for the purpose of undertaking CSR activities were transferred to NSE Foundation, thereby allowing the Foundation to undertake impactful and sustainable social programmes on their behalf. The CSR policy is available on your Company's website www.nseindia.com. The disclosures required to be made in the Board's Report as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as **Annexure-4**.

9. CORPORATE GOVERNANCE

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

NSE is a public limited company, whose securities are not listed in any stock exchange. In terms of Regulation 35 of the SECC Regulations, the disclosure requirements and corporate governance norms as specified for listed companies are mutatis mutandis applicable to a recognised stock exchange. NSE endeavors to continuously improve good governance practices. The certificate from a Practising Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in Listing Regulations is obtained. A report on corporate governance for the financial year 2017-18 is furnished as **Annexure-5**.

10. BUSINESS RESPONSIBILITY REPORT

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

11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report in respect of NSE's financials for the year ended March 31, 2018 is presented in a separate section forming part of the Annual Report.

12. VIGIL MECHANISM

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

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

- i. Complaints against employees below the levels of Vice Presidents to be addressed to the panel of 4 senior executives comprising of the Chief Regulatory Officer (CRO), the Chief Financial Officer (CFO), the Group President and the Ethics Counsellor. This panel shall put up its recommendations on the complaint to the MD&CEO for final disposal of the complaint. A report on the complaints disposed of by the MD&CEO shall be placed before the Ethics Committee.
- ii. Complaint against employees at the levels of Vice Presidents and above to be addressed to the Ethics Counsellor (Head of HR) and be screened by the Ethics Counsellor (Head of HR) and MD&CEO. The complaint shall be placed before the Chairman of the Ethics Committee for final disposal with appropriate recommendations of the Ethics Counsellor (Head of HR) and MD & CEO.
- iii. Complaints against the CFO to be addressed to the Chairman of the Audit Committee and placed before the Audit Committee for consideration and disposal.
- iv. Complaints against the Ethics Counsellor (Head of HR) to be reviewed by MD&CEO and referred to the Ethics Committee.
- v. Complaints against the MD & CEO to be referred directly to the Chairman of the Ethics Committee.

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

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

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

13.1 Statutory Auditors

M/s. Price Waterhouse & Co, Chartered Accountants, LLP, (ICAI Registration No.304026E/ E300009) were appointed as the Statutory Auditors of the Company for a period of 5 (five) years from the conclusion of 24th Annual General Meeting, i.e., September 16, 2016 till the conclusion of 29th Annual General Meeting, subject to ratification by the Members at every Annual General Meeting to be held during the said period.

Company has received letter from M/s. Price Waterhouse & Co, Chartered Accountants to the effect that their appointment, if made/ ratified, would be in accordance with the provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014. The Board of Directors in their meeting held on May 4, 2018 recommended ratification of their appointment.

The Board recommends ratification of appointment of M/s Price Waterhouse & Co, Chartered Accountants, as the Statutory Auditors of the Company by the Members at the forthcoming Annual General Meeting to hold office from the conclusion of the 26th Annual General Meeting till the conclusion of the 27th Annual General Meeting.

The Statutory Auditors' Report for the Financial Year 2017 -18 does not contain any qualification, reservation or adverse remarks.

13.2 Secretarial Audit

The Board, on the recommendations of the Audit Committee, had appointed M/s BNP & Associates, Company Secretaries, to conduct the Secretarial Audit pursuant to the requirements of the Companies Act, 2013 and the rules laid down thereunder for the financial year ended March 31, 2018. The Report of the Secretarial Audit is annexed herewith as Annexure 6. The Secretarial Audit Report does not contain any qualifications, reservation, adverse remarks or disclaimer.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO

a. Conservation of Energy and Technology Absorption

NSE has undertaken to use the following major technological initiatives towards "Effective Energy Conservation" as well as "Load Management System" namely:

i. Reduction of carbon emission

The Carbon footprint refers to a whole set of greenhouse gas emissions on account of an organisation, event, product or individual. These footprints are measured in Tons (or Kilograms) of carbon dioxide equivalent. It is a measure of impact of our activities on environment, or in particular,

climate change. NSE's carbon footprint of Exchange Plaza building was around 21,855 Tonnage of CO₂ (i.e. 0.08 tonnage CO₂/Sq.ft/year (including Data Centre). However, with effective energy saving / green power measures, NSE has reduced it to 12,666 tonnes of CO₂ emission.

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

NSE has commissioned the 6.25 MW (i.e. 5 nos. of 1.25 MW) Wind Power Project Plant at Satara. In Wind Power Project, the Wind Electric Generator (WEG) converts the Kinetic Energy available in the Wind to Electrical Energy by using a Rotor, Gearbox and Generator. With regard to the operation of Wind Power Plant, it mainly goes hand-in-hand with the Local Electricity Board. The Plant is generally connected to the Main Power Grid of the Local Electricity Board. As per renewable energy policy of Govt. of Maharashtra, the quantum of electricity generated through the Wind Farm is fed to the grid, which gets set off against the power consumption towards High Tension (HT) installation of the 'Wind farmer'(which in this case is NSE) anywhere in that grid.

Accordingly, the aforesaid NSE's Wind Power Plant has generated around 1,26,00,887 electricity units in the last year.

iii. The 'Thermal Energy Storage' for air-conditioning system during the peak hours to Conserve Energy

'Thermal Energy Storage System' has been introduced in the HVAC System at Exchange Plaza. It was observed that most of the Services (i.e. HVAC Chillers, AHU's, Lifts, Lighting, PC, Plumbing System etc.) were operated mainly during office / day hours. Amongst them, the Chillers and its associated equipments used to consume more than 30% of total peak demand load. In view of this, NSE had decided to reduce its demand load during peak hours and to achieve this, NSE installed the 'Thermal Energy Storage System' with the existing HVAC system. In this system, the Chillers are being operated at night hours to form the "Chill" (i.e. Glycol Water at temperature below zero degree centigrade) which gets stored in a Thermal Storage Tank. Following next day the stored Chill is being utilised through Heat Exchangers for air-conditioning the entire Office area. On account of this, the total load (i.e. HVAC-Chillers, AHU's Lifts, Lighting, PC, Plumbing System etc.) which were operating mainly during office hours have been distributed and NSE has surrendered

the extra power. This way, NSE has saved around 13340.49 Demand KVA in the last year.

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

The Building Management System (BMS) had been installed at the inception stage itself to enable NSE to operate the Building's Services more effectively. For example, with the above BMS, the Air Handling Units (AHU) of air-conditioning system are being operated (i.e. switching ON /OFF) as per the exact time table scheduled for respective floors. It also helps NSE to regulate / control the temperature of the work stations area well within prescribed tolerance. With this effective operation and regulation of AHU's, electricity is being conserved on day-to-day basis.

v. Motion/ Occupancy Sensors in the lighting systems in the General Staff areas

NSE has installed Motion/Occupancy Sensors at Workstation area as well as in Meeting Rooms. By implementing this, the lights are operated based on the Motion /Occupancy in the area.

vi. 'Lighting Transformers' for regulated voltage of Lighting System

Lighting Transformers have been installed in the lighting feeders. There are various light fittings installed at Exchange Plaza. It may be noted that luminaries of any light fitting work more effectively and efficiently on receiving the power supply in the range of 210 to 220 Volts. Whereas in India the single phase supply voltage is 230 Volts for residential zone and 240 Volts in commercial zone. The light fittings installed at Exchange Plaza are working on single phase power supply and the voltage between phases and neutral is recorded in the range of 236 to 240 Volts. It was observed that due to excess voltage, the luminaries of light fittings are consuming more power than its rating and also excessive voltage is reducing the life of the luminaries. To prevent such excess power consumption and to enhance the life of the luminaries, NSE has introduced aforesaid Lighting Transformers in the Electrical Distribution System to regulate the incoming single phase supply which restricts the power supply to only 210 to 220Volts. This way NSE has saved around 44169.89 units in the last year.

vii. **Use of 'Electronic Ballast and Compact Fluorescent Lamps' in Lighting System.**

Most of the Lighting Fixtures have been installed with Electronic Ballast instead of conventional Chokes. This helps NSE to reduce the inductive load of the building in turn saving of electricity. Additionally, CFLs have been used in passages and lobbies in place of Incandescent Lamps to reduce the power consumption.

viii. **'Automatic Power Factor Control Units' (APFC) to step up power factor of the building.**

The APFC Units are hooked up with Main LT Panel of the building to improve the power factor (i.e. by counter balancing the inductive load of the building with capacitive load) of the entire electrical load of the Building. Power Supplier gives incentives i.e. by passing certain discount in the electricity bill on account of this regularly.

ix. **'Solar Power Plant' to cater to the part of lighting load at Exchange Plaza**

The Solar Power Plant of the capacity of 10 KW has been installed in the building which harnesses the Solar Power to cater the part of lighting load at Exchange Plaza. This way NSE has saved around 2287.57 units in the last year.

x. **'Rain Water Harvesting System' to harvest the rain water in the periphery of Exchange Plaza**

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

xi. **'Vermiculture Plant' for processing of variety of waste to produce Manure.**

In this Vermiculture system, the compostable material like food waste collected from Canteen, Garden Organics and Paper & Cardboard gets collected at one place. Post shredding, the organic material gets loaded into Vermiculture Unit for decomposing process. Post 7 days of

on-going process, Vermicompost / manure get generated and is used for Gardening purposes. This way NSE has generated around 910 Kg of manure in last year by recycling food waste collected from Canteen, Garden Organics and Paper & Cardboard.

xii. **'Sewerage Treatment Plant' to reuse building's domestic and flushing water (i.e. after treatment) for its Cooling Towers associated with HVAC System and for Gardening purposes every day.**

This plant has been installed at the inception stage itself to enable NSE to reuse building's domestic and flushing water (i.e. after treatment) for its Cooling Towers associated with HVAC System and for Gardening purposes every day. This way NSE has saved around 22011 Kltr. of Water in the last year.

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

Foreign exchange earnings during the year was Nil and Foreign exchange outgo during the year was ₹ 164.29 crores.

15. PARTICULARS OF EMPLOYEES

The information required under section 197 of Companies Act, 2013 read with the Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014, is provided as **Annexure 7** to this report.

16. ACKNOWLEDGMENT

Your Directors are grateful for the support and co-operation extended by the Government of India, Securities and Exchange Board of India and Reserve Bank of India. Your Directors would also like to place on record their sincere appreciation of support provided by the shareholders and also their deep appreciation of the contribution made by the employees at all levels to the continued growth of your Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 4, 2018

Ashok Chawla
Chairman

ANNEXURE 1 TO BOARD'S REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

- Name(s) of the related party and nature of relationship: **N.A.**
- Nature of contracts/arrangements/transactions : **N.A.**
- Duration of the contracts / arrangements/transactions: **N.A.**
- Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
- Justification for entering into such contracts or arrangements or transactions: **N.A.**
- date(s) of approval by the Board: **N.A.**
- Amount paid as advances, if any: **N.A.**
- Date on which the special resolution was passed in general meeting as required under first proviso to section 188 of the Companies Act, 2013: **N.A.**

2. Details of material contracts or arrangement or transactions at arm's length basis

In terms of policy on Related Party Transactions of the Company, transactions, whether individually or taken together with previous transactions with a related party during a financial year,

where exceeds ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company are considered as material related party transactions. Accordingly, the following information is furnished.

- Name(s) of the related party and nature of relationship
Please see Annexure to AOC -2
- Nature of contracts/arrangements/transactions
Please see Annexure to AOC -2
- Duration of the contracts / arrangements/transactions
On-going transaction (Continuous)
- Salient terms of the contracts or arrangements or transactions including the value, if any:
Please see Annexure to AOC -2
- Date(s) of approval by the Board, if any:
The transactions are on arms' length basis and in ordinary course of business and so the approval of the Board for this purpose is not required.
- Amount paid as advances, if any: **Nil**

For National Stock Exchange of India Limited

Place: Mumbai
Date: May 4, 2018

Ashok Chawla
Chairman

Annexure to AOC-2

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

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
1	National Securities Clearing Corporation Limited	Subsidiary Company	Clearing and Settlement	100%

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

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2018	Year ended 31.03.2017
National Securities Clearing Corporation Ltd.	Usage charges received	18.85	17.83
	Space and Infrastructure usage charges received	5.51	4.95
	Reimbursement received for expenses on staff on deputation	1.51	11.91
	Reimbursement received for other expenses incurred	40.02	47.95
	Reimbursement paid for IPO Expenses	-	0.15
	Reimbursement paid for CAMS Charges	0.81	0.14
	Dividend received	72.00	157.50
	Clearing and Settlement charges paid	141.70	114.45
	Contribution to NSCCL Core SGF expenses	-	134.07
	Contribution to NSCCL Core SGF liability (Closing Balance)	-	(284.39)
Closing balance (Credit)/Debit	(8.96)	31.54	
Investment in Equity Share Capital	5.64	5.64	

ANNEXURE 2 TO BOARD'S REPORT

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i	CIN	U67120MH1992PLC069769
ii	Registration Date	27 th November, 1992
iii	Name of the Company	National Stock Exchange of India Limited
iv	Category/Sub-category of the Company	Limited by shares/Indian Non-Govt. Co.
v	Address of the Registered office and contact details	Exchange Plaza, Plot C-1, Block 'G' Bandra-Kurla Complex, Bandra (East), Mumbai-400 051 022-2659 8222 (tel.) 022-2659 8198 (Fax)
vi	Whether listed company (Yes/No)	No
vii	Name, Address & Contact details of Registrar & Transfer Agent, if any	Link Intime India Pvt. Ltd. C – 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083 Tel. No. + 91 22 49186000 and Fax No. +91 22 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business activities contributing 10 % or more of the total turnover of the company are:-

Sr. No.	Name and Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Recognised stock exchange providing financial market operational services	9971	82.27%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	National Securities Clearing Corporation Limited Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U67120MH1995PLC092283	Subsidiary Company	100%	2(87) (ii)
2	NSE Strategic Investment Corporation Limited Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U65999MH2013PLC240078	Subsidiary Company	100%	2(87) (ii)
3	India Index Services & Products Limited Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U73100MH1998PLC114976	Subsidiary Company	100%	2(87) (ii)
4	NSEIT Limited Ground floor, Trade Globe, Sir M V Road, Andheri Kurla Road , Andheri East Mumbai- 400059	U72200MH1999PLC122456	Subsidiary Company	100%	2(87) (ii)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
5	DotEx International Limited Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U72900MH2000PLC126952	Subsidiary Company	100%	2(87) (ii)
6	NSE Infotech Services Limited Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U72900MH2006PLC163468	Subsidiary Company	100%	2(87) (ii)
7	Computer Age Management Services Pvt. Ltd. New No.10, Old No.178, M.G.R.Salai, Nungambakkam, Chennai - 600034	U65910TN1988PTC015757	Associate	44.99%	2(6)
8	Market Simplified India Ltd. 13 th Floor, Zenith Building, ASCENDAS International Tech Park, CSIR Road, Taramani, Chennai-600113	U72900TN2000PLC045869	Associate	30%	2(6)
9	NSDL E-Governance Infrastructure Ltd. 1 st Floor, Times Tower, Kamala Mills Compound, Lower Parel, Mumbai-400013	U72900MH1995PLC095642	Associate	25.05%	2(6)
10	Power Exchange India Ltd. 5 th Floor, Tower 3, Equinox Business Park, Peninsula Techno Park, Off BKC, LBS Marg, Kurla West, Mumbai-400070	U74900MH2008PLC179152	Associate	30.95%	2(6)
11	National Securities Depository Limited 4 th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai Mumbai-400013	U74120MH2012PLC230380	Associate	24.00%	2(6)
12	Receivables Exchange of India Limited Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U67190MH2016PLC273522	Associate	30.00%	2(6)
13	BFSI Sector Skill Council of India 25 th Floor, P.J. Towers Dalal Street, Fort, Mumbai-400001	U80904MH2011NPL222074	Associate	49.00%	2(6)
14	NSE Academy Limited (Formerly known as NSE Educational Facilities Limited) Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U67190MH2016PLC274239	Subsidiary Company	100%	2(87) (ii)
15	NSEIT (US), Inc. 2010 Crow Canyon Place, Suit 107, San Ramon CA 94583	---	Subsidiary Company	100%	2(87) (ii)
16	NSE IFSC Limited Unit no 48 to 53, GIFT Aspire one Business Centre, 1 st floor, Block 12, Rd 1-D, Zone-1, GIFT-SEZ Gandhinagar Gujrat-382355	U65100GJ2016PLC094517	Subsidiary Company	100%	2(87) (ii)
17	NSE IFSC Clearing Corporation Limited Unit no 46 & 47, GIFT Aspire one Business Centre, 1 st floor, Block 12, Rd 1-D, Zone-1, GIFT-SEZ Gandhinagar, Gujrat-382355	U65990GJ2016PLC094545	Subsidiary Company	100%	2(87) (ii)
18	NSE Foundation Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U74999MH2018NPL305854	Subsidiary Company	100%	2(87) (ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

i) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)			No. of Shares held at the end of the year (As on 31.03.2018)			% Change during the year
	Demat	Total	% of Total Shares	Demat	Total	% of Total Shares	
A. PUBLIC SHAREHOLDING							
(1) Institutions							
a) Mutual Funds	-	-	-	-	-	-	-
b) Banks/Fl	65421719	65421719	13.22	58546590	58546590	11.83	-1.39
c) Central Govt.	-	-	-				
d) State Govt.(s)	-	-	-				
e) Venture Capital Funds	20723483	20723483	4.19	21410269	21410269	4.33	0.14
f) Insurance Companies	103438500	103438500	20.90	83033500	83033500	16.77	-4.13
g) FIs	70475669	70475669	14.24	65921922	65921922	13.32	-0.92
h) Foreign Venture Capital Funds	-	-	-				
i) Others (specify)Foreign Direct Investments	170206036	170206036	34.39	176523783	176523783	35.66	1.27
Sub-total(A)(1):	430265407	430265407	86.92	273446456	405436064	81.91	-5.03
(2) Non - Institutions							
a) Bodies Corp.	59002174	59002174	11.92	81759200	81759200	16.52	4.60
b) Individuals							
i) Individual shareholders holding nominal share capital upto ₹1 lakh	330000	330000	0.06	636053	636053	0.13	0.07
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	5402419	5402419	1.10	7168683	7168683	1.45	0.35
c) Others (specify)							
Sub-total(A)(2):	64734593	64734593	13.08	89563936	89563936	18.10	5.02
Total Public Shareholding (A)= (A)(1)+(A)(2)	450000000	450000000	100	495000000	495000000	100	-
B. Shares held by Custodian for GDRs & ADRs	-	-	-				
Grand Total (A+B)	495000000	495000000	100	495000000	495000000	100	-

ii) SHAREHOLDING OF PROMOTERS

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

iii) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	N.A.	N.A.	N.A.	N.A.
	At the end of the year	N.A.	N.A.	N.A.	N.A.

IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

SN	Name	Shareholding at the beginning of the year (01.04.17)		Date-wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg. Allotment/transfer/ bonus/sweat equity)			Cumulative shareholding during the year (01.04.17 to 31.03.18)	
		No. of shares at the beginning	% of total shares of the company	Date	Increase (I)/ Decrease(D) in shareholding	Reason	No. of shares	% of total shares of the company
1	Life Insurance Corporation of India	61913500	12.51	-	-	-	61913500	12.51
2	State Bank of India	25712500	5.19	-	-	-	25712500	5.19
3	GAGIL FDI Limited	24750000	5.00	-	-	-	24750000	5.00
4	Aranda Investments (Mauritius) PTE. Ltd.	24750000	5.00	-	-	-	24750000	5.00
5	Veracity Investments Limited, Mauritius	24750000	5.00	-	-	-	24750000	5.00
6	Stock Holding Corporation of India Limited	22000000	4.44	-	-	-	22000000	4.44
7	SBI Capital Markets Ltd.	21450000	4.33	-	-	-	21450000	4.33
8	SAIF II SE Investments Mauritius Limited, Mauritius	24750000	5.00				24750000	5.00
				18 Jan 2018	7160000 (D)	Sale of Shares	17590000	3.55
				31 Mar 2018	-	At the end of the year	17590000	3.55
9(i)	GS Strategic Investments Limited, Mauritius	14850000	3.00	-	-	-	14850000	3.00
9(ii)	MS Strategic (Mauritius) Limited	14850000	3.00	-	-	-	14850000	3.00
9(iii)	PI Opportunity Fund	14850000	3.00	-	-	-	14850000	3.00
9(iv)	Tiger Global Five Holdings	14850000	3.00	-	-	-	14850000	3.00
10	Acacia Banyan Partners	12375000	2.50	-	-	-	12375000	2.50

v) Shareholding of the Directors and Key Managerial Personnel:

SN	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	N.A.	N.A.	N.A.	N.A.
	At the end of the year	N.A.	N.A.	N.A.	N.A.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payments- Nil

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (₹ in Crores)
Indebtedness at the beginning of the financial year	N.A	N.A	N.A	N.A
i) Principal Amount	N.A	N.A	N.A	N.A
ii) Interest due but not paid	N.A	N.A	N.A	N.A
iii) Interest accrued but not due	N.A	N.A	N.A	N.A
Total (i+ii+iii)	N.A	N.A	N.A	N.A
Change in Indebtedness during the financial year	N.A	N.A	N.A	N.A
* Addition	N.A	N.A	N.A	N.A
* Reduction	N.A	N.A	N.A	N.A
Net Change	N.A	N.A	N.A	N.A
Indebtedness at the end of the financial year	N.A	N.A	N.A	N.A
i) Principal Amount	N.A	N.A	N.A	N.A
ii) Interest due but not paid	N.A	N.A	N.A	N.A
iii) Interest accrued but not due	N.A	N.A	N.A	N.A
Total (i+ii+iii)	N.A	N.A	N.A	N.A

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Managing Director & CEO Mr. Vikram Limaye (w.e.f 17.07.2017) (₹ in Crores)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.88
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.01
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others, specify...	-
5	Others, please specify (contribution to PF and other fund. Exempted allowances, tax paid by employer, withheld variable pay)	0.15
	Total (A)	4.04
	Ceiling as per the Act-5%	80.79
	Ceiling as per the Act-11%	177.74

B. Remuneration to other directors:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Ashok Chawla	Mr. Dinesh Kanabar	Mr. Naved Masood	Mr. T.V. Mohandas Pai	Ms. Dharmishta Raval	
1	Independent Directors						
	Fee for attending board, committee meetings	73	32	72	52	57	286
	Commission	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	
	Total (1)	73	32	72	52	57	286
2	Other Non-Executive Directors						
	Fee for attending board, committee meetings	8	6	7	29	34	84
	Commission	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	
	Total (2)	8	6	7	29	34	84
	Total (B)=(1+2)						370
	Total Managerial Remuneration						
s	Overall Ceiling as per the Companies Act, 2013: Siting Fees	₹1 lakh per Director per meeting					

C. Remuneration to Key Managerial Personnel (Other Than MD/Manager/WTD) :

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. J Ravichandran (CEO in charge upto 16.07.2017)	Mr. Yatrik Vin (CFO)	Mr. S Madhavan (CS)	
	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.26	1.81	0.80	3.87
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.31	0.39	0.01	0.71
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission	-	-	-	
	-as % of profit	-	-	-	
	-others, specify...	-	-	-	
5	Others, please specify (contribution to Provident Fund and other Fund, exempted allowances, Tax paid by employer, withheld variable pay)	0.24	0.13	0.02	0.39
	Total	1.81	2.33	0.83	4.97

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			--NIL--		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			--NIL--		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			--NIL--		
Compounding					

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 4, 2018

Ashok Chawla
Chairman

ANNEXURE 3 TO BOARD'S REPORT

REMUNERATION POLICY

1. Introduction

National Stock Exchange of India Limited (hereinafter referred to as "NSE" or "the company") is governed by the Companies Act, 2013 and rules notified thereunder: the Securities Contracts (Regulation) Act, 1956 read with rules notified thereunder and the Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (hereinafter referred to as SCR (SECC) Regulations, 2012) including disclosure requirements and corporate governance norms as specified for listed companies to the extent applicable to stock exchanges.

Section 178 of the Companies Act, 2013 and SCR (SECC) Regulations, 2012 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) prescribe that the Nomination and Remuneration Committee shall recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

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

2. Definitions

- (i) "Board of Directors" or "Board" shall mean the collective body of Directors of NSE;
- (ii) "Director" means a Director appointed to the Board of NSE;
- (iii) "Public Interest Director" means an Independent Director, representing the interests of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of the Securities and Exchange Board of India ("SEBI"), is in conflict with his role;
- (iii) "Independent Director" shall have the meaning as defined under the Companies Act, 2013 read with relevant rules and the Listing Regulations.
- (iv) "Key Managerial Personnel (KMP) means-
 - (a) Managing Director or Chief Executive Officer ("CEO") or Manager;
 - (b) Company Secretary;
 - (c) Whole-time Director;
 - (d) Chief Financial Officer; and
 - (e) Such other Officer as may be prescribed under the Companies Act, 2013 or identified by NSE as KMP under SCR (SECC) Regulations, 2012.
- (v) "Managing Director" means a Director who, by virtue of the articles of a company or an agreement with the company or

a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of Managing Director, by whatever name called.

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

- (vi) "Nomination and Remuneration Committee" or "Committee" shall mean a Committee of Board of NSE, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 27 of SCR (SECC) Regulations, 2012.
- (vii) "Policy" means this Remuneration Policy.
- (viii) The term "Senior Management Personnel" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads.
- (ix) "Whole-time Director" includes a Director in the whole-time employment of the company; Words and definitions not defined herein, shall have the same meaning as provided in the Companies Act, 2013 read with relevant rules, Listing regulations and SCR (SECC) Regulations 2012 or other relevant provisions; as may be applicable.

3. Interpretation

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

4. Objectives

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

- (a) To lay down a policy for payment of remuneration to the Directors, Key Managerial Personnel and other employees of NSE;
- (b) To assist the Board on determination of remuneration payable to the Directors, Key Managerial Personnel and other employees of NSE;

- (c) To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (d) To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (e) To ensure that the remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

5. Remuneration of Directors, KMP and other employees

A. Directors and KMPs identified under SCR(SECC) Regulations

- (a) The remuneration/compensation/commission, etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval. The remuneration compensation commission etc. shall be subject to the approval of the shareholders of the Company, Central Government and SEBI, wherever required. It shall be as per the statutory provisions of the Companies Act, 2013 read with the rules made thereunder for the time being in force. The requirements prescribed by SEBI from time to time in this regard shall be followed while determining the compensation payable to Directors.
- (b) The remuneration/compensation/commission to be paid to the KMP shall be determined by the Managing Director. It shall be as per the statutory provisions of the Companies Act, 2013 read with the rules made thereunder for the time being in force. The requirements prescribed by SEBI from time to time in this regard shall be followed while determining the compensation payable to Directors.
- (c) The Committee shall lay down compensation policy of the Company from time to time in accordance with market practice and the Company philosophy subject to SEBI norms.
- (d) The annual compensation shall consist of a fixed component and a variable component. The variable component shall not exceed one third of the total pay in respect of KMPs.
- (e) 50% of the variable pay in respect of the KMPs in respect of each financial year shall be paid to the employee concerned on completion of 3 years from the last date of the respective financial year. However, as a malus arrangement, the said amount or any part thereof in respect of a financial year may be prevented from being paid by the compensation committee, after providing an opportunity of being heard to the concerned KMP, in case of fraud, misfeasance, misappropriation or excessive risk taking by the concerned employee intentionally causing financial loss to the company.
- (f) The KMPs are also covered under a claw back arrangement

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

- (g). ESOPs and other equity linked instruments will not form part of the compensation.
- (h). The following factors shall be considered while fixing compensation package for the employees: performance, potential, qualification, experience, expertise, role, responsibilities, level of employees, inflation, attraction and retention of talent, market benchmark, size and complexities of operation, financial condition and health of the Company, etc.
- (i). Incentive to take excessive risks over the short term shall be discouraged.

KMPs identified under the Companies Act, 2013 and Other Employees

The remuneration payable to KMPs identified under the Companies Act, 2013 and other employees shall be determined by the Managing Director from time to time.

6. Reporting to the Board

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

7. Amendment

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

8. Disclosure

This policy shall be disclosed in the Board's Report in accordance with provisions of the Companies Act, 2013 and Listing Regulations, as prescribed by SEBI.

9. Review of the policy

This Policy shall be reviewed by the Nomination and Remuneration Committee on annual basis (unless an earlier review is required) to ensure that it meets the regulatory requirements or latest industry practice or both.

ANNEXURE 4 TO BOARD'S REPORT

ANNUAL REPORT OF CSR ACTIVITIES 2017-18

NSE is covered under the purview of Section 135 of the Companies Act, 2013. Similarly many of its subsidiaries are also covered within the purview of the above section. However, contribution to CSR by some of these Companies as required under the Section 135 will be negligible. Moreover, there could be efforts at duplication if each individual Company undertakes CSR activities on its own and there would be difficulties in scaling up these activities. Therefore it has been decided by the Boards of the respective Companies in NSE that CSR efforts for the Group be undertaken commonly and the actual spend be allocated to the respective Companies in proportion to their legal obligations.

Therefore, a common CSR function for NSE and its subsidiaries has been created under NSE as a group resource and the actual CSR spend is proportionately allocated to the respective Companies. However, the CSR Committees for these Companies are separate. A common CSR policy has been prepared and approved by CSR Committees and Boards of the respective companies.

(1) A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken is given below.

A. NSE Group CSR Vision

NSE Group has been constantly working to improve the financial wellbeing of people at large through a committed approach to offer investment products that suits varied needs of people. It has improved access to financial markets for people across the country by introducing transparent and efficient systems, improved safety measures for investors, empowering investors through awareness and education on financial planning, investor protection and investment related issues.

Besides this, NSE Group has continuously endeavoured to integrate sustainable and responsible business practices through environment friendly measures such as recycling of waste, reducing paper, water and energy conservation, use of renewable sources of energy, eco-friendly infrastructure, gender diversity and inclusive workplace policies, etc.

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

The key focus sectors identified by NSE Group for social intervention and impact target the triply disadvantaged and underprivileged sections of our population. The key change and impact indicators in every programme strive to align with the nation's social development goals and the larger global sustainable development goals.

B. CSR Focus Areas, Objectives and Goals

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

NSE, has currently identified three CSR areas as issues of concern to be addressed in the developmental landscape in India. They are i) Primary Education, ii) Elder Care and iii) Sanitation & Safe Drinking Water. In addition, during times of natural calamities and disasters NSE strives to provide speedy relief and assistance to affected geographies and communities through contributions to the Prime Minister's relief fund and emergency disbursements to NGOs.

The NSE Group CSR programmes seek to impact the most disadvantaged sections of the community by undertaking long term impactful programmes in education and elder care. Projects undertaken under these verticals are not one-time activities but will be on a programme mode with a long term timeline to achieve pre-determined goals and impact.

In addition to the focal areas of social intervention, a number of internal CSR activities to engage and motivate employees to be socially responsible have been undertaken by the CSR Focus Group of NSE.

The core CSR focus verticals, are further detailed in the following sections.

(i) Primary Education

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

NSE Group has identified intervention in capacity building & training of teachers that will augment teacher-student ratio

and directly impact the quality and quantity of attention that is currently provided per student. The aim is to improve reading, writing, critical thinking, arithmetic and problem-solving, application and behavioural skills and create a cadre of highly motivated teachers who become change agents.

The Primary Education programme modules are intensive, customized and highly individualistic in nature. Many of these programmes are model path breaking projects which are recognized as social and educational change agents. They are seen to be model prototypical templates that can be implemented in other areas / institutions as well. To cite an example, the TISS field action project Chunauti has been held by the Hon. High Court of Mumbai to be a model project and a directive issued to implement it in the 19 Homes across Maharashtra.

(ii) Sanitation and Safe Drinking Water

The initiatives in WASH (Water, Sanitation and Hygiene) programmes are aligned to the goals of the Swachh Bharat Mission and the Swachh Bharat Swachh Vidyalaya. Under this, NSE Group supports sanitation projects in the schools, communities, and awareness building on sanitation, safe drinking water, solid waste management and WASH.

(iii) Elder Care

Demographic Ageing is rapidly advancing with 1 in 6 Indians slated to be a senior citizen by 2050. This poses a huge set of challenges and stresses on the nation and society, which include a larger financially dependent population, increased demands on health care systems, social security, protection and management.

The area is challenging as this problem has not been taken up as an imminent issue. There are few NGOs and limited support from Government programmes unlike education. Projects considered under the elder care segment concentrate on enhancing the holistic well-being of the underprivileged ageing population by awareness of mental and physical health indicators, addressing elder abuse, loneliness, economic and financial independence and awareness of issues relating to the elderly.

(iv) Prime Minister's National Relief Fund

From time to time various regions in India are affected by natural calamities such as floods, storms, earthquakes, etc. Emergency relief assistance is provided by the State Govt. & Central Govt. agencies, NGOs etc. and also through Prime Minister's National Relief Fund. NSE has taken up contribution to the 'Prime Minister's National Relief Fund' and emergency disbursements to NGOs to provide speedy relief to affected communities as one of the CSR focus areas in such circumstances if and when the need arises, under the CSR policy.

C. Selection Criteria of Projects

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

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

The programme proposals go through a detailed scrutiny on various parameters such as type of beneficiaries, relevance of scope of work to thematic requirements, focus on the larger community, emphasis on training and capacity building, working with Government schemes and departments, sustainability of the intervention, innovativeness, uniqueness, scalability, replication of programmes, outputs, outcomes, impact assessment and employee engagement opportunities.

After the first phase of programme implementation, NSE Group CSR team had developed a reference framework based on the FINITE model to bench mark the projects. Focused (in location /approach and sector), Innovative (In design, concept and outcomes) Niche (Unique in approach, intervention and programmes) Impactful (in quantitative and qualitative programme outputs and outcomes) Tracked (in programme achievements, programme objectives involving NSE staff, NGOs, community and beneficiaries) and Engaging (To all stakeholders community, company and beneficiaries due to uniqueness of methodology, engagements and tools).

The projects are selected on a number of parameters such as alignment to the CSR vision and CSR policy of NSE Group, focus verticals, geographical area located in backward districts, needs of the community, impact of the programme, bottom rung beneficiaries and sustainability of the project after completion.

D. Monitoring and Evaluation of CSR Initiatives

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

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

E. Projects undertaken by NSE Group CSR during the FY 2017-18 Education

I. Eureka SuperKidz

The educational project, a part of the Eureka SuperKidz programme is in its second year of implementation. The project benefits 2886 children in 100 villages in 6 districts: Cuddalore, Kanchipuram, Thiruvallur, Thiruvannamalai, Trichy and Vellore of Tamil Nadu to ensure quality education in Std. 3- 7 and achieve basic skills in Tamil, Math, English and Science through an after school remedial education programme in groups of 25 to 30 children. A key highlight of the project in the second year is the focus on the tribal hamlets and children in Tiruvannamalai. Through this project an effort is being made to help tribal children develop vocational skills and also teach the children about the indigenous tribal knowledge and culture through the Learning Labs programme. The Young Scholars program recognizes district level achievers and to provide them with skill building beyond the curriculum including robotics. The program has recognized and reached out to 260 achievers, predominantly girl children from 6 districts.

II. Education Activity Centre – Urban

The Project Foundation is a literacy programme for children aged 6 -14 years of construction, migrant and seasonal labourers in Pune bringing education to the doorstep of these children through the Educational Activity Centers (EAC). The programme is in the third year of implementation. This is an attempt to include those children who fall through the gaps of formal systems due to frequent migration of their families. The emphasis is on assessing children who can be admitted to formal schools and putting in place a system that includes transportation and supplementary coaching so that attendance and performance of those children improve. This reduces the risk of children being drawn into the child labour force and endeavours to provide basic literacy and life skills. The project also tracks drop out children due to migration of the family to new construction sites and helps them get admitted in schools near the areas they have shifted to.

A total cumulative number of 1000 children have benefited by this project over the past year. The programme keeps track of the children whose parents migrate to other places and gathers information about the newly migrated children so as to start the

process of involving them into the programme. A total number of 132 children have been tracked and 76 re-enrolled in schools for Term III, period (April-December 2017).

III. Grow with Books-Rural

The Project 'Grow with Books' implemented in Mulashi taluka near Pune is in the third year of implementation. The NSE Group- rural project aims to bridge reading skills of 3400 children from 25 rural government zilla parishad schools. The community in this area comprises of small land holding farmers, daily wage labourers and construction workers.

The NSE Group Programme comprises of distinct modules for children from grade 1 to grade 7.

- First Steps Forward is a 45 minute reading session conducted for grade 1 every day.
- Reading Classes for grade 2 -4. Each session of 90 minute every week conducted by book faires
- Home lending library for grade 1 -7

This programme is only done in schools that already have reading classes in the lower grades to help strengthen the foundational reading skills. Bridge Classes for grades 2 - 4, children who are unable to read even grade 1 level text are included in these sessions.

In end of Year 3, 82% children from Grade 1 who had an attendance of 80% or more were able to read their standard level. 84% of Grade 2 children, 86% of Grade 3 children and 91% of Grade 4 children were able to read their standard level books.

IV. School Partnership Programme - Mumbai

There are 20, schools supported under the NSE Group project in the locality of Kurla, Mankurd, Govandi, Masjid Bunder, Crawford Market and Colaba. Most of the children come from low income families who have migrated to Mumbai in search of employment and a better life for their families. Parents of the children are usually daily wage or casual labourers, conservancy workers in the vicinity of the municipal waste dumping grounds and/or the abattoir situated in that area.

It is for such children who are either first generation learners or academically backward, that the project seeks to enhance their classroom transactions through 5 types of programmes that runs in the school

First Step Forward: This programme acclimatizes children of 5 years and above who are admitted to standard 1 of the Municipal School.

Remedial Class in Language & Math Std 1-5: For the students in need of special attention.

Reading Promotion Programme Std 2-5: Ensures development of Children's linguistic competencies and vocabulary expansion.

Bal samuah: Children of class 5-8 develop skills of leadership, cooperation and self- management. Bal samuah groups have been formed in 13 NSE Group selected schools.

In first year against 6000 children targeted in 20 MCGM Schools, the project could reach 8000 children in 19 BMC schools. Under remedial classes out of 718 children, 75% children have moved to the next level of literacy competency band. In Reading Promotion Program 1320 children with more than 82% attendance were observed for their performance and have moved 2 levels up in their reading performance. In year 2, the project has benefitted all 20 MCGM schools with more than 7000 children.

V. Grow with Books- SMC

The NSE Group- SMC project is being conducted in 5 municipal schools of Pune where the Grow with Books programme is being implemented. The programme seeks to increase participation of school teachers in the reading class sessions and the third component is to create awareness among the School Management Committee regarding their roles and responsibilities so as to make it functional. The objective is to create a sustainable model where the SMC members strengthen and represent the voice of the community to demand quality educational services through the state delivery systems as well as participate in ensuring the delivery of upgraded services.

VI. Mukangan Primary School Programme

The NSE Group project which is currently in the second year, supports two primary schools, Globe Mill Passage Municipal School in Worli and the N. M. Joshi Marg Municipal School in Lower Parel. The community accessing these schools and teacher educational programs come from the under-served urban communities with many of them being first generation learners with virtually no exposure to English. This is significant as the urban slum population in the country is growing due to migration.

These schools have been conceived as an innovative & integrated programme of teacher and school education. The children experience a developmentally appropriate child friendly curriculum, with emphasis on the English language, and construction of knowledge by children through activities, individual attention continuous parent involvement and special educators help students with learning disabilities. The idea is to

deliver this through teachers from the community as they would be invested in the educational progress of the children and showcase that the state run schools can deliver quality output to citizens with the right inputs.

At present, 315 children (including 9 children who are diagnosed with learning difficulties) are enrolled in the primary sections of both the schools with 33 Community Teachers who have been trained at the Mukangan Education Resource Centre.

VII. Saksham

The NSE Group project- 'Saksham' is being implemented in 18 Government run Ashramshalas under Nashik tribal project office in Nashik District. QUEST's Saksham is a level-based programme for Language and Mathematics for children in higher grades (5 -7 class) who lag behind basic competencies in Language and Math. It involves providing need-based input to children in an accelerated manner so that their basic literacy and mathematical competencies are enhanced. This is done by building the capacities of the teachers and of the Head Masters to monitor and mentor the programme so as to ensure sustainability in close collaboration with the tribal development department and through the on ground delivery by the Sikshan Mitras or trained volunteers.

The project is designed to benefit 54 teachers and head masters of these 18 Ashramshalas reaching 2700 students from Grades 5 to 7 in 3 years term.

VIII. Rehli Shiksha Pahal Program (RSPP)

The NSE Group project - Transforming Learning Outcomes in Primary Schools of Educationally Backward Districts - Rehli Shiksha Pahal Program (RSPP) seeks to upgrade learning opportunities for 8000 elementary school students in 214 villages and 150 schools in the Raheli block of Sagar district. The area is drought prone with low income levels with large number of tribal and other landless labourers. The objectives of the project include evolving a support system for primary schools in Rehli block of Sagar, through community involvement and capacity building of teachers and Bal Mitras, creation and empowerment of School Management Committees (SMC's) to support the schools. The project works closely with the Educational Administration in the block, to provide better training to teachers and capacity building of Cluster Academic Coordinators (CACs) to monitor and support teachers through CRCs for all schools in the block. The project seeks to work on a collaborative and participative model with community especially youth and women, organizations and institutions such as SMC to create a local ownership of the school, to strengthen the quality of education through capacity

building and learning materials for students and teachers, with the government and other organizations such as Transform Rural India (TRI) platform, NRLM and others. In the first phase, a total of 40 schools with 850 students and capacity building of 40 Balmitras who will work in the school and community will be covered under this program.

IX. Girl Child Education Programme

The NSE Group Girl Child Education programme seeks to create 100 out-of-school learning centres in 100 villages of Purulia and Bankura Districts in West Bengal. The programme follows a cyclical approach in which the child is engaged for 5 years to build a strong primary education foundation. This helps in enrolling them in regular schools and because of their conceptual proficiency, instances of drop out are reduced.

The project encourages children of the Sabar (kharia) and Santhal Paharia adivasi communities to join the learning centres. This project engages with the community at every step to ensure sustainability of the initiative. The learning centres for example are set up with the help of the community in the spaces provided by them to promote ownership of the programme. The NSE Group project has reached 1627 girl children in Bankura and 1706 girl children in Purulia in its first year.

X. Learning Orbit for Village Excellence in partnership

Learning Orbit for Village Excellence brings together a diverse and dynamic pool of young people from the local and urban communities to create inspired and collaborative learning in government schools of Kotra and Gogunda, which have low literacy levels. The objectives of the project are to increase the attendance, learning outcomes, personal and professional development of teachers, build aspirations in students to complete school education, enable students with systems thinking abilities and provide mentorship to induce 'life preparedness' in students'. Civic engagement in the students is encouraged to promote grass-root dynamism and develop student and community leadership.

This transformation is done through Self Organized Integrated Learning Classrooms with integration of subjects through experiential lesson plans, where children design their learning and imbibe a culture of peer learning by exploring, questioning and failing. Teacher impact programmes and Learning Festivals – a space where children learn to love learning and are exposed to various creative mediums helping them to express and bring their ideas into reality through setting up Centers for Inspiration and Incubation where the community comes together owning a space where everyone dialogues to find solutions to problems

the community faces, thereby making learning an evolving process.

The project in its first year of implementation began with 23 trained teaching fellows reaching out to more than 4000 children of the rural villages in 23 schools of Kotra and 7 schools of Gogunda.

XI. Student Teacher Empowerment Program

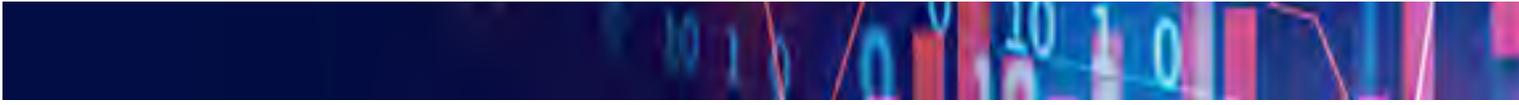
The program aims to empower students and teachers in the predominantly tribal and backward district of Sheopur in Madhya Pradesh. The program initiatives focus on empowering teachers to create better learning experiences, helping students improve in academics and building essential skills by engaging them in co-scholastic activities while at the same time ensuring a supportive environment through community engagement. The program endeavors to build systemic capabilities in teachers, the government and the community to take it forward.

Team orientation, baseline tests in all 40 schools, classroom makeover, teaching learning aids to create vibrant learning spaces have been completed. 4000 students and 80 teachers in 40 schools are being benefitted through this program which are delivered through Sikshan mitras recruited from the local community.

XII. Learning Enhancement Program for children in Disadvantaged Communities

The program which is in the second year, is designed to develop early literacy and numeracy in children of Std. 1&2. It seeks to improve learning levels in math and native language of children in Std. 3-8. The program provides access to good quality books to all children in the targeted communities through a community library program. The overall focus is to create a holistic learning environment for children in the community. A unique feature of the program is that parents, especially mothers are also involved. The NSE Group project impacts around 14,500+ children between 6 – 14 years in 120 communities in 5 cities of Maharashtra viz. Nagpur, Nashik, Thane, Pimpri - Chinchwad and Aurangabad through library camps which includes 11,000+ children benefiting through the support classes and parent education.

There are three main programs within this project which is run through 170 trained community volunteers mostly women. - Over 4000 parents were provided with material and instructed on how to apply this material to engage with their children as a part of Parent Education. Urban Read India Program & Support Classes takes a two-pronged approach by teaching basic foundational skills to children with age appropriate learning gaps, introducing advanced level content with the aim of improving



comprehension and writing abilities through Combined Activities for Maximized Learning methodology. Support Classes include academic intervention for Grades 3 to 8 for specific competencies based on children's learning needs in Language and Math as well as the library program that encourages reading and attention through visual media.

XIII. Project Chunauti

The Project Chunauti, a field action project of TISS was initiated in 2012 through the direction of the Mumbai High Court in response to the gross abuse and neglect of children in Mentally Disabled Children's (MDC) Homes in Maharashtra. Project Chunauti is an effort to promote and protect the rights of these intellectually disabled, orphan children who are the most vulnerable group in society. Earlier, there was no vision for the rehabilitation and social re-integration of such children in Maharashtra.

Project Chunauti has developed a rights-based model of intervention for mentally challenged, orphaned children with interventions like education, vocational training, counseling, development of individual care plans, training in life skills and efforts towards social reintegration into society.

In the last 2 years, the project has worked on replication of this model in 14 MDC Homes in 9 districts in the state of Maharashtra. As a result of various interventions by Project Chunauti, an improvement was observed in social skills and intellectual capacities in some of the children. It was realized that some of these children could be trained for independent living. Three girls were identified for training at Pratham's PACE center for vocational training in Aurangabad as they had the capacity to lead an independent life after completing their training. 6 more children (3 girls and 3 boys) have been identified for this training. Till date, 204 staff members from 14 MDC Homes have been trained on how to do assessments and how to make individual care plan for each child based on assessments. The replication process has benefitted 103 children in the Mankhurd home and 533 children and 60 older inmates from 14 MDC Homes in Maharashtra.

XIV. Educate Girls programme

The NSE Group project supports the programme in 468 villages within 3 Blocks (Jawaja, Silora & Bhinai) of Ajmer district in Rajasthan. It aims at enrolment of girls who have dropped out of schools or have never been enrolled, retention of girls enrolled in schools and improving the learning outcomes of children studying in grades 3, 4 and 5.

In order to improve learning levels (numeracy and literacy), a curriculum is implemented in schools for children (both boys and girls) in grade 3, 4 and 5 with the use of specially designed kits

called Gyan ka Pitara (GKP). GKP is currently being implemented in 236 schools of the NSE Group supported geography.

The intended impact of the project supported by NSE Group is to increase enrolment of girls in schools, retain at least 85% of enrolled girls in school and improve learning outcomes for over 4,900 children studying in grades 3-5. The programme is undertaken by a cadre of unpaid community volunteers called Team Balika associated with the organization. This programme has been able to enroll over 1,700 Out-of-school girls (OOSG) back in school across 3 blocks of Ajmer. Educate Girls has also formalized over 200 Bal Sabha (girls council) in upper primary schools and life skills training for over 2,700 girls is currently ongoing.

XV. Primary Education Program / Fellow Sponsorship Program

NSE Group supports 60 Fellows in Mumbai and Chennai each who are attached with a total of 26 schools, impacting, 1800 students. Through this programme, NSE Group supports a mentoring programme placing qualified and educated youth in schools that lack modern management skills and processes.

Students are assessed on the Student Vision Scale which in addition to learning and improving the values & mindsets shapes how children choose to operate in the world and contribute towards making it better with better self-understanding. Emphasis is also placed on developing mastery in math and separate assessments are conducted for the same. The Fellow's leadership development journey is assessed on a fellow commitment scale which measures 3 commitments-personal transformation, collective action and educational equity.

A unique programme that evolved in Chennai was the partnership between Teach For India and AID India to increase the knowledge sharing between both organizations. This included the capacity building and training of the Aid India tutors along with their Block level trainers on the softer aspects of management, leadership skills and personal development, planning and key pedagogical skills including communication and coaching to encourage innovation.

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

The NSE urban project 'Serving and Enriching Education for Under-privileged Urban Children' is designed to improve access and quality of primary education to the children from disadvantaged sections, enhance the capacity of stakeholders to deliver better quality of education to the disadvantaged children and to develop a holistic educational model for strengthening the demand side of Right to Education. The project areas are vulnerable slums in Pune and Thane cities and applies the pioneering model of 'Children's

Resource Center' (CRCs) or 'Shikshan Ranjan Kendra' that are established within the community thus bringing quality primary education within the reach of under-privileged children. There is special focus on education of girls and children from socially marginalized sections. The children are closely mentored by a cadre of trained Shikshan-Mitras (SM) or Youth Mentors which has resulted in creating a conducive environment for holistic learning to supplement education, provide minimum grade-appropriate learning and ensure literacy levels amongst the children through planned academic modules in addition to other life skills.

Currently the project is into the third year and has impacted total 884 children in two community embedded centres at Thane and Pune where 94% children have attained grade-appropriate Reading Skills', 79% children have grade-appropriate 'Language Writing Skills' and 83% children have grade-appropriate 'Numeracy skills'. The project also tracks attendance and dropouts of the children.

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

The project is in the rural areas of Satara District with Children's Resource Centres (CRCs) spread over 16 villages with 8 of them being in remote tribal hamlets. These tribal hamlets are home to 'Katkaris' who are primitive tribes and are designated as 'Particularly Vulnerable Tribal Groups' (PVTG) in Maharashtra. Another extremely marginalized group is 'Denotified and Nomadic Tribes' (DNT) who are stigmatized and face severe geographical & social exclusion. They are also known as 'Vimukta Jati Nomadic Tribes' (VJNTs) in Maharashtra.

This Quality of Education project impacts 827 children especially the most vulnerable and hard to reach 115 'Katkari' and 219 DNT and VJNT children. The CRCs have played instrumental role in generating interest in learning amongst these children, bridging the learning deficits, identifying and showcasing talent especially in sports at the district level, linking them to sports scholarships and so on. The project is delivered by the cadre of 16 Youth Mentors called 'Shikshan Mitras'. The role of the Shikshan Mitras in integrating these marginalized sections within the larger communities is commendable and serves as a model for social and societal transformation at the village level. Due to the intense efforts at grass root level, significant improvement in age-appropriate learning is seen. 91% children have age-appropriate reading skills, 89% children have age-appropriate writing skills, and 87% children have age-appropriate numeracy skills with significant increase in attendance rates.

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

The distinct feature of the project in Bhiwandi-Nizampur & Malegaon is its keen focus on the disadvantaged children from the minority community, many of whom are unskilled migrant workers working in the unorganized power loom industry. The successful implementation of the NSE Group supported Urban and Rural projects led to replication & expansion of the 'Children Resource Center' or 'Shikshan Ranjan Kendra' model in 2 of the most challenging urban settings of Bhiwandi-Nizampur & Malegaon. The 'Education Development Index' released by Government of Maharashtra & UNICEF ranked Bhiwandi-Nizampur third from the bottom and Malegaon fifth from the bottom depicting the precarious status of education which is marred with high drop outs and lower transition rate from primary to upper primary.

The project touches around 1638 most disadvantaged children. The Children Resource Centers are nested within the community and also in the schools. In a short period of 4 months, the project could achieve re-enrolment of 12 children in school and enabled extended support from the school in the form of school uniforms for these children from the Malegaon project.

XIX. Quality Education Program

The NSE Group Active Play Programme using S4D programme is nearing the third year of completion. It attempts to deliver a quality supplementary education programme for 1245 primary & Middle school children (grade 3rd to 7th) in 9 Marathi medium municipal schools that focuses on academic performance, health, hygiene, gender equality, leadership reading and remedial classes for children with learning deficits. These students are from the disadvantaged and marginalized communities with most of them being first generation learners. The youth mentors implement the programme by using a specially created curriculum that uses sports and activities to improve attendance, life skills & values. The academic component of the programme which bridges the learning deficit in grades 5, 6, & 7 is implemented in collaboration with QUEST (an NGO that has done extensive work in pedagogy and capacity building in education).

XX. GEETA- 'Girls Empowerment through Education Training and Action

NSE Group implemented the CSR educational project titled GEETA- 'Girls Empowerment through Education Training and Action' in Bahraich district of Uttar Pradesh. The project was implemented in 6 villages of Mihinpurwa block with special focus on school-going girls from the 'Tharu' community. The project period was April 2017 to March 2018.

The project worked on improving class room environment through implementation of SPICE approach in 6 schools and to enhance the learning experience of 700 girls belonging to local 'Tharu' and SC communities, and 800 children from other socially excluded groups.

XXI. Project Saksham: Quality Education for Age Appropriate Learning

The NSE Group project Saksham i.e. Quality Education for Age Appropriate Learning is in the third year of implementation and has impacted the learning levels of around 1500 children from government schools hailing from nomadic and notified tribes in 25 drought prone villages of Mehkar block of Buldana district in Maharashtra with high migratory patterns.

The intervention aims to build competencies through customised educational pedagogy using innovative low cost teaching aids based on NCERT curriculum, accessing and ensuring the support through the provisions of Right to Education Act 2009. The project is delivered by trained local youth who work in the learning centres as well as in the community. Through community led interventions ₹84 lakhs has been released for school development. On the request of the education department and teachers, additional children not covered under the project were identified and the learning material distributed after the training of close to 90 government school teachers who would then supervise them. 373 dropout children were tracked and 223 children were re-enrolled in schools under this initiative. In the third year additional WASH practices in 20 schools were implemented which included two Ashramshalas in the block.

XXII. Orientation of the Principals of the Adarsh Schools

The NSE Group principal training project conducted in Jaipur, aims to build the academic and leadership skills of the 2000 Principals of the Adarsh schools so that they can ensure effective implementation of the SIQE (State Initiative for Quality Education) programme and improve the quality of education delivered by their schools. The project also aims to create a resource group of 1200 principals who can work as Key Resource Persons (KRP) for providing technical support to the teachers through teachers' trainings. The programme also seeks to build the capacities of the district level educational/ administrative officials (DIETs, DEEOs, etc) so that they can effectively manage and monitor the implementation of the SIQE programme in their respective districts, ensure monitoring of the programme through the government at various levels and ensure through the implementation of the above processes to get the desired improvement in learning outcomes of the students.

XXIII. Project Prajwala- Education (Rajasthan)

This is a unique project designed by NSE Group CSR for the students of Kasturba Gandhi Balika Vidyalayas (KGBVs) in two states of Rajasthan and Madhya Pradesh (proposed). The students' KGBV scheme, a central flagship scheme of Sarva Siksha Abhiyan (SSA) was started with the objective of improving the education of girls in the blocks where the girls' literacy is lower than that of the national average and the gender gap is higher. An increasing drop-out rate has been observed due to being first generation learners and the inability to cope with education at higher levels due to poor conceptual foundation.

The programme aims to:

- Strengthen the literacy and numeracy skills among girls studying in upper primary (6th to 8th) grades.
- Improve the learning outcomes of students in Math, Science and English through after school support and teachers' capacity building.
- Strengthen the participation of the School Management Committee for facilitating effective management of the schools/hostels.
- Strengthen the block and district level government mechanisms to strengthen the academic support and monitoring of the schools/hostels.
- Positively impact the state policies and implementation plans for quality elementary education of the girls.

NSE CSR has signed an MoU with Rajasthan Council of Elementary Education (RCEE), Government of Rajasthan and UNICEF is the technical advisor to both projects. There are 200+ KGBVs in Rajasthan located in the backward blocks of the State. NSE Group CSR is supporting the programme in all of them.

Through this programme intensive direct remedial classes will be given to 9000 girl students through community volunteers to establish desired age appropriate literacy level for around 5th. 1 teacher in each KGBV will be trained in remedial teaching in each of the selected schools- (master trainer). 270 community volunteers who would be the facilitators (3 community volunteers per school) will receive training in English, Science and Math for quality outputs in the education of girls studying in of 6th to 8th grades. 180 government officials of districts/ blocks (2 government officials per district) will also be oriented to the programme to build sustainability and continuity of the programme.

Sanitation Projects (Water, Sanitation and Hygiene- WASH)

XXIV. Project Prajwala -Swachh Balika, Swachh Vidyalaya: Validating Scalable Models for WASH in Schools

The NSE Group project Prajwala to improve the status of Water Sanitation and Hygiene facilities (WASH) in 200 Kasturba Gandhi Balika Vidyalaya (KGBV) in 33 districts of Rajasthan will impact around 60,000 girl children. Over a period of three years, the project aims to cover these 200 KGBVs through a partnership model with local NGOs where organizations like UNICEF will extend technical support and the education department of Rajasthan will provide systemic support. NSE CSR has signed an MoU with Rajasthan Council of Elementary Education (RCEE), Government of Rajasthan for the same.

The key project objectives are retrofitted sanitation infrastructure, behaviour change communication (BCC) modules, capacity building, training and operations and management (O&M) protocols. This will thereby improve the usage and maintenance by providing training and capacity building, demonstration of best practices of hygiene on menstrual hygiene management, hand washing, personal hygiene etc. to the immediate stakeholders of the KGBVs. The project would reach out to about 60,000 girl students residing in these schools.

XXV. Project Prajwala- Wash Compliant KGBVs (MP)

Project Prajwala-WASH project implemented in Madhya Pradesh is similar to the Rajasthan project. The main objectives of the 'WASH compliant KGBVs in Madhya Pradesh' project is to demonstrate fully compliant WASH facilities in KGBVs with behaviour change communication, training, capacity building directly and provide technical support to the government of Madhya Pradesh.

- o Ensure improved Knowledge, Attitude and Practices (KAP) among students and teachers on various aspects of WASH in the KGBVs.
- o Prepare a detailed report on the WASH status of the KGBVs which will include both the hardware (Infrastructure) and the software (knowledge, attitudes and practises) level of the KGBVs and serve as a baseline assessment reference for all stakeholders.
- o Support Rajya Shiksha Kendra (RSK), Government of Madhya Pradesh in augmenting WASH infrastructure to make the KGBVs WASH compliant.
- o Develop systems for Operation and Maintenance of WASH infrastructure in the KGBVs
- o Strengthen structures and processes in RSK to ensure sustainability of the intervention through institutionalisation of processes and filling the gaps in the current structures.

NSE has signed an MoU with Rajya Shiksha Kendra (RSK), Government of Madhya Pradesh for this project and the on ground implementation will be commencing soon. UNICEF is the technical advisor to this project. The intervention will take place in 200+ KGBVs reaching more than 28,000 children.

XXVI. Improving Sanitation for rural schools in Maharashtra

NSE Group has undertaken a school-based sanitation project aimed at improving access to sanitation in 30 schools in Akola and Nashik district. The rationale behind the project is that lack of adequate sanitation in schools is a critical barrier to school attendance, particularly for girls. The objective is to improve sanitation facilities in the selected 15 schools each of rural and peri urban Nasik and Akola. The estimated beneficiaries are 4200 school children.

The project targets improved infrastructure of public school toilets in selected areas, along with safe drinking water, positive behaviour change towards adoption of hygienic sanitation practices and methods, capacitating rural poor families to stake a claim for better sanitation facilities in their neighbourhoods and schools from the government and initiation of community led monitoring and maintenance of toilets.

XXVII. School Health project

The school health project which completed its one year intervention has impacted 10 schools and around 4000 children from municipal schools in the western suburbs of Mumbai - Bandra, Andheri & Kandivali, over a period of 1 year. The project has been implemented with a two pronged approach, namely Health Education and Repair of Wash Facilities.

The children were exposed to Behavior Change Communication (BCC) to inculcate and encourage sanitation and hygiene practices in their day to day lives. This was done through the health education sessions for more than 2200 children through more than 75 BCC sessions. Further, more than 500 adolescent girls were reached out with information on menstrual hygiene in the schools. The NSE Group project supported the repair and renovation of more than 70 toilets and drinking water facilities in 10 municipal schools in Mumbai to ensure access to good sanitation facilities for students. Various stakeholders in the schools such as the teachers, cleaning staff and parents were involved in the process apart from the students during the tenure of the project.

Further, under the project a provision has been made for making the toilet blocks user friendly for specially-abled children. For example, the toilets have been equipped with a ramp to facilitate entry & exit and installation of grab bars inside the toilet blocks.

XXVIII. Piloting Sustainable WASH In School For Enabling Better Heath, Hygiene And Environment

The NSE Group project in Nashik - Piloting Sustainable WASH is a holistic school-based sanitation project. It undertook operation and maintenance model for 9 diverse set of schools which were in urban, peri-urban and rural district of Nashik. The program impacts around 5000 children by providing improved infrastructure in the schools, focuses on creating awareness on good hygiene practices, adolescent girls, teachers and parents through properly designed behavioral change campaigns. Along with behaviour change, infrastructure facilities such as safe drinking water station, sanitation and hygiene, toilets, hand wash units and incinerators will be augmented for enabling usage. This will also enable and engage local entrepreneurs, stakeholders and the end beneficiaries together in engaging them for providing O&M services.

XXIX. Promoting WASH Compliant Ashramshalas

The NSE Group Project – Promoting WASH Compliant Ashramshalas is a model project for water, sanitation and hygiene (WASH) in Ashramshalas. Ashramshalas are residential schools run by the Tribal Development Department (TDD). These schools usually located in remote areas offer a residential educational facility to children from disadvantaged tribal backgrounds especially if the parents seasonally migrate for work. A study undertaken by TDD and UNICEF revealed the gaps in the WASH infrastructure, behavior and practices of the Ashramshalas. The assessment also created indicators for benchmarking and star rated the Ashramshalas according to the facilities. Basis this WASH benchmarking and assessment report, NSE Group initiated the unique Promoting WASH Compliant Ashramshalas project in partnership with the Tribal Development Department along with technical support from UNICEF as a CSR initiative in the 0 and 1 star rated Ashramshals in an effort to bridge the gaps outlined in the assessment and benchmarking study and raise the level of awareness, knowledge and practice of hygiene and sanitation. The NSE Group project rollout would be carried out in a phased manner starting with the lowest ranked Ashramshalas in the 5 districts of the Nashik ATC Additional Tribal Commissionerate (ATC) division. The project would impact around 70,000 students, around 2000 school staff and TDD officers.

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

Since these are residential schools, additional components such as kitchen cleanliness and management, clothes wash stations, solid and liquid waste management innovative concepts such as block sharing of sanitation facilities so that maintenance is ensured by the students, buddy system, gender issues since the schools have both girls and boys, innovative concepts in low cost infrastructure such as water purifiers for clean drinking water, water pumps that can be operated by students in a fun way due to power shortages and so on.

In addition the project has created manuals for the behavior change, a detailed project report (DPR) of processes of infrastructure as well as manuals for operation and maintenance (O&M) and standardization of processes for implementing NGOs.

XXX. Swacch Vidyalaya, Swacch Aadat

The NSE Group supported programme, Swacch Vidyalaya, Swacch Aadat (Clean School, Clean Habits) was initiated with an aim to raise awareness and ensure good hygiene practices in government schools in Dumka and Pakur districts of Jharkhand. In a span of 3 years, this program intends to capacitate 312 schools (104 each year) with access to safe drinking water, clean toilets and clean surroundings along with basic information on hygiene including menstrual hygiene management(MHM) impacting at least 30,000 students.

The core objective of the programme is to improve water, sanitation, and hygiene (WASH) infrastructure in the selected government run schools, raise awareness and ensure good hygiene practices amongst students, strengthen the School Management Committees (SMCs) as well as the communities to increase the demand for quality infrastructure from the relevant authorities in the schools and communities. The project plans to develop a teacher's training manual on hygiene in consultation with Jharkhand Education Project Council (JEPC).

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

The NSE Group Training programme will create a group of 250 Master trainers from 514 Government Ashramshalas in all 4 tribal Additional Commissionerate offices (ATC) through a well-structured training programme for 3 days for each batch of 50 attendees. Going forward, the master trainers will in turn organize 2 days training at Government Ashramshala level for improvement of WASH Behaviour for students and staff and influencing the augmentation and creation of WASH facilities in all the Government Ashramshalas in Maharashtra

The main objectives of the training programme proposal is to design and develop schedules and modules for conducting

training of trainers, develop training material build capacities so as to conduct trainings at the Ashramshala level of these master trainers.

Elder Care

XXXII. Nation Supports Elderly

The NSE Group programme, Nation Supports Elderly (NSE) developed an innovative model to facilitate easy access to social protection schemes with special focus on pension for Elderly. The inclusive intervention model covers three core elements– Access, Awareness and Advocacy. It is a pilot intervention in 25 selected villages of Karra block district Khunti, Jharkhand. The NSE Group project has completed the 1st year, in which the baseline was completed. The intervention is planned for approximately 5000 elderly in 25 selected villages of Karra Block. The project aims to provide financial awareness to them and assist 2500 elders to access government pension and other benefit schemes such as Integrated Programme For Older Persons (IPOP), Indira Gandhi National Old Age Pension Scheme, Rashtriya Swasthya Bima Yojana (RSBY) etc.

XXXIII. Elderly Care Program

The Elder Enrichment Centres Programme supported by NSE Group, is designed to provide holistic services for underprivileged senior citizens in the select wards of F-North (FN) and F-South (FS) Mumbai through establishment of 'Elderly Enrichment Centres' (EEC). The two centres have been created in Sewree (FS) and GTB Nagar (FN) which comprises of a large number of elderly population due to closure of the textile mills some decades back as well as those who belong to migrant communities respectively.

The centres provide for physical and psychological well-being of senior citizens in the community and focuses on building communities. The aim of the project is to build an enriching community at the ward level to facilitate care of the elderly by addressing the needs of around 3000 senior citizens and their families directly. The components of the programme include, focus on health care – physical and mental, social, recreational, educational, and counselling. The initiatives are carried out through small group interactions, as well as individual guidance and support including home visits.

Also addressed are legal rights and awareness of government schemes, prevention of elder abuse campaigns within the community and established networks with local Community Based Organisation (CBOs) and senior citizens at various levels to prevent deterioration in their conditions. Loneliness and social issues are taken up through group activities, yoga, awareness talks on financial legal and preventive health measures.

XXXIV. Project Shraddha – Towards Active And Healthy Ageing

"Towards Active and Healthy Ageing" has taken shape from a need for establishing an alternate scaleable model to mainstreaming elderly by restoring a sense of their own value, strength and their inherent capacity to handle life's problems. Project Shraddha aims at promoting Active and Healthy Ageing among elderly through self help collectives in four blocks of four states: 1.Ghatanji (Yavatmal, Maharashtra) 2. Pochampalli (Yadadri, Telangana), 3.Kolaghat (Purbi Midnapore, West Bengal) 4. Basantpur (Supaul, Bihar). Each of these areas were selected due to certain debilitating factors that increased the number of senior citizens in these locations.

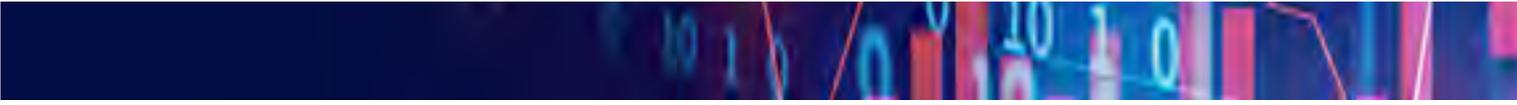
The project is designed to benefit a cumulative number of around 20,000+ elderly, which includes livelihoods of 5600+ elderly through collectives of elderly and their federation, ensuring awareness and access to rights and entitlements for 8000+ elderly, access to primary medical care and community managed health interventions for 11000+ elderly through health camps, cataract surgeries and assisted mobility with the help of knee braces.

The intended impact of the project is to improve (1) saving and financial decision making, (2) livelihood and self-employment opportunities through their own micro-enterprises and access to schemes and programmes, (3) access to bank credit mobilization, (4) increased awareness involvement in decision-making and access to their rights & entitlements (5) change in perceptions, attitude and responses of younger family members & the communities they live in and (6) increased participation in local self-governance and decision making at the family and community levels. The project has awareness and capacity building activities inbuilt through information education and communication (IEC) material, refresher trainings, Jan Sunvayi and orientation visits for key beneficiaries to other project locations.

XXXV. Project CLEAN (Climate & Livelihoods Enhancement And Nutrition)

NSE Group CSR has been supporting Project Shraddha. This partnership has already reached nearly 4632 elderly in 346 elders self-help groups (ESHGs) that have set out on the path of self-help and self-reliance. It is estimated that the partnership would result in social, financial and livelihood inclusion of 5400+ elderly.

Adding a layer to the existing Shraddha project a livelihood inclusion project is being supported by NSE Group CSR. This not only provides livelihood opportunity to senior members of the ESHGs but also supports sustainable environmental protection, and enhancement of the nutrition intake of not just the Elderly but also for their immediate family.



The Elders Self Groups formed under the Shraddha Project will be provided with 27000 Fruit Crops under this project which will assist in the following:

- Income Generation: Fruit crops provide income even for untrained persons, with low levels of skill or land holding.
- Nutrition Upgrade: Fruit growing in kitchen garden helps families to consume fruits. The nutritional values of fruits are well known.
- Ecological Balance: Planting of trees helps to maintain ecological balance and to increase precipitations in the locality.

XXXVI. Rashtriya Netra Yagna

The NSE Group CSR project as a part of the elder care focus, seeks to reduce treatable blindness for underprivileged elderly, prevent the occurrence of blindness through eye camps, and rehabilitate visually handicapped persons in the situations when permanent blindness cannot be cured. The programme would be conducted primarily in the areas where NSE Group elder care projects are being implemented or for the elderly in underprivileged communities and groups where NSE Group projects are located.

District Transformation Strategy

District transformation has been a tested model to demonstrate concentrated impact and social change in one particular region over a definite period of time. The district transformation plan offers opportunities to have focused, measurable outcomes and a balanced, integrated and meaningful development of a geographical zone.

A comprehensive study was undertaken with inputs from experts and other developmental organizations to align with the 'Transformation of Aspirational Districts' programme which identifies around 115 backward districts across all States using close to 49 indicators and 81 data points in 5 identified thematic areas.

After assessing the relevant indices for the focus areas of NSE Group CSR, availability of reputed NGOs to implement projects in these locations, past experience with NGOs in the blocks and districts, efficiency in managing projects and supervisory intervention from regional offices, four districts from four states, namely, Birbhum (West Bengal), Nandurbar (Maharashtra), Karauli (Rajasthan) and Ramanathapuram (Tamil Nadu) have been selected as priority districts for administering this initiative. As an initial start to the programme, structured interventions with measurable outcomes would be undertaken in Primary Education, Sanitation & Safe drinking water and Elder Care programmes. These will be implemented in one selected block and then scaled across all blocks in the districts. This would

provide an initial insight and learning of ground level realities. In addition, feasibility of convergence of projects, sustainability of the programme, collaborations with the efforts of the government and other corporates can be evaluated before scale up.

The projects for the selected blocks are detailed below:

XXXVII. Project Alokito Shoishab (Enlightened Childhood)

Alokito Shoishab' (Enlightened Childhood) has commenced in Rajnagar block of Birbhum district of West Bengal. The literacy rate of Rajnagar block is 59.44%. The project aims to enhance enrolment and attendance of children in school, strengthen the basic academic foundation of children of classes 1 and 2, enhance teacher's capacity, provide age appropriate life skills education, work and strengthen school management system and sensitize the community and government officials on issues related to children's rights and entitlements.

XXXVIII. Project EQUIP (Education Quality Improvement Project)

The NSE Group EQUIP Project (Education Quality Improvement Project) aims to ensure quality education through deeper engagement programs in government schools and in the villages through remedial classes after school interventions. The program will reach the most underprivileged sections in Mandapam block of Ramanathapuram district in TamilNadu.

Under the EQUIP project, 3000 children will be assisted to achieve the basic skills expected for their grade levels and will be motivated to stay in school through teaching methodology and skill based assessment methods. 100 Govt. school teachers will be trained and their capacities will be built to create positive and interactive sessions with children. 40 village communities will be empowered to get more involved in the education of their children and negotiate with the appropriate government functionaries for the betterment of the village schools. Parents and Schools Management Committees will be strengthened to better the functioning of Schools.

XXXIX. Improving Language and Numeracy skills in Primary schools of Sapotra Block in Karauli District of Rajasthan State.

The NSE Group block transformation education project, Shikshan aims to improve literacy and numeracy skills of 9665 children in primary and upper primary schools (Classes I to VIII) of Sapotra Block in Karauli District of Rajasthan

The project will bring about a positive change through remedial education support for 4833 children and capacity building of school management committee members, teachers, block and district level education officials. The project will take up advocacy with district and State level officials for leveraging resources and

replicating good practices from the project across all schools in Karauli district.

XL. Working towards making Sapotra Block of Karauli district Open Defecation Free through Community and School based WASH interventions.

The project will work towards making Sapotra block of Karauli district Open Defecation Free through community and school based WASH interventions.

Gaps and needs in WASH infrastructure will be assessed, at two levels namely village and at school. Based on the findings of the assessment, school level input plan will be developed and implemented. For anganwadi centres (AWCs) linkages with Swacch Bharat mission will be ensured for toilet construction in the centres in the first phase.

Rigorous behaviour change communication (BCC) activities will be undertaken at anganwadi level to train pre-schoolers, along with the anganwadi and ASHA workers on safe water, sanitation and hygiene practices with special emphasis on food hygiene to ensure hygienic meal for the pre-schoolers.

At the school level, children WASH clubs would be formed and they will be oriented on safe water, sanitation and hygiene practices and personal hygiene. These children will act as peer educators and will further orient other children and also convey the message to the community and support in changing behaviour of the population. In addition special emphasis on food hygiene will be ensured for mid-day meal for the schoolers.

Community level awareness campaigns on safe water, sanitation and hygiene will be undertaken to trigger behaviour change including proper handling of drinking water, construction and use of toilet, safe disposal of waste (solid and liquid) as expected under Swacch Bharat Mission. They will be made aware about the different government schemes for construction of toilets.

XLI. Project for Open Defecation Free (ODF) sustainability in Nandurbar

NSE Group CSR has committed to support this project which focuses on block transformation for ODF sustainability and WASH compliant schools and Ashramshalas in the Nandurbar block.

This project would be implemented for a term of 3 years initially to:

- Ensure WASH compliant government schools with:
 - o WASH and hygiene facilities as per benchmarking standards (developed by UNICEF for residential tribal schools (Ashramshalas).

- o As per the Swacch Vidyalaya guidelines in all ZP schools

- Ensure 100% ODF block by mobilizing government resources for 100% Individual Household Latrine (IHHL) construction and developing mechanisms for ensuring usage.

The project would build upon the existing work on Ashramshalas in Maharashtra along with the zilla parishad schools, other institutions such as Anganwadis and the community at a larger level. The interventions would reach 137 gram panchayats in Nandurbar block. The project would include both hardware and software components in 157 Zilla Parishad schools and 7 Ashramshalas impacting 33700 beneficiaries with access to Water, Sanitation and Hygiene in the first phase.

XLII. Project Swaccho – Nirapad Parivesh (Clean and Safe Environment)

NSE Group CSR, has conceptualized Swaccho – Nirapad Parivesh (Clean and Safe Environment), initiative in Rajnagar Block of Birbhum district (West Bengal). This initiative focuses on safe sanitation and sustained Open Defecation Free (ODF) status among communities and institutions in Rajnagar block.

This three-year initiative aims at retrofitting WASH facilities in all the government aided 118 primary schools, anganwadi centers and tribal schools/Ashramshalas along with establishing operations and maintenance system and institutional strengthening. The program will focus on work with the education department at the block and district level for sustainability of the services and create a path towards an exit strategy.

The program will strengthen the gram panchayats (Village Water and Sanitation Committees) for monitoring the usage of toilets by community members. Simultaneously, capacities of the local governance will be strengthened for sustained WASH (newly elected Panchayati Raj representatives) and their commitment for achieving the objectives of Swacch Bharat Mission.

XLIII. Project Aalambana

Aalambana envisages a three pronged approach to address the perceived needs of the elderly – social inclusion, economic (financial) inclusion and health inclusion. Another feature is the digital inclusion aligning with the Vision 2022 and Digital India programme of the Government of India.

The project would benefit 8300 senior citizens in 3 blocks: Rajnagar (West Bengal), Mandapam (TamilNadu) and Sapotra (Rajasthan).

The processes of inclusion of elderly would be through Elders Self Help Groups (ESHGs) and their higher order federations at the village and cluster level, over a period of four years.

These ESHGs would be mobilized, trained and capacitated to engage better with existing programmes and services apart from providing for livelihood assets/restoration support. Additionally, given the relative lack of primary health care access in rural areas, especially for the elderly, a community managed module for health care to manage chronic ailments with palliative care for the bed-ridden and destitute elderly is proposed to be institutionalized.

F. NSE CSR Focus Group

In order to strengthen its CSR initiatives, a CSR Focus Group was formed in 2012. The members of the group are employees volunteering to contribute part of their time to undertake CSR activities internally in various activities with the help of NGO partners.

The group conducts/coordinates various social activities internally for employees to encourage volunteering for the NSE CSR initiatives, and activities such as blood donation camps, organising awareness building programmes on solar power and sustainable lifestyles, recycling of waste paper, screening of documentaries on environmental & social issues, NGO-melas related to social entrepreneurship, education, health & environmental awareness including organising of guest lectures on social issues, nature awareness walks, observing National / International Days such as Children's Day, Women's Day, Water Day support of Earth Hour, etc.

G. NSE Foundation

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

entity to receive contribution for charitable purpose from other entities. Going forward, the current CSR projects of NSE will be transferred to NSE Foundation and future CSR initiatives would be undertaken by the NSE Foundation.

H. Web-link for NSE CSR Policy:

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

2. The Composition of the CSR Committee of NSEIL: The current members of the Committee are Mr. Naved Masood, Mr. T V Mohandas Pai, Mr. Prakash Parthasarathy and Mr. Vikram Limaye. Mr. Naved Masood is the Chairman of the NSEIL CSR Committee.
3. Average net profit of NSEIL for last three financial years (FY 2014-15, 2015-16 and FY 2016-17): The average net profit of NSEIL calculated pursuant to Section 135 read with Section 198 for last three Financial Years is ₹1191,55,05,088.
4. Prescribed CSR expenditure (2% of the amount as in item 3 above): ₹23,83,10,102/-.
5. Details of CSR spend of NSEIL during the financial year 2017-18
 - (a) Total amount to be spent for the financial year 2017-18: ₹23,83,10,102
 - (b) (i) Total amount already committed (Cumulative- FY 2014-15 to FY 2017-18): ₹88,23,75,108, out of which ₹50,44,48,954 was committed during the year.
 - (ii) Total amount already disbursed/spent (Cumulative- FY 2014-15 to FY 2017-18): ₹88,31,38,995 (including for ongoing projects transferred to the NSE Foundation) of which ₹77,27,25,850 was disbursed in the current financial year.
 - (iii) Amount unspent, if any for the financial year: ₹ Nil

Accordingly, an amount of ₹88,23,75,108/- has been already committed or disbursed during the financial years FY 2014-15 to FY 2017-18 against ₹88,00,29,346/- to be incurred on CSR activities during this period.

Note: The excess commitment amount of ₹23,45,761/- will be met out of allocation of subsequent years.

(c) Manner in which the amount spent during the financial year is detailed below.

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the state and district where projects undertaken	Amount outlay (budget) FY 17-18		Cumulative Amount outlay (Committed Budget)		Amount spent during FY 17-18 on projects or programs sub heads (1) Direct expenditure on projects or programs (2) overheads		Cumulative expenditure up to the reporting period		Amount spent Direct or through implementing agency		Implementing Agency
				Outlay for the Group	Outlay for the Company	Outlay for the Group	Outlay for the Company	Spent by the Group	Spent by the Company	Spent by the Group	Spent by the Company	Spent by the Group	Spent by the Company	
1	Education Activity Centre – Urban Pune	Primary Education	Pune City/District- Pune, State- Maharashtra	-	855,574	11,44,100	855,574	-	-	10,28,950	7,60,360	10,28,950	7,60,360	Door Step School
2	Project Grow With Books- Rural	Primary Education	Haveli- Mulashi/Tehasil/District- Pune/State- Maharashtra	-	31,46,053	42,07,000	31,46,053	-	-	30,83,952	22,80,401	30,83,952	22,80,401	Door Step School
3	Saksham- Quality Education for Age Appropriate Learning	Primary Education	District- Buldhana State- Maharashtra	-	27,12,096	36,26,700	27,12,096	-	-	36,11,700	26,62,651	36,11,700	26,62,651	Vikas Sahayog Pratishtan
4	Quality Education Program.	Primary Education	District- Thane State- Maharashtra	-	40,99,814	54,82,400	40,99,814	-	-	39,43,024	29,02,378	39,43,024	29,02,378	Magic Bus India Foundation
5	Project Chunaoti	Primary Education	Mankhurd/ Mumbai State- Maharashtra	-	27,93,601	37,35,690	27,93,601	-	-	30,67,902	22,63,149	30,67,902	22,63,149	Tata Institute of Social Sciences
6	Serving & Enriching Education To Under Privileged Children- Urban	Primary Education	Thane and Pune State- Maharashtra	-	1,57,28,379	2,10,32,480	1,57,28,379	65,92,649	65,92,649	1,78,30,440	1,47,86,482	1,78,30,440	1,47,86,482	All India Inst. Of Local Self Government
7	Serving & Enriching Education To Under Privileged Children- Rural	Primary Education	Medha Dist- Satara State- Maharashtra	-	1,57,28,379	2,10,32,480	1,57,28,379	65,64,050	65,64,050	1,76,90,589	1,46,76,630	1,76,90,589	1,46,76,630	All India Inst. Of Local Self Government
8	Integrated Social Assistance and Health Security for the Elderly	Elder Care	Mumbai and Chennai State- Maharashtra and Tamilnadu	-	1,24,05,805	1,65,89,430	1,24,05,805	-	-	1,47,16,883	1,07,63,433	1,47,16,883	1,07,63,433	Dignity Foundation
9	Education Activity Centre – Urban Pune	Primary Education	Pune City/District- Pune, State- Maharashtra	-	18,58,859	25,37,207	18,58,859	3,53,769	3,53,769	18,99,041	14,76,161	18,99,041	14,76,161	Door Step School- Urban
10	Project Grow With Books- Rural	Primary Education	Haveli- Mulashi/Tehasil/District- Pune/State- Maharashtra	-	32,39,057	44,21,076	32,39,057	14,57,743	14,57,743	42,62,426	34,94,894	42,62,426	34,94,894	Door Step School- Rural
11	Saksham- Quality Education for Age Appropriate Learning	Primary Education	District- Buldhana State- Maharashtra	-	43,42,320	59,26,950	43,42,320	2,51,783	2,51,783	59,04,315	43,57,439	59,04,315	43,57,439	Vikas Sahayog Pratishtan - Saksham
12	Project Chunaoti	Primary Education	Mankhurd/ Mumbai State- Maharashtra	-	34,69,231	47,35,248	34,69,231	-	-	37,00,703	26,87,966	37,00,703	26,87,966	Tata Institute of Social Sciences (Chunauti)
13	Primary Education Program / Fellow Sponsorship Program	Primary Education	Mumbai, MH and Chennai, TN	-	1,29,46,920	1,76,71,602	1,29,46,920	75,03,385	75,03,385	1,55,49,834	1,33,47,837	1,55,49,834	1,33,47,837	Teach For India
14	Elderly Care Program	Elder Care	Lower Parel, Mumbai	-	60,37,832	82,41,200	60,37,832	13,40,739	13,40,739	41,07,660	33,50,462	41,07,660	33,50,462	Family Welfare Agency
15	Quality Education Program.	Primary Education	District- Thane State- Maharashtra	-	1,05,72,732	1,45,56,190	1,05,72,732	53,63,988	53,63,988	1,10,34,597	94,82,774	1,10,34,597	94,82,774	Magic Bus India Foundation
16	Muktangan Primary School Programme	Primary Education	Mumbai, Maharashtra	-	61,89,500	85,21,500	61,89,500	21,39,498	21,39,498	58,99,215	48,70,328	58,99,215	48,70,328	Paragon Charitable Trust
17	School Partnership Programme	Primary Education	Mumbai, Maharashtra	-	82,80,268	1,14,00,000	82,80,268	-	-	44,44,645	32,28,320	44,44,645	32,28,320	Door Step Schools Mumbai
18	Eureka Superkidz	Primary Education	Cuddalore, Kanchipuram, Thiruvallur, Thiruvannamalai, Tricity and Vellore Dist., Tamil Nadu	-	64,92,202	89,38,250	64,92,202	22,71,300	22,71,300	87,71,392	69,92,572	87,71,392	69,92,572	Aid India

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				Outlay for the Group	Outlay for the Company	Outlay for the Group	Outlay for the Company	Spent by the Group	Spent by the Company	Spent by the Group	Spent by the Company	Spent by the Group	Spent by the Company	
19	Every Child in School And Learning Well	Primary Education	Nagpur, Nashik, Thane, Pimpri - Chinchwad and Aurangabad Dist, Maharashtra	-	74,27,084	1,02,25,365	74,27,084	6,09,355	6,09,355	89,62,844	66,76,822	89,62,844	66,76,822	Pratham Education Foundation
20	Girl child educate programme	Primary Education	Purdia and Bankura Dist., West Bengal	-	76,26,562	1,05,00,000	76,26,562	76,03,806	76,03,806	1,02,08,056	94,95,375	1,02,08,056	94,95,375	IMPACT
21	Rehli Shiksha Palan Program (RSP)	Primary Education	Dist. Sagar, Madhya Pradesh	-	2,21,53,348	3,05,00,000	2,21,53,348	30,52,744	30,52,744	30,52,744	30,52,744	30,52,744	30,52,744	Samavesh Society for Development and Governance
22	Educate Girls Program	Primary Education	Ajmer, Rajasthan	-	83,52,902	1,15,00,000	83,52,902	52,87,447	52,87,447	98,88,474	86,29,354	98,88,474	86,29,354	Foundation To Educate Girls Globally
23	Saksham	Primary Education	Kaivan and Nashik	-	3,68,25,401	5,07,00,000	3,68,25,401	20,15,344	20,15,344	20,15,344	20,15,344	20,15,344	20,15,344	QUEST
24	Girls Empowerment through education training & action- GEETA	Primary Education	Bairaich district, Uttar Pradesh	-	16,87,286	23,23,000	16,87,286	6,46,017	6,46,017	19,05,517	15,60,841	19,05,517	15,60,841	Developmental Association For Human Advancement (DEHAT)
25	Shradha – Towards Active And Healthy Ageing	Elder Care	1. Yavatmal, Maharashtra 2. Nalgonda, Telangana, 3. Purbil Midhapore, West Bengal 4. Supaul, Bihar	-	4,00,21,294	5,51,00,000	4,00,21,294	56,26,904	56,26,904	1,05,09,819	91,73,557	1,05,09,819	91,73,557	Helpage India
26	Nation Supports Elderly	Elder Care	Jharkhand	-	36,28,791	49,96,000	36,28,791	-	-	24,98,457	18,14,727	24,98,457	18,14,727	Charities Aid Foundation India
27	Piloting Sustainable WASH In School For Enabling Better Health, Hygiene And Environment.	Sanitation	Nashik, Maharashtra	-	43,37,480	59,71,700	43,37,480	22,07,535	22,07,535	50,36,960	42,62,657	50,36,960	42,62,657	FINISH Society
28	School Health Project	Sanitation	Mumbai, Maharashtra	-	58,05,569	79,92,916	58,05,569	44,99,770	44,99,770	78,20,937	69,12,064	78,20,937	69,12,064	Americares India Foundation
29	Improving Sanitation for Rural Schools in Maharashtra	Sanitation	Nashik and Akola, Maharashtra	-	75,99,688	1,04,63,000	75,99,688	58,78,566	58,78,566	86,17,066	78,67,646	86,17,066	78,67,646	Youth For Unity And Voluntary Action (YUVA)
30	Swachh Vidyalaya, Swachh Aadaat	Sanitation	Dumka and Pakur Districts, Jharkhand	-	1,98,29,062	2,73,00,000	1,98,29,062	61,57,680	61,57,680	65,58,980	64,49,160	65,58,980	64,49,160	Jal Seva Charitable Foundation
31	Promoting WASH Compliant Ashramshala, Maharashtra	Sanitation	Nashik District, Maharashtra	2,24,00,000	1,65,66,000	11,94,00,000	8,70,20,909	2,14,94,637	2,14,94,637	2,14,94,637	2,14,94,637	2,14,94,637	2,14,94,637	JSCF - WASH in Ashram Schools
32	Humanitarian Assistance For Flood Affected Communities In Bihar, India	Disaster Relief	Bihar	-	58,39,768	80,40,000	58,39,768	7,84,641	7,84,641	77,84,641	58,69,016	77,84,641	58,69,016	Oxfam India
33	Education Activity Centre – Urban Pune	Primary Education	Pune City/District- Pune, State- Maharashtra	-	21,06,384	29,00,000	21,06,384	23,52,513	23,52,513	23,52,513	23,52,513	23,52,513	23,52,513	Door Step School- Urban
34	Project Grow With Books- Rural	Primary Education	Haveli- Mulashitehasil/District- Pune/State- Maharashtra	-	32,09,945	44,19,346	32,09,945	35,22,453	35,22,453	35,22,453	35,22,453	35,22,453	35,22,453	Door Step School- Rural

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35	Project Grow with Books - SMC	Primary Education	Haveli- Mulashi Tehsil, District- Pune State- Maharashtra	-	7,04,163	9,69,469	7,04,163	6,33,817	6,33,817	6,33,817	6,33,817	6,33,817	6,33,817	Door Step School-SMC
36	Saksham- Quality Education for Age Appropriate Learning	Primary Education	District- Buldhana State- Maharashtra	-	46,88,992	64,55,650	46,88,992	39,02,874	61,37,424	55,25,915	61,37,424	55,25,915	55,25,915	Vikas Sahayog Pratishthan
37	Project Chunaoti	Primary Education	Mankhurd, Mumbai State- Maharashtra	-	47,28,904	65,10,600	47,28,904	29,26,892	29,26,892	29,26,892	29,26,892	29,26,892	29,26,892	Tata Institute of Social Sciences (Chunauti)
38	Orientation of the Principals of the Adarsh Schools	Primary Education	Jaipur State- Rajasthan	1,20,00,000	88,74,643	1,20,00,000	88,74,643	79,39,136	79,39,136	79,39,136	79,39,136	79,39,136	79,39,136	Both Shiksha Samiti
39	Project Chunaoti	Primary Education	MDC homes of Maharashtra and Delhi	8,00,00,000	5,91,64,286	8,00,00,000	5,91,64,286	-	-	-	-	-	-	Tata Institute of Social Sciences (Chunauti)
40	Project Prajwala- Wash Compliant KGBVs (MP)	Sanitation	All KGBV Madhya Pradesh	4,52,17,211	3,34,40,550	4,52,17,211	3,34,40,550	-	-	-	-	-	-	Jai Seva Charitable Foundation
41	Project Prajwala- Swachh Balika Swachh Vidyalaya: Validating Scalable Models for WASH in Schools	Sanitation	All KGBV Rajasthan	4,52,17,211	3,34,40,550	4,52,17,211	3,34,40,550	5,22,3,622	5,22,3,622	5,22,3,622	5,22,3,622	5,22,3,622	5,22,3,622	Centre for Education
42	Eureka Superkidz	Primary Education	Cuddalore, Kanchipuram, Thiruvalur, Thiruvannamalai, Tiruchy and Vellore Dist., Tamil Nadu	2,68,97,200	1,98,91,921	2,68,97,200	1,98,91,921	1,05,44,414	1,05,44,414	1,05,44,414	1,05,44,414	1,05,44,414	1,05,44,414	Aid India
43	Learning Enhancement Program for children in Disadvantaged Communities	Primary Education	Nagpur, Nashik, Thane, Pimpri - Chinchwad and Aurangabad Dist, Maharashtra	1,98,00,000	1,46,43,161	1,98,00,000	1,46,43,161	47,82,814	47,82,814	47,82,814	47,82,814	47,82,814	47,82,814	Pratham Education Foundation
44	Primary Education Program / Fellow Sponsorship Program	Primary Education	Mumbai, MH and Chennai, TN	4,36,00,000	3,22,44,536	4,36,00,000	3,22,44,536	1,43,81,268	1,43,81,268	1,43,81,268	1,43,81,268	1,43,81,268	1,43,81,268	Teach For India
45	School Partnership Programme	Primary Education	Mumbai, Maharashtra	2,10,00,000	1,55,30,625	2,10,00,000	1,55,30,625	28,56,863	28,56,863	28,56,863	28,56,863	28,56,863	28,56,863	Door Step Schools Mumbai
46	Muktangan Primary School Programme	Primary Education	Mumbai, Maharashtra	88,51,500	65,46,159	88,51,500	65,46,159	40,10,460	40,10,460	40,10,460	40,10,460	40,10,460	40,10,460	Paragon Charitable Trust
47	Elderly Care Program	Elder Care	Lower Parel, Mumbai	1,24,00,000	91,70,464	1,24,00,000	91,70,464	20,06,886	20,06,886	20,06,886	20,06,886	20,06,886	20,06,886	Family Welfare Agency
48	Serving and Enriching Education to Under-privileged Urban Children in Bhiwandi-Nizampur and Malegaon	Primary Education	Malegaon and Bhiwandi Maharashtra	3,20,94,144	2,37,35,339	3,20,94,144	2,37,35,339	47,27,126	47,27,126	47,27,126	47,27,126	47,27,126	47,27,126	All India Inst. Of Local Self Government
49	Project Prajwala - Education in KGBVs	Primary Education	All KGBV Rajasthan	5,91,00,000	4,37,07,617	5,91,00,000	4,37,07,617	61,30,875	61,30,875	61,30,875	61,30,875	61,30,875	61,30,875	Both Shiksha Samiti
50	Student Teacher Empowerment Program	Primary Education	Sheopor, Madhya Pradesh	2,63,55,000	1,94,90,935	2,63,55,000	1,94,90,935	37,81,261	37,81,261	37,81,261	37,81,261	37,81,261	37,81,261	Learning Links Foundation

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				Outlay for the Group	Outlay for the Company	Outlay for the Group	Outlay for the Company	Spent by the Group	Spent by the Company	Spent by the Group	Spent by the Company	Spent by the Group	Spent by the Company	
51	Project Learning Orbit for Village Excellence in partnership	Primary Education	Udaipur, Rajasthan	2,47,00,000	1,82,66,973	2,47,00,000	1,82,66,973	50,21,222	50,21,222	50,21,222	50,21,222	50,21,222	50,21,222	Jatan sansthan
52	Rashtriya Netra Yagna	Elder Care	22 District across 11 state	1,20,00,000	88,74,643	1,20,00,000	88,74,643	30,00,000	30,00,000	30,00,000	30,00,000	30,00,000	30,00,000	Vision Foundation India
53	Capacity Building of Ashramshala staff and TDD officials on WASH programme	Sanitation	Nashik, Maharashtra	24,70,000	18,26,697	24,70,000	18,26,697	15,00,000	15,00,000	15,00,000	15,00,000	15,00,000	15,00,000	Sanskar Wahini Gram Vikas Shikshan Sanstha
54	Girl child educate programme	Primary Education	Purulia and Bankura Dist., West Bengal	4,50,00,000	3,32,79,911	4,50,00,000	3,32,79,911	-	-	-	-	-	-	IIMPACT
55	Educate Girl's Program	Primary Education	Ajmer, Rajasthan	2,60,00,000	1,92,28,393	2,60,00,000	1,92,28,393	-	-	-	-	-	-	Foundation To Educate Girls Globally
56	Improving Language and Numeracy skills in Primary schools of Sapotra Block in Karauli District of Rajasthan State.	Primary Education	Block Sapotra, District Karauli, Rajasthan	88,67,000	65,57,622	88,67,000	65,57,622	33,25,125	33,25,125	33,25,125	33,25,125	33,25,125	33,25,125	Plan International (India Chapter)
57	Project Alokito Shoishab (Enlightened Childhood)	Primary Education	Block Rajnagar, District Bhubhum, West Bengal	34,30,000	25,36,669	34,30,000	25,36,669	17,15,000	17,15,000	17,15,000	17,15,000	17,15,000	17,15,000	Child in Need Institute (CINI)
58	Project EQUIP Education Quality Improvement Project)	Primary Education	Block Mandapam, District Ramanathapuram, Tamilnadu	1,56,00,000	1,15,37,036	1,56,00,000	1,15,37,036	44,49,900	44,49,900	44,49,900	44,49,900	44,49,900	44,49,900	Aid India
59	Working towards making Sapotra Block of Karauli district Open Defecation Free through Community and School based WASH interventions.	Sanitation	Block Sapotra, District Karauli, Rajasthan	1,04,00,000	76,91,357	1,04,00,000	76,91,357	39,00,000	39,00,000	39,00,000	39,00,000	39,00,000	39,00,000	Plan International (India Chapter)
60	Swaccho - Nirapad Parivesh (Clean and Safe Environment).	Sanitation	Block Rajnagar, District Bhubhum, West Bengal	77,00,000	56,94,563	77,00,000	56,94,563	28,87,500	28,87,500	28,87,500	28,87,500	28,87,500	28,87,500	Water For People
61	Project for ODF sustainability in Nandurbar	Sanitation	Nandurbar Dist. Maharashtra	1,30,00,000	96,14,197	1,30,00,000	96,14,197	-	-	-	-	-	-	Jai Seva Charitable Foundation
62	Aalambana - Towards Active and Healthy Ageing	Elder Care	Block Rajnagar West Bengal, Block Mandapam TamilNadu and Block Sapotra Rajasthan	3,21,00,000	2,37,39,670	3,21,00,000	2,37,39,670	96,95,925	96,95,925	96,95,925	96,95,925	96,95,925	96,95,925	Helpage India
63	Project Prajwala - Education in KGBVs	Primary Education	All KGBV Madhya Pradesh	2,34,00,000	1,73,05,554	2,34,00,000	1,73,05,554	-	-	-	-	-	-	Both Shiksha Samiti
64	Project "CLEAN" (Climate & Livelihoods Enhancement and Nutrition) for Elders	Elder Care	1. Yavatmal, Maharashtra 2. Nalgonda, Telangana, 3. Purni Midnapore, West Bengal 4. Supaul, Bihar	25,00,000	18,48,884	25,00,000	18,48,884	18,75,000	18,75,000	18,75,000	18,75,000	18,75,000	18,75,000	Helpage India

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the state and district where projects or programmes was undertaken	Amount outlay (budget) project or programs wise FY 17-18		Cumulative Amount outlay (Committed Budget)		Amount spent during FY 17-18 on projects or programs sub heads (1) Direct expenditure on projects or programs (2) overheads		Cumulative expenditure up to the reporting period		Amount spent Direct or through implementing agency		Implementing Agency
				Outlay for the Group	Outlay for the Company	Outlay for the Group	Outlay for the Company	Spent by the Group	Spent for the Company	Spent by the Group	Spent by the Company	Spent by the Group	Spent by the Company	
65	Contribution to NSE Foundation	"Various sectors covered by Schedule VII of the Companies Act, 2013, as included in NSE Group CSR Policy"	Pan India	-	-	-	-	82,55,70,427	54,48,85,527	82,55,70,427	54,48,85,527	82,55,70,427	54,48,85,527	NSE Foundation
66	CSR Focus Group	Various Activities*	Mumbai, Maharashtra	-	-	-	-	17,00,930	17,00,930	32,15,462	28,09,420	-	-	-
67	Capacity Building	Capacity Building	Mumbai, Maharashtra	-	-	-	-	48,09,645	48,09,645	1,32,09,271	1,09,60,108	-	-	-
68	PME**	Project Monitoring	NA	-	-	-	-	45,33,453	45,33,453	67,03,676	61,09,771	67,03,676	61,09,771	-
				68,20,99,265	50,44,48,954	1,19,97,65,814	88,23,75,108	1,05,34,10,750	77,27,25,850	1,20,49,28,075	88,31,38,995	1,18,85,03,343	86,93,69,467	

*Activities undertaken by NSE CSR Focus Group covers Blood Donation Camp, NGO Melas for Children's Day, Environment Awareness, Swachha Bharat Drive.

**Project Monitoring and Evaluation.

Note: During the year 2017-18, NSE Group (which includes NSEIL) incorporated NSE Foundation to undertake CSR activities for NSE Group. NSE Foundation will carry on various CSR activities on behalf of NSEIL also. NSEIL contributes the amount as prescribed under the provisions of the Companies Act, 2013 to NSE Foundation to be spent towards CSR activities from time to time. The CSR committee of NSEIL shall monitor the CSR activities undertaken & implemented by NSE Foundation. NSE Foundation will provide periodic update on the progress of the CSR projects, fund utilization/ accounts statement and an annual report of CSR activities.

Accordingly, NSEIL has contributed ₹53.43 Crores pertaining to unspent CSR amount up to March 2017 and an amount of ₹1.05Crores (being the unspent but wholly committed amount to CSR projects pertaining to current year) aggregating to ₹54.48 Crores to NSE Foundation to be spent on various CSR activities as stated in the Group CSR policy which has been adopted by the Company as Company's CSR policy. An amount of ₹88.23 Crores has been already committed or disbursed during the financial years, FY 2014-15 to FY 2017-18, against ₹88.00 Crores to be incurred on CSR activities during this period. The excess commitment amount of ₹0.23 Crores will be met out of allocation of subsequent years.

At NSE Group level, during the year FY 2017-18, ₹22.78 Crores was disbursed towards the various CSR projects and ₹68.20 Crores has been committed.

6. The Reasons for Shortfall in Disbursal

NSE Group undertakes numerous interventions to improve the status of Primary Education, Elder Care and Water, Sanitation and Hygiene (WASH) interventions in some of the most backward districts of our country. The interventions benefit the extremely marginalised populations in remote locations such as tribal communities.

In the initial stages of implementation, the off take on the social projects due to the advent of the Sec 135 mandate was slow due to various reasons such as knowledge of the sector, internal capacity of the CSR department, NSE CSR selection guidelines for programmes / NGOs, a high standard of legal, financial and programmatic due diligence by NSE, approvals from government authorities and other formalities thereby affecting timely disbursals due to extended timelines. However, in the subsequent years, the number of projects, the expenditure towards the projects and the number of beneficiaries impacted has undergone a quantum increase.

Subsequently, a comprehensive exercise was undertaken to identify large projects in alignment with the various government schemes that can be scaled up easily such as the combined WASH and literacy intervention in the 400+ Kasturba Gandhi Balika Vidyalayas (KGBVs) for girl students in educationally backward blocks of Rajasthan and Madhya Pradesh and a similar integrated project in Tribal Ashramshalas (residential schools for tribal children) which are run by the Tribal Development Department in Maharashtra. This would ensure the sustainability through institutionalization of the project and ensure that children from triple disadvantaged communities, who are in dire need of usable facilities which are provided by the Government in remote locations, have access to the same. In addition, four backward districts have been selected under the Transformation of the 115 Aspirational Districts programme. Within this programme, in the first phase, four blocks have been selected for intervention in alignment with the core focus areas of the NSE CSR policy i.e. Primary Education, Elder Care and Sanitation and Clean Drinking Water.

In FY 2017-18, the CSR budget for NSEIL was ₹23.83Crores; ₹77.27Crores has been the expenditure on approved CSR projects in the current financial year which amounts to 100% of the allocated CSR budget for FY 2017-18. This includes the wholly committed unspent amounts of the previous years transferred to NSE Foundation, a Section 8 Company incorporated with the objective of implementing the CSR plan of NSEIL and the group subsidiaries as per the guidelines enshrined in the NSE Group CSR policy. The amount thus transferred will be released periodically for the current projects on attaining the defined milestones. The Company remains committed to meet its CSR obligations on an annual basis to the extent feasible and contribute to

the social and equitable development of the Nation.

Further, an amount of ₹88.23Crores has already been committed or disbursed by NSEIL during FY 2014-15 to FY 2017-18, against ₹88.00Crores was to be incurred on CSR activities during this period. The excess commitment amount of ₹0.23Crores will be met out of the allocation of subsequent years.

As noted above, during the year under report out of the amount of ₹23.83Crores being the amount required to be spent to implement the Corporate Social Responsibility Policy of the Company in the manner laid down in sub-section (5) of section 135 of the Companies Act 2013, the actual expenditure works out to ₹77.27Crores leaving a shortfall of ₹Nil which is 100% of the amount to be spent. Further, the second proviso to sub-section (5) of section 135 requires the company to specify the reasons for not spending the amount i.e. the shortfall between the actual expenditure and the amount required to be spent. The brief discussion below seeks to provide the required explanation.

The manner in which the CSR policy has evolved since its inception, the NSE Group has so far undertaken a set of interventions to improve the status of Primary education, Elder Care and Water, Sanitation and Hygiene (WASH) interventions in some of the most backward districts of our country. In order to make the interventions sustainable and to make a discernible impact the interventions have continued over the years. It is well documented that the initial physical progress and absorptive capacity of financial investment is slow in such sectors due to limitations imposed by geography and the dearth of physical and human resources at the level of scene of action. It may not be out of place to mention here that even the state intervention in the same areas of activities, utilisation of funds has been a major challenge.

It may further be added that the Company and the Group, being mindful of maintaining highest standards of operational efficiency, financial propriety and the need to ensure delivery of end-products and outcomes of the highest quality, has also given precedence to sustainability over mechanical achievement of financial thresholds. That initial lessons have been learnt and there is steady improvement in making up on the gap would be evident from the following simplified statement:

Financial Year	Utilisation of CSR Funds (as % of amount required to be spent)
2014-15	3.02%
2015-16	9.81%
2016-17	37.75%
2017-18	100%

Mention may also be made to the fact that as on date there is 'committed expenditure' of ₹88.31 Crores where disbursement could have taken place were the intention to somehow meet the requirement of section 135 (5), this amount would have been shown as 'spent'. It is, however, the policy of the NSE Group to spend when expenditure is due and not to park the funds creating illusory expenditure – the outcome of this approach should reflect in the actual disbursements during 2018–19. The decision of the Group to establish a Foundation (in the form

of a 'Company with Charitable Objectives' under section 8 of the Companies Act) to carry out implementation and supervision of the CSR policies of the Group Companies was also actuated by a resolve inter alia to speed up the operations under the CSR policy and so that the statutory financial thresholds are achieved without compromising the integrity of the delivery system.

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

Mr. Vikram Limaye
Managing Director & Chief Executive Officer

Mr. Naved Masood
Chairman, CSR Committee

ANNEXURE 5 TO BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

I. Brief Statement on Company's Philosophy on Code of Governance

Corporate Governance is the application of best management practices, compliance of law and commitment to values and ethical business conduct to achieve the Company's objective of enhancing shareholder value and effective discharge of its social responsibility. National Stock Exchange of India Limited ('NSE' or 'your Company') is a public limited company, incorporated under the Companies Act, 1956 whose securities are not listed on any of the stock exchanges. NSE is a recognised stock exchange under Securities Contracts (Regulation) Act, 1956. Therefore, NSE is additionally required to comply with Securities Contracts (Regulation) Act, 1956, the Rules and Regulations laid down thereunder and the directives and circulars issued by Securities and Exchange Board of India (SEBI) from time to time for the purpose of its governance. As per Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ('SECC Regulations'), the disclosure requirements and corporate governance norms, specified for listed companies, has become mutatis mutandis applicable to a recognised Stock Exchange. NSE has been involved in good governance practices and endeavours continuously to improve upon the same. In continuation of its pursuit to establish good corporate governance practice and for the information of its stakeholders, NSE is furnishing this Report for the financial year ended on 31st March, 2018.

II. Board of Directors

A. Composition of the Board and Category of Directors

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

In compliance with the SECC Regulations, NSE is required to have Shareholder Directors, Public Interest Directors and a Managing Director such that the number of Public Interest Directors shall not be lesser than the number of Shareholder Directors. The SECC Regulations defines Public Interest Director as an Independent

Director representing the interests of investors in securities market and who is not having any association directly or indirectly, which in the opinion of SEBI, is in conflict with the role. Further, SECC Regulations requires every Director of a recognised Stock Exchange to be a "fit and proper person".

The Board of NSE consists of 10 Directors of which 5 are Public Interest Directors and 4 are Shareholder Directors and a Managing Director & CEO. Mr. Ashok Chawla, Chairman of the Board, Ms. Dharmishta Raval Mr. Dinesh Kanabar, Mr. Naved Masood and Mr. T.V. Mohandas Pai are 'Public Interest Directors' while Mr. Abhay Havaladar, Mr. Prakash Parthasarathy, Ms. Anshula Kant and Ms. Sunita Sharma are Shareholder Directors. Mr. Vikram Limaye is the Managing Director & CEO of your Company.

The Directors are chosen from among eminent persons or experts in the field of Administration, Law, Finance, Accounting, Taxation, Information Technology, Economics, Commerce, Management, etc. None of the Directors of NSE are inter-se related with each other. Mr. Ashok Chawla, a Non-executive Director and Public Interest Director is the Chairman of the Board of Directors.

Board Meetings

Schedule of Board / Committee meetings

With an objective to ensure maximum presence of all the Directors in the Board / Committee meeting, dates of the Board / Committee and the ensuing Annual General Meeting are fixed in advance after consultation with individual directors and consideration of their convenience. The final schedule in respect of the aforesaid meetings to be held during the next calendar year is circulated in advance to all the Directors as part of agenda item in the Board meeting for their information and noting.

Directors have independent access to the Company Secretary. The Company Secretary attends all Board meetings and generally assists Directors in the discharge of their duties and also to ensure good information flow within the Board and between the Board and Senior Management. In addition, the Company Secretary attends

to secretarial and Board governance matters and is responsible for ensuring that Board procedures are followed. Moreover, the Company Secretary liaises on behalf of NSE with SEBI on corporate matters, MCA and when necessary, Shareholders.

Board agenda

The Board agenda is prepared based on inputs received from the concerned departments of NSE and finalised in consultation with the Group President, MD & CEO and / or Chairman to ensure that there is sufficient information and time to address all agenda items. The Board agenda and notes thereof are sent to the Directors in advance to enable them to read and comprehend the matters to be dealt with and seek further information / clarification, if required.

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

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

At every Board meeting, the MD & CEO gives a comprehensive update on the NSE's business and operations. The CFO presents the financial performance and significant financial highlights. Certain business heads provide an update on their areas of business and Senior Management Personnel are present at Board meetings, when required.

A Board strategy meeting was convened and attended by the Board and Senior Management to specifically have a discussion on NSE Group Strategy and related matters.

The Board ensures that any feedback or observations made by them during the course of the meetings forms part of the action taken report for their review at the subsequent meetings.

The minutes of Board meetings are prepared with details of the matters considered by the Board. The minutes of the Board meetings are circulated to the Chairman for his review and approval and thereafter circulated to the other Directors for their comments.

B. Number of Board Meetings

The Board met 9 (nine) times during the year as detailed in following table no 28:

Sr. No.	Date of Board meeting
1	April 06, 2017
2	May 05, 2017
3	June 07, 2017
4	August 04, 2017
5	November 02, 2017 & November 03, 2017
6	December 07, 2017
7	December 15, 2017 & December 16, 2017
8	February 02, 2018
9	February 28, 2018

During the year under review, the total duration i.e. approximate number of hours of Board meetings was 35.

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

C. Directors' Attendance Record and Directorships held

As mandated by Listing Regulations, no director is a member of more than ten Board committees or act as chairperson of more than five such committees across all entities in which he or she is a Director (see the notes to Table 1). Table No. 1 gives the details of the composition of the Board, attendance and details of Committee Membership and Committee Chairmanships.

(1) Details of Directors along with the Directorship(s) and Chairmanship(s)/Membership(s) of Committees in other companies as on 31, March 2018:

Name of the Director	Category	Attendance Particulars			No. of Directorship / Chairmanship and Committee Chairmanship / Membership		
		Number of Board Meetings		Last AGM	Other Directorship(s)/ Chairmanship(s)	Other Committee Membership(s)	Other Committee Chairmanship(s)
		Held	Attended				
Mr. Ashok Chawla, Chairman	Public Interest Director	9	9	Y	1	4	2
Mr. Ravi Narain* Vice Chairman	Shareholder Director	2#	2	N.A	-	-	-
Mr. Vikram Limaye**	Managing Director	6#	6	Y	5	1	-
Ms. Dharmishta Raval	Public Interest Director	9	9	N	5	2	-
Mr. Dinesh Kanabar	Public Interest Director	9	7	Y	4	1	1
Mr. Naved Masood	Public Interest Director	9	9	Y	-	1	-
Mr. T.V. Mohandas Pai	Public Interest Director	9	7	N	4	1	-
Mr. Abhay Havaladar ***	Shareholder Director	9	9	Y	1	1	-
Mr. Prakash Parthasarathy	Shareholder Director	9	9	Y	2	-	-
Ms. Sunita Sharma	Shareholder Director	9	2	N	1	1	1
Ms. Anshula Kant	Shareholder Director	9	5	N	2	-	-

* Resigned as Shareholder Director w.e.f. June 01, 2017

** Assumed office as Managing Director & CEO w.e.f. July 17, 2017

*** Reappointed as Shareholder Director w.e.f. August 4, 2017

Number of Board Meetings held during the tenure of Director

Note

- (i) The Directorships/ Committee memberships held by Directors as mentioned above, do not include Directorships/Committee memberships in Private Limited, Foreign and Section 8 companies.
- (ii) Memberships/Chairmanships of only the Audit Committee and Stakeholders Relationship Committee of all Public Companies have been considered.

(2) Separation of Offices of Chairman & Chief Executive Officer

Since inception, NSE has been following the principle of separation of the role of Chairman and the Chief Executive Officer. Mr. Ashok Chawla, Public Interest Director, is the Non-executive Chairman of the Board. Mr. J Ravichandran was appointed as CEO-In-Charge with effect from December 2, 2016 and Ceased as CEO-In charge with effect from July 17, 2017 upon the assumption of office by Mr. Vikram Limaye, MD & CEO.

D. Responsibilities of the Board

The responsibilities of the Board include the following:

- (1) Members of Board of Directors and Key Managerial Personnel shall disclose to the Board of Directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the listed entity.
- (2) The Board of Directors and Senior Management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.
- (3) The Board of Directors shall provide strategic guidance to NSE, ensure effective monitoring of the management and shall be accountable to NSE and the shareholders.
- (4) The Board of Directors shall set a corporate culture and the values by which executives throughout a group shall behave.
- (5) Members of the Board of Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of NSE and the shareholders.
- (6) The Board of Directors shall encourage continuing directors training to ensure that the members of Board of Directors are kept up to date.
- (7) Where decisions of the Board of Directors may affect different shareholder groups differently, the Board of Directors shall treat all shareholders fairly.
- (8) The Board of Directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
- (9) The Board of Directors shall exercise objective independent judgement on corporate affairs.
- (10) The Board of Directors shall consider assigning a sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- (11) The Board of Directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the listed entity to excessive risk.
- (12) The Board of Directors shall have ability to step back to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.
- (13) When committees of the Board of Directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the board of directors.
- (14) Members of the Board of Directors shall be able to commit themselves effectively to their responsibilities.
- (15) In order to fulfil their responsibilities, members of the Board of Directors shall have access to accurate, relevant and timely information.
- (16) The Board of Directors and senior management shall facilitate the independent directors to perform their role effectively as a member of the Board of Directors and also a member of a committee of Board of Directors.

NSE conducts orientation programme for new Directors so as to familiarise them with the various functions being carried out by NSE. The details of familiarization programmes imparted to Independent Directors are given on NSE's website. (Weblink: https://www.nseindia.com/global/content/about_us/Familiarisation_programme.pdf). NSE also provides training in various fields such as operation, risk management, compliance, etc. to Public Interest Directors regularly. Every director inducted on the Board are well known in the financial services industry and has the ability to understand basic financial statements and information and related documents/papers.

The regular updates inter-alia provided by NSE to the Board include the following:

- Annual operating plans and capital and revenue budgets and updates
- Quarterly financial results
- Status report on NSE operations and operations of different segments
- Minutes of the meetings of Audit Committee, other committees of the Board and also minutes of the meetings of the Board of all subsidiary companies
- Details of joint ventures, acquisitions of companies or collaboration agreements, etc.
- Details of foreign exchange exposures and the steps taken to limit the risk of adverse exchange rate movements
- Details of significant transactions and arrangements entered into by material unlisted subsidiary

- Review of market surveillance
- Other information, which is required to be placed before the Board as per Listing Regulations, is taken to the Board as and when the event occurs.

A quarterly report on compliance of applicable laws, rules and regulations is placed before the Audit Committee for its review. The Audit Committee from time to time reviews the report and gives suggestions for improvement of compliance level/process. On its review, a consolidated report on a quarterly basis is placed before the Board at its subsequent meeting.

E. Code of Conduct and Code of Ethics

A code of conduct for Directors and Senior Management Personnel of NSE is framed. They have affirmed compliance with the Code of Conduct. As per the requirement of the Listing Regulations, the code of conduct, has been hosted on the website of your Company (weblink:https://nseindia.com/global/content/about_us/NSE_CODE_BOARD.pdf.) The MD & CEO has affirmed to the Board of Directors that the Code of Conduct has been complied by the Directors and Senior Management Personnel. A Declaration to this effect, duly signed by the MD & CEO has been obtained and forms part of this report.

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

F. Independent Directors / Public Interest Directors

- (1) Independent Directors on the Board of NSE are not less than 21 years in age and do not hold any shares in NSE.
- (2) Attributes
NSE as a policy inducts only those persons as Independent Directors who have integrity, experience and expertise, foresight, managerial qualities and ability to read and understand financial statements.
- (3) Tenure
The tenure of Independent Directors is in line with the directives issued by SEBI from time to time.

- (4) Freedom to Independent Directors
NSE takes all possible efforts to enable the Independent Directors to perform their functions effectively.

G. Remuneration of Directors

The compensation paid/payable to the Managing Director & CEO is periodically reviewed and revised to align compensation levels with market levels and at the same time attract, retain and motivate Directors of the quality required to run your Company successfully. The remuneration includes both fixed and variable component. NSE pays only sitting fee to its Non-executive Directors. The terms and conditions of appointment of Public Interest Directors and Shareholder Directors are governed by the provisions of the Companies Act, 2013 & Rules laid down thereunder, SECC Regulations, Listing Regulations and the circulars issued thereunder by SEBI. The terms and conditions of service in respect of the Managing Director & CEO of NSE are governed by the resolution passed by the shareholders, provisions of the Companies Act, 2013 & Rules laid down thereunder, SECC Regulations and the circulars issued thereunder by SEBI.

As per the terms of appointment, the Non-executive Directors are not eligible for severance pay or notice period. The Managing Director is not eligible for severance pay. The notice period for the Managing Director is three (03) months.

SEBI had laid down certain norms in terms of the compensation policy for the Key Management Personnel within the meaning of SECC Regulations which are as under:-

- A. The variable pay component will not exceed one third of the total pay.
- B. 50 % of the variable pay will be paid on a deferred basis after 3 years.
- C. ESOPs and other equity linked instruments will not form part of the Compensation.

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

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

The details of remuneration paid to Managing Director & CEO during FY 2017-18 are given in the following table:- (₹ in crores)

Name & Designation	Salary & Allowances	Variable Pay	Perquisites in cash or in kind	Contribution to PF and other Funds exempted allowance, tax paid by employer	Total
Mr. Vikram Limaye (assumed office w.e.f July 17, 2017)	3.88	0.00	0.01	0.15	4.04

The sitting fees paid to the Non-Executives Directors for attending the meetings of the Board and Committees during the year 2017-18 is as follows:

Name	Board meetings		Board Committees meetings		Total (₹)
	No. of meetings attended	Amount (₹)	No. of meetings attended	Amount (₹)	
Mr. Ashok Chawla, Chairman	9	9,00,000	64	64,00,000	73,00,000
Mr. Ravi Narain	2	2,00,000	6	6,00,000	8,00,000
Ms. Dharmishta Raval	9	9,00,000	48	48,00,000	57,00,000
Mr. Dinesh Kanabar	7	7,00,000	25	25,00,000	32,00,000
Mr. Naved Masood	9	9,00,000	63	63,00,000	72,00,000
Mr. T. V. Mohandas Pai	7	7,00,000	45	45,00,000	52,00,000
Mr. Abhay Havaladar	9	9,00,000	25	25,00,000	34,00,000
Mr. Prakash Parthasarathy	9	9,00,000	20	20,00,000	29,00,000
Ms. Anshula Kant	5	5,00,000	2	2,00,000	700000
Ms. Sunita Sharma	2	2,00,000	4	4,00,000	6,00,000

III. Committees of the Board

(A) Audit Committee

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls, which the management and the Board of Directors have established, financial reporting and the compliance process. The Committee maintains open communication with statutory auditors, secretarial auditors, internal auditors and operational auditors.

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

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

1. Recommendation for appointment, remuneration and terms of appointment of auditors of NSE;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditor's report thereon;
4. Approval or any subsequent modification of transactions with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters.
9. Call for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of the financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management.
10. Oversight financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
11. Approval of payment to statutory auditors for any other services

- rendered by the statutory auditors;
12. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board of NSE for approval, with particular reference to:
 - a. Matters required to be included in the director's responsibility statement to be included in NSE's Board report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report, if any.
 13. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 14. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue etc.) the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of the public or rights issue, and making appropriate recommendations to the Board to take steps in this matter;
 15. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 16. Reviewing the adequacy of internal audit function, if any, including structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 17. Discussion with internal auditors of any significant findings and follow up there on;
 18. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of NSE;
 19. Discussion with statutory auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 20. To look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 21. To review the functioning of the whistle blower mechanism;
 22. Approval of appointment of the CFO (i.e, the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 23. The Audit Committee shall mandatorily review the following information:
 - a. management discussion and analysis of financial condition and results of operations;
 - b. statements of significant related party transactions submitted by management;
 - c. management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. internal audit reports relating to internal control weaknesses; and
 - e. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 24. Carrying out any other function as the Audit Committee may deem fit with the approval of the Board.

The Audit Committee comprises four Directors viz., Mr. Dinesh Kanabar, Mr. Ashok Chawla, Ms. Anshula Kant and Mr. Naved Masood as its Members. Mr. Dinesh Kanabar is the Chairman of the Audit Committee.

The Committee met 5 times during the year i.e., on April 06, 2017, May 05, 2017, August 03, 2017, November 02, 2017 and February 02, 2018. The details of the attendance of members of the Audit Committee at their meetings held on the above dates are given hereunder:

Name	Number of meetings held during the year	Number of meetings attended
Mr. Dinesh Kanabar	5	5
Mr. Ashok Chawla	5	5
Mr. Anshula Kant	5	1
Mr. Naved Masood	5	5

The Officer responsible for the finance function, the representative of the statutory auditors, internal auditors, secretarial auditors and operational auditors are regularly invited to the Audit Committee meetings. The Company Secretary is the Secretary to the Committee.

All members of the Audit Committee have requisite accounting and

financial management expertise. Mr. Dinesh Kanabar, Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on August 04, 2017 to answer shareholders queries.

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

(B) Nomination & Remuneration Committee (NRC)

As per SECC Regulations, the Compensation Committee shall consist of majority of Public Interest Directors and shall be chaired by a Public Interest Director. As per requirements of the Companies Act, 2013, NSE is required to constitute a NRC consisting of three or more non-executive directors out of which not less than one-half shall be independent directors. The Chairman of NRC shall be different from Chairman of the Board. Accordingly, the Board constituted NRC for the purpose of discharging its functions required under both Companies Act, 2013 and under SEBI Regulations.

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

1. formulate the criteria for determining qualifications, positive attributes and independence of a director;
2. recommend NSE's Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
3. determine the composition of the Board and the sub-committees and addressing issues of Board diversity;
4. ensure that appropriate procedures are in place to assess Board membership needs and Board effectiveness;
5. identifying persons who are qualified to become directors;
6. recommend to Board appointment and removal of the Directors in accordance with policy and criteria laid down;
7. carry out evaluation of every director's performance;
8. recommend on the extension or continuation of the term of appointment of independent director on the basis of performance evaluation of independent directors;
9. recommend compensation/sitting fee payable to NSE's Non Whole-time Directors; decide on the annual performance linked pay (variable pay) payable to managing director and chief executive officer and to approve annual increase in the total pay payable to managing director and chief executive officer;
10. assist NSE's Board's overall responsibility relating to executive compensation and recommend to NSE's Board appropriate compensation packages for Whole-time Directors and senior

management personnel in such a manner so as to attract and retain best available personnel for position of substantial responsibility;

11. lay down criteria for personnel who may be appointed in senior management;
12. identify persons who may be appointed in senior management in accordance with the policy and criteria laid down;
13. recommend to NSE's Board appointment and removal of personnel in senior management in accordance with policy and criteria laid down;
14. approve release of variable pay of Key Management Personnel under SEBI regulations withheld earlier;
15. to take note of decisions of the managing director and chief executive officer with regard to variable pay and fixed pay of the Key Management Personnel under SEBI regulations;
16. review, approve and aid the Board in succession and emergency preparedness plan for key executives; and
17. determine the tenure of Key Management Personnel under SEBI regulations appointed in regulatory departments.

The NRC currently comprises of Mr. Dinesh Kanabar, Mr. Ashok Chawla, Mr. Abhay Havaladar and Mr. T.V Mohandas Pai, as its members with Mr. Dinesh Kanabar as its Chairman.

The NRC had approved the performance ratings, fixation of the variable pay for FY 2017-18 and the remuneration for FY 2018-19 of the KMPs under SECC Regulations and other persons under the Senior Management. NRC has laid down performance evaluation criteria for the Board of Directors, Individual Directors (including Independent Directors), Committees of the Board of Directors. The process for Board Evaluation is given in the Directors' Report.

The Committee met 6 times during the year, i.e. on April 06, 2017, May 05, 2017, November 2, 2017, November 08, 2017, February 02, 2018 and March 28, 2018. The details of the attendance of members of the NRC at their meetings held on above dates are given hereunder:-

Name	Number of meetings held during the year	Number of meetings attended
Mr. Ashok Chawla	6	6
Mr. Ravi Narain*	2#	2
Mr. Dinesh Kanabar	6	6
Mr. T.V. Mohandas Pai	6	6
Mr. Abhay Havaladar**	4#	4

*Ceased to be a Member w.e.f June 7, 2017

** Inducted as Member w.e.f June 7, 2017

Number of Meetings held during the tenure of Director

(C) Stakeholders Relations Committee (SRC)

The Committee besides discharging the function of approving share transfers and deciding on any matter incidental to or connected with the transfer, also discharges the function of redressal of shareholder grievances like transfer of shares, non-receipt of Annual report, non-receipt of declared dividends, etc. The Board at its meeting held on August 4, 2017 had approved certain changes in the role of SRC. The revised role of SRC includes:

1. To look into the mechanism for redressal of grievances of shareholders, debenture holders and other security holders.
2. To consider and resolve the grievances of the security holders of the Company.
3. To review the status of redressal of correspondences/ complaints, received from the security holders
4. To review process related to transfer/transmission of securities.
5. To review policies / other issues raised by the brokers / employees community
6. To consider and review such other matters, as the Committee/ Board may deem fit, from time to time.

The Committee consists of four Directors viz., Mr. Ashok Chawla, Mr. Abhay Havaladar, Mr. Vikram Limaye and Mr. T.V Mohandas Pai as its members with Mr. Ashok Chawla as the Chairman of the Stakeholders Relations Committee. Mr. S Madhavan Company Secretary of NSE is the Compliance Officer, in terms of Regulation 6 of the Listing Regulations.

The Committee met 8 times during the year, i.e. on June 29, 2017, July 27, 2017, October 11, 2017, November 28, 2017, December 7, 2017, February 1, 2018, February 28, 2018 and March 16, 2018. The details of the attendance of members of the SRC at their meetings held on above dates are given hereunder:-

Name	Number of meetings held during the year	Number of meetings attended
Mr. Ashok Chawla	8	8
Mr. T.V. Mohandas Pai	8	7
Mr. Abhay Havaladar	8	8
Mr. Vikram Limaye*	6#	5

*Inducted as Member w.e.f. August 4, 2017

Number of Meetings held during the tenure of Director

(D) Risk Assessment and Review Committee (RARC)

The Committee carries out the identification and assessment of

existing risk and also recommends risk minimisation procedures & reporting system thereof on an ongoing basis. RARC consists of four Directors viz., Mr. Vikram Limaye, Ms. Sunita Sharma, Mr. Dinesh Kanabar and Mr. Naved Masood, as its Members with Mr. Dinesh Kanabar as its Chairman. The Committee met once during the year i.e. on February 02, 2018

The details of the attendance of members of RARC at their meetings held are given hereunder:-

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

*Inducted as Member of the Committee w.e.f. June 7, 2017

**Inducted as Member of the Committee w.e.f. August 4, 2017

Ms. Anshula Kant & Mr. Ravi Narain Ceased as member w.e.f. June 7, 2017

(E) Corporate Social Responsibility (CSR) Committee

The Committee was constituted, inter alia, to formulate and recommend to the Board a CSR Policy, to recommend the amount of expenditure to be incurred on the activities, and to monitor the CSR Policy of NSE from time to time. CSR Committee consists of Mr. Naved Masood, Mr. Prakash Parthasarathy, Mr. T.V Mohandas Pai and Mr. Vikram Limaye as its Members with Mr. Naved Masood as Chairman of the Committee.

CSR Committee met 4 times during the year, i.e. on May 5, 2017, August 3, 2017, November 2, 2017 and February 28, 2018. The details of the attendance of members of the CSR Committee at their meetings held on above dates are given hereunder:-

Name	Number of meetings held during the year	Number of meetings attended
Mr. Ravi Narain*	1#	1
Mr. Prakash Parthasarathy	4	4
Mr. T.V Mohandas Pai	4	3
Mr. Naved Masood**	3#	3
Mr. Vikram Limaye***	2#	2

* Ceased to be Member w.e.f. June 07, 2017.

**Inducted as Member w.e.f. May 05, 2017

***Inducted as Member w.e.f. August 04, 2017

Number of Meetings held during the tenure of Director

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

(i) **SEBI mandated Committees**

1. Membership Selection Committee
2. Disciplinary Action Committee
3. Defaulters Committee
4. Standing Committee on Technology
5. Sub-committee for monitoring compliance of suggestions given in SEBI Inspection Reports
6. Investor Services Committee
7. Public Interest Directors Committee
8. Ethics Committee
9. Independent Oversight Committees of the Governing Board for Member regulation, Listing Functions, Trading & Surveillance Functions and for Product Design - Commodity Derivatives
10. Advisory Committee
11. Selection Committee.

(ii) **Other Functional Committees**

1. Technology Budget Committee
2. Committee for Approval of Acquisition of Premises
3. Pricing Committee
4. Premises Advisory Committee
5. Membership Recommendation Committee
6. Sub-broker Recognition Committee
7. Committee to decide on Compulsory Delisting
8. Listing Committee
9. Investment Approval Committee
10. Trustees of NSE Investor Protection Fund Trust (IPFT)
11. Delisting Committee
12. Group Investment Committee

Dr. V. R. Narasimhan ceased to be the Chief Regulatory Officer and Key Management Personnel under SCR (SECC) Regulations with effect from April 1, 2018 on account of superannuation.

Ms. Priya Subbaraman has assumed the role as Chief Regulatory Officer with effect from April 2, 2018. As Chief Regulatory Officer, Ms. Priya Subbaraman is also a Key Management Personnel under SECC Regulations effective from the same date heading regulatory functions in the regulatory department and 'Compliance Officer'

as per Regulation 32 of SECC Regulations..

IV. Auditors

M/s. Price Waterhouse & Co., Chartered Accounts LLP are the Statutory Auditors of the Company. The Audit Committee also periodically discusses with the Auditors the annual audit programme and the depth and detailing of the audit plan to be undertaken by them. The Board has appointed an external firm of Chartered Accountants as its Internal Auditor in order to ensure the Independence and credibility of the internal audit process.

V. Secretarial Audit

NSE had engaged the services of M/s. BNP & Associates, Company Secretaries to conduct Secretarial Audit for the financial year ended 31st March, 2018. The report of the Secretarial Auditors is placed before the Audit Committee and the Board .

13. CEO/ CFO certification

The CEO and CFO certification of the financial statements for the financial year 2017-18 is enclosed at the end of the report.

VII. General Shareholder Information

(A) Annual General Meeting: The 26th Annual General Meeting of NSE will be held on Friday, August 3, 2018 at Exchange Plaza, Plot C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai-400051

(B) Financial year: 2017-18

(C) Dividend

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

(i) Interim Dividend payment date for financial year 2017-18: November 14, 2017

(ii) Proposed final dividend for financial year 2017-18:

Around 10 days from the approval of the shareholders at the ensuing AGM

(E) Registrar and Transfer Agent:

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

M/s. Link Intime India Private Limited
C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083
Tel. No. + 91 22 49186000; Fax No. + 91 22 49186060
e-mail id : rnt.helpdesk@linkintime.co.in;
website : www.linkintime.co.in

(F) **Share Transfer system:**

The equity shares of NSE are in dematerialised form. Further, the ISIN of equity shares is suspended by NSE to prevent transfers not approved by NSE pursuant to Article 63 of its Articles of Association and to ensure compliance of the provisions of SECC Regulations. Therefore, when application for approval of transfer is received, adherence to compliance of SECC Regulations is ensured.

(G) **Distribution of shareholding:**

Distribution of Shareholding as on 31st March, 2018

Category	No. of shareholders in each category	% of the category	No. of shares held of ₹1 each	% to the total paid up equity capital
Individuals	23	20.90	78,04,736	1.57
Corporates-Listed	7	6.36	2,76,91,750	5.60
Corporates-Unlisted	20	18.18	5,40,67,450	10.92
Financial Institutions/Banks	10	9.09	5,85,46,590	11.82
Insurance Companies	4	3.63	8,30,33,500	16.77
Venture capital fund	5	4.54	2,14,10,269	4.32
Foreign holding	41	37.27	24,24,45,705	48.98
Total	110	100.00	495000000	100.00

Top 10 Shareholders as on 31st March, 2018

Sr. No.	Name of the shareholder	No. of shares held at the end of the quarter	% of shareholding
1	Life Insurance Corporation of India	6,19,13,500	12.51
2	State Bank of India	2,57,12,500	5.19
3	GAGIL FDI Limited	2,47,50,000	5.00
4	Aranda Investments (Mauritius) Pte. Ltd.	2,47,50,000	5.00
5	Veracity Investments Limited	2,47,50,000	5.00
6	Stock Holding Corporation of India Limited	2,20,00,000	4.44
7	SBI Capital Markets Limited	2,14,50,000	4.33
8	SAIF II SE Investments Mauritius Limited	1,75,90,000	3.55
9 (a)	GS Strategic Investments Limited	1,48,50,000	3.00
9 (b)	MS Strategic (Mauritius) Limited	1,48,50,000	3.00
9 (c)	PI Opportunities Fund - I	1,48,50,000	3.00
9 (d)	Tiger Global Five Holdings	1,48,50,000	3.00
10	Acacia Banyan Partners	1,23,75,000	2.50

As per SECC Regulations, NSE is required to ensure that at least 51% of the equity share capital is held by public. NSE ensures compliance thereof.

(H) Dematerialisation of shares:

NSE's shares are fully dematerialised.

(I) Address for correspondence:

The Secretarial Department, National Stock Exchange of India Limited, Exchange Plaza, Plot No. C-1, "G" Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051. Shareholders are requested to intimate all changes pertaining to their Bank details, email addresses, Power of Attorney, change of name, change of address, contact details, etc., to their Depository Participants (DP).

(J) Other Disclosures

(1) Basis of related party transactions

The transactions with related parties are entered in the ordinary course of business and at arm's length price. The details of the related party transactions are disclosed in the Annual Report. The 'Policy on dealing with related party transactions' is available on the Website of NSE. (weblink: https://www.nseindia.com/global/content/about_us/PolicyonMaterialityandDealingwithRelatedPartyTransactions.pdf) During the financial year 2017-18, NSE did not have any material pecuniary relationship or transactions with Non-Executive Directors.

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

None

(3) Vigil Mechanism /Whistle Blower Policy

NSE has established a mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or ethics policy or law to the Ethics Counselor (Head of HR)/ Ethics Committee/ its Chairman/ Audit Committee, as the case may be. NSE also provides for adequate safeguards against victimisation of employees who avail the mechanism and also allows direct access to the Audit Committee in exceptional cases. No personnel has been denied access to the audit committee. Details of Vigil Mechanism have been disclosed on the website of NSE. (Weblink: https://www1.nseindia.com/global/content/about_us/NSE_dtls_VM.pdf)

(4) Compliance with the non-mandatory requirements [Part E of Schedule II Regulation 27(1) of the Listing Regulations

In addition to the above, NSE also complies with many non-mandatory requirements of Part E of Schedule II Regulation 27(1)

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

(5) Subsidiary Companies

As per Listing Regulations, "material subsidiary" shall mean a subsidiary whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

The said Regulations lay down corporate governance requirements with respect to subsidiary of listed entity. NSE had identified NSCCCL as a 'material unlisted Indian subsidiary' Company. The financial statements, in particular the investments made, by the subsidiary companies are reviewed by the Audit Committee of NSE. A statement of all significant transactions and arrangements entered into by NSCCCL is periodically brought to the attention of the Board of Directors of NSE. The minutes of the meetings of the Board of Directors of all the subsidiary companies of NSE are also periodically brought to the meeting of the Board of Directors of NSE for its noting. The 'Policy for determining material subsidiaries' is available on the Website of NSE. (Weblink: https://www.nseindia.com/global/content/about_us/PolicyonDeterminingMaterialsubsidiaries.pdf)

(6) Disclosure of Accounting Treatment in the preparation of Financial Statements.

NSE follows the guidelines of Accounting Standards laid down by the Central Government under the provisions of Section 133 of the Companies Act, 2013 in the preparation of its financial statements.

(7) Communication with Shareholders

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

NSE disseminates all material information to its shareholders

through periodic communications. The financial results are published periodically in the newspapers as per the requirements of the Listing Regulations. Any specific presentations made to analysts and others are also posted on NSE's website.

Annual Report: Annual report containing, inter alia, Audited Accounts, Directors' Report, Report on Corporate Governance, Management Discussion & Analysis and other material and related matters/information are circulated to the shareholders and others entitled thereto.

(8) Redressal of shareholders' complaints

NSE has already constituted a Stakeholders Relations Committee to look into and redress Shareholders and investor complaints. During the year, your Company did not receive any grievance from its shareholder(s) in respect of transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, etc.

VIII. General Body Meetings

Location, date and time of the general meetings held in the last three years till March 31, 2018:-

Type of meeting	Date	Time	Venue	Special Resolution passed
25th Annual General meeting	August 4, 2017	3.00 P.M	Exchange Plaza, Bandra -Kurla Complex Bandra (East) Mumbai- 400 051	-
EGM	March 7, 2017	10.00 A.M.	Exchange Plaza, Bandra -Kurla Complex Bandra (East) Mumbai- 400 051	-
EGM	November 10, 2016	10.00 A.M.	Exchange Plaza, Bandra -Kurla Complex Bandra (East) Mumbai- 400 051	Alterations to the Articles of Association of the Company
24th Annual General meeting	September 16, 2016	12:00 Noon.	Exchange Plaza, Bandra -Kurla Complex Bandra (East) Mumbai- 400 051	-
23rd Annual General Meeting	September 18, 2015	11:00 a.m.	Exchange Plaza, Bandra -Kurla Complex Bandra (East) Mumbai- 400 051	-

NSE did not pass any resolution through postal ballot in the last year. The requirement of passing any resolution by postal ballot is not applicable to NSE as the number of shareholders of NSE is less than 200.

XI Plant Locations

None

X Certificate on compliance of corporate governance norms

As required in Listing Regulations read with Regulation 35 of SECC Regulation, NSE has, obtained a certificate regarding the compliance of conditions of Corporate Governance therein from a Practicing Company Secretary. The same is given as an Annexure to the Directors' Report

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the code of conduct for the Financial Year 2017-18.

For the purpose of this declaration, Senior Management Personnel includes Key Management Persons appointed under SCR (SECC) Regulations, 2012 and Key Managerial personnel appointed under the Companies Act, 2013 as on March 31, 2018.

Place: Mumbai,
Date : May 4, 2018

Vikram Limaye
MD & CEO

CEO AND CFO CERTIFICATE

To,
The Directors,
National Stock Exchange of India Limited

We, Vikram Limaye, Managing Director & CEO and Yatrik Vin, Chief Financial Officer of the National Stock Exchange of India Limited hereby certify to the Board that:

- | | |
|--|---|
| <p>a. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2018 and that to the best of our knowledge and belief :</p> <ul style="list-style-type: none"> i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations. <p>b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.</p> <p>c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or</p> | <p>operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.</p> <p>d. We have indicated to the auditors and the Audit committee</p> <ul style="list-style-type: none"> i. significant changes, if any, in internal control over financial reporting during the year; ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;and iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting. |
|--|---|

Vikram Limaye
Managing Director & CEO
Mumbai
May 04, 2018

Yatrik Vin
Chief Financial Officer



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
National Stock Exchange of India Limited,

We have examined all relevant records of National Stock Exchange of India Limited (the Company) for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies for the financial year ended 31st March 2018. In terms of Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for listed companies have become mutatis mutandis applicable to a recognised Stock Exchange. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified for listed company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]

Prakash K. Pandya
Partner
FCS No.: 3901 CP NO.: 2311

Place: Mumbai
Date: May 04, 2018

ANNEXURE 6 TO BOARD'S REPORT

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
National Stock Exchange of India Limited
CIN: U67120MH1992PLC069769
Exchange Plaza, C-1, Block G, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by National Stock Exchange of India Limited (hereinafter called the 'Stock Exchange') for the audit period from 1st April, 2017 to 31st March, 2018 ("the Audit Period"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Stock Exchange books, papers, minute books, forms and returns filed and other records maintained by the Stock Exchange and also the information provided by the Stock Exchange, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Stock Exchange has, during the Audit Period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting's made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Stock Exchange for the Audit Period according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
6. The other laws as are applicable specifically to the Stock Exchange are:
 - a) Securities Contracts (Regulation) Act, 1956;
 - b) Securities Exchange Board of India Act, 1992 & Circulars, Master Circulars and Regulations issued by SEBI and applicable to the Stock Exchange;
 - c) Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations, 2012 and
 - d) Prevention of Money Laundering Act, 2002.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India related to Board meetings and general meetings.

During the Audit period, the Stock Exchange has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

During the Audit Period, provisions of the following regulations were not applicable to the Stock Exchange:

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- g) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings.

We further report that –

The Board of Directors of the Stock Exchange is duly constituted with the proper balance of Executive Directors, Non-Executive Directors (Shareholders Director) and Independent Directors (Public Interest

Director). Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and where the same were given at shorter notice than seven days, prior consent thereof were obtained and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Stock Exchange and at Committees were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the quarter under review.

We further report that there are adequate systems and processes in the Stock Exchange commensurate with the size and operations of the Stock Exchange to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the review period, the Stock Exchange has not undertaken any major step having a major bearing on its affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.

For BNP & Associates

Company Secretaries

[Firm Regn. No. P2014MH037400]

Prakash K. Pandya

Partner

Place: Mumbai

Date: May 04, 2018

FCS No.: 3901 CP NO.: 2311

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE A

To,
The Members,
National Stock Exchange of India Limited,

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to National Stock Exchange of India Limited (the 'Stock Exchange') is the responsibility of the management of the Stock Exchange. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Stock Exchange. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Stock Exchange, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records were produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Stock Exchange.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the stock Exchange nor of the efficacy or effectiveness with which the management has conducted the affairs of the Stock Exchange.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]

Prakash K. Pandya
Partner
FCS No.: 3901 CP NO.: 2311

Place: Mumbai
Date: May 04, 2018

ANNEXURE 7 (i) TO BOARD'S REPORT

STATEMENT PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (₹)		Experience (No. of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
1	Mr. Vikram Limaye # @ MBA, CA	51	Managing Director & CEO	40390554	25238625	29	July 17, 2017	Managing Director & CEO IDFC Limited
2	Mr. J. Ravichandran # ~ B. Com., B.L., FCS	57	Group President	52017282	23328527	31	August 12, 1994	Dy. Secretary & Manager (Legal), Raymond Synthetics Limited
3	Mr. Ravi Varanasi # ~ B. Sc., CAIB	55	Chief Business Development Officer	25849653	15504986	30	July 3, 1995	Senior Deputy Manager The Vysya Bank Ltd.
4	Mr. Yatrik Vin # ~ M.Com., AICWA	51	Chief Financial Officer	22571000	10824027	30	February 21, 2000	Manager (Finance & Accounts) Godrej & Boyce Mfg. Co. Ltd.
5	Mr. V. R. Narasimhan # ~* M. Com., ACS, MBA, Ph.D	61	Chief Regulatory Officer	24290386	15367707	37	May 30, 2013	Sr. Vice President, Kotak Mahindra Bank Ltd.
6	Mr. Hari K. AICWA, ACS	51	Chief Business Officer	18823496	11097228	29	May 29, 1995	Cost Accountant, KCP Ltd.
7	Mr. Chandrashekhar Mukherjee @ B. Com., PGPM & IR	53	Chief People Officer	2590875	1368556	29	April 9, 2010	Associate Vice President Bennett Coleman & Company Ltd.
8	Mr. Suprabhat Lala B. Sc.	51	Vice President - Regulatory	16426293	9038692	28	October 1, 2001	Sr. Vice President, Geojit Securities Ltd.
9	Mr. Sankarison Banerjee # ~ B. Tech, MBA	47	Chief Technology Officer - Projects	14777539	8993953	23	April 15, 2015	Managing Director, Accenture Services Pvt. Ltd.
10	Mr. Tarun Aiyar @ * MBA, ACA	49	CFO - Group Investments and SR	13798870	8677077	26	September 15, 2015	Director - Finance, Raymond Ltd.
11	Mr. Kashinath Katakdhond * B.E., MBA, GEMBA(US)	49	Vice President - TRENDS	14354717	8993953	25	September 12, 2013	Sr. Vice President, Citigroup
12	Mr. Mahesh Haidipur B.E. (Civil), AMIE	58	Head - Premises and Admin	14399191	7232399	35	April 25, 1995	Project Engineer, Tata Electric Company Limited
13	Mr. Nirmal Mohanty M.A., MBA	59	Chief Economist	12774746	7862924	32	April 1, 2009	Principal /Vice President, Infrastructure Development Finance Company Ltd.
14	Mr. M. Vasudev Rao B. Com., LLB, FCS	50	General Counsel	12016543	7240417	26	November 1, 2012	Associate Vice President Bennett Coleman & Company Ltd.
15	Mr. Nandendra Kumar SRVS PGDM	45	Chief Business Officer	11669010	5504179	23	July 16, 2009	Manager, Accenture India Ltd

Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (₹)		Experience (No. of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
16	Mr. Mayur Sindhwa # ~ ICWA, ACS	43	Chief Operating Officer - Trading	12351631	6999065	22	June 1, 2009	Assistant Vice President, Edelweiss Securities Ltd
17	Mr. Saurav Ghosh @ Dip in LL&W, MPM	49	Group Head - Human Resource	9259197	5857568	24	November 2, 2017	Chief HR Officer - Textiles Aditya Birla Group
18	Ms. Priya Subbaraman @ LLB, ACS	48	Chief Regulatory Officer	6692904	4236692	22	February 1, 2018	Head - Compliance Standard Chartered Bank
19	Ms. Chandni Khosla @ PGDBM	41	Head - International Business	5670153	3912831	15	April 21, 2015	Vice President Nataxis Global Asset Management
20	Mr. G. M. Shenoy # ~ B.E., M.F.M.	56	Chief Technology Officer - Ops, Trading	15107765	8257846	34	October 1, 2006	Sr. Vice President, NSE:IT Ltd.

Notes :

- Gross Remuneration includes Salary and other benefits, Company's contribution to Provident Fund, Pension, Superannuation Fund, taxable value of perquisites etc. Net remuneration represents gross remuneration less Company's contribution to provident, Pension and superannuation funds, taxable value of perquisites, profession tax and income tax. Where applicable, the amounts also include certain allowances accrued during previous year(s) but claimed in the current year.
- Besides the above, leave encashment amounting to ₹2435770, ₹1922104, ₹905819, ₹1659156, ₹2825665, ₹228329, ₹558049, ₹814961, ₹2304522 and ₹357955 was paid to Mr. J. Ravichandran, Mr. Hari K, Mr. Nagendra Kumar SRYS, Mr. Mayur Sindhwa, Mr. Suprabhat Lala, Mr. M. Vasudev Rao, Mr. Kashinath Katakdhond, Mr. Tarun Aiyar, Mr. Chandrashekhar Mukherjee and Ms. Chandni Khosla respectively and interest on withheld variable pay for FY 2013-14 of ₹1107678 and ₹428866 was paid to Mr. J. Ravichandran and Mr. V. R. Narasimhan respectively.
- Mr. J. Ravichandran was CEO in Charge upto July 16, 2017.
- Mr. Vikram Limaye was appointed as Managing Director and CEO for a period of 5 years with effect from July 17, 2017.
- Employees, whose names were marked with # are Key Management Personnel under SCR (SECC) Regulations, 2012 of SEBI. The remuneration of employee marked with ~ excludes 50% of their Variable Pay to be paid on deferred basis after 3 years.
- Other employees are in permanent employment of the company on contractual basis governed by the employment terms & conditions and service rules. Employees whose names have been marked with @ were employed with the company for part of the year. Mr. G. M. Shenoy is in permanent employment of the subsidiary's subsidiary company, M/s. NSE Infotech Services Limited.
- None of the employees mentioned above is a relative of any Director.
- Employees, in respect of whom Rule 5(2) applies but are on deputation to subsidiary company and in respect of whom the remuneration is recovered are shown under statement prepared under Rule 5(2) of that subsidiary company(ies) to avoid duplication. Employees whose names have been marked with * are also on deputation to subsidiary company(ies) and in respect of whom the proportionate remuneration recovered from the subsidiary company(ies) is shown in the statement prepared under Rule 5(2) of that subsidiary company(ies).
- None of the employees is holding equity share(s) in the company within the meaning of clause (iii) of sub-rule 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- The Company does not have any Employees Stock Option Plan (ESOP) Scheme for its employees.



ANNEXURE 7 (ii) TO BOARD'S REPORT

i. Ratio of Remuneration of each director to the median remuneration of the employees of the Company for the Financial year

The ratio of remuneration of the Managing Director & Chief Executive Officer to the median remuneration of the employees of the Company for the financial year is 64.14 X.

ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial year

The percentage increase in remuneration of Managing Director & Chief Executive Officer, Group President, Company Secretary and Chief Financial Officer in the financial year is around 10%, 10%, 8% and 10% respectively.

iii. The percentage increase in the median remuneration of employees in the Financial year

The percentage increase in the median remuneration of employees in the financial year is around 7.06%. The remuneration under points (i) to (ii) of these disclosures excludes 50% of variable pay, payable to Key Managerial Personnel (defined as per the SECC Regulations) on a deferred basis as per SEBI norms and accumulated leave encashment, where applicable.

iv. The number of permanent employees on the rolls of the Company

As on March 31, 2018, there are 497 employees on the rolls of the Company.

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

10.36% average percentile increase has been made in the salaries of employees other than the managerial personnel in the last financial year. Apart from performance based normal increment there was no other additional salary revision was given in FY 2017-18. There has been no exception.

vi. Affirmation that the remuneration is as per the remuneration policy of the Company.

The remuneration is as per the remuneration policy of the Company.

INDEPENDENT AUDITORS' REPORT

To the Members of
National Stock Exchange of India Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of National Stock Exchange of India Limited ("hereinafter referred to as the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate companies; (refer Note 39 to the attached consolidated Ind AS financial statements), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group including its associates in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates, respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, other than the unaudited financial statements/ financial information as certified by the management and referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated Ind AS 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 consolidated state of affairs of the Group and its associates as at March 31, 2018, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

8. We did not audit the financial statements of eleven subsidiaries, whose financial statements reflect total assets of ₹11,381 crores and net assets of ₹ 2,360 crores as at March 31, 2018, total revenue from operations of ₹ 955 crores, total comprehensive income (comprising of profit/ (loss) and other comprehensive income) of ₹ 445 crores and net cash outflows amounting to ₹ 1,889 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of ₹ 34 crores for the year ended March 31, 2018 as considered in the consolidated Ind AS financial statements, in respect of one associate company whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and associate company and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and

associate company, is based solely on the reports of the other auditors.

9. The consolidated Ind AS financial information include the Group's share of total comprehensive income (comprising of profit/ (loss) and other comprehensive income) of ₹ 88 crores for the year ended March 31, 2018 as considered in the consolidated Ind AS financial statements, in respect of five associate companies whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial information insofar as it relates to the amounts and disclosures included in respect of these associate companies and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group. Further, with respect to the one associate company referred to in paragraph 8 above, the auditors' report did not include the reporting under Section 143(3)(g).

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group and its associate companies including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and its associate companies including relevant records relating to the preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and an associate company incorporated in India, none of the directors of the Holding Company, its subsidiary companies and an associate company incorporated in India is disqualified as on March 31, 2018 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 Holding Company, its subsidiary companies and associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditors' 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the Other Matters paragraph:
- i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group and its associates – Refer Notes 34, 45 and 46 to the consolidated Ind AS financial statements.
 - ii. The Group and its associates have long term contracts for which there were no material foreseeable losses. The Group and its associates did not have any derivative contracts as at March 31, 2018 - Refer Note 49 to the consolidated Ind AS financial statements.
 - iii. There were no amounts during the year ended March 31, 2018 which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and its associates incorporated in India - Refer Note 50 to the consolidated Ind AS financial statements.
 - iv. The Group has provided requisite disclosures in the financial statements as to holdings, as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Group – Refer Note 43 to the consolidated Ind AS financial statements.

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm Registration Number: 304026E / E- 300009

Sumit Seth

Partner

Place: Mumbai

Date: May 4, 2018

Membership Number 105869

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of National Stock Exchange of India Limited on the consolidated Ind AS financial statements for the year ended March 31, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of National Stock Exchange of India Limited (hereinafter referred to as "the Holding Company"), its subsidiary companies and its associate companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies and its associate companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls 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") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section

143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. 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

7. 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

8. In our opinion, the Holding Company, its subsidiary companies and its associate companies to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, have, 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, 2018, 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.

Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to eleven subsidiary companies and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.
10. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting does not include the reporting on five associate companies, which are companies incorporated in India whose audit reports are not available. In our opinion and according to information and explanations given to us by the Management, the financial statements/financial information of these five associate companies are not material to the Group. Our opinion is not modified in respect of this matter.

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm Registration Number: 304026E / E- 300009

Sumit Seth

Partner

Place: Mumbai

Date: May 4, 2018

Membership Number 105869

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(₹ in Crores)

Particulars	Notes	As at 31.03.2018	As at 31.03.2017
ASSETS			
Non-current assets			
Property, plant and equipment	2	535.35	484.82
Capital work-in-progress	2	31.72	78.90
Goodwill	3	67.35	67.35
Other intangible assets	3	50.30	45.31
Intangible assets under development	3	33.69	34.98
Investment in associates/ joint venture accounted for using the equity method	39	744.93	770.33
Financial assets			
- Investments	4	3,403.25	2,946.18
- Other financial assets			
Non-current bank balances	5	1,014.62	1,129.55
Others	5	60.82	97.94
Income tax assets (net)	21	275.59	305.69
Deferred tax assets (net)	19 (c)	5.49	3.73
Other non-current assets	7	14.64	21.10
Total non-current assets		6,237.75	5,985.88
Current assets			
Inventories		0.01	0.02
Financial assets			
- Investments	9	2,873.89	2,868.14
- Trade receivables	10	397.68	314.29
- Cash and cash equivalents	11	6,244.14	7,927.75
- Bank balances other than cash and cash equivalents	12	2,100.94	2,173.88
- Other financial assets	6	202.74	163.43
Other current assets	8	86.85	60.92
		11,906.25	13,508.43
Assets classified as held for sale	39	82.07	-
Total current assets		11,988.32	13,508.43
TOTAL ASSETS		18,226.07	19,494.31
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13 a	49.50	49.50
Other equity	13 b	7,300.06	7,160.13
TOTAL EQUITY		7,349.56	7,209.63

CONSOLIDATED BALANCE SHEET (CONTD...)

(₹ in Crores)

Particulars	Notes	As at 31.03.2018	As at 31.03.2017
CORE SETTLEMENT GUARANTEE FUND			
- Core Settlement Guarantee Fund paid	37	2,421.22	1,684.95
- Core Settlement Guarantee Fund payable	37	12.41	290.58
		2,433.63	1,975.53
INVESTOR PROTECTION FUND	38 b	0.10	-
LIABILITIES			
Non-current liabilities			
Other financial liabilities	15	9.64	9.19
Provisions	17	20.87	18.94
Deferred tax liabilities (net)	19 (c)	156.89	118.97
Other non-current liabilities	22	5.39	5.39
Total non-current liabilities		192.79	152.49
Current liabilities			
Financial liabilities			
- Deposits	24	1,915.91	1,803.28
- Trade payables	14		
Total Outstanding dues of micro enterprises and small enterprises		1.21	0.07
Total Outstanding dues of creditors other than micro enterprises and small enterprises		128.25	97.40
- Other financial liabilities	16	5,697.69	7,667.43
		7,743.06	9,568.18
Provisions	18	61.00	56.66
Income tax liabilities (net)	20	97.87	95.44
Other current liabilities	23	348.06	436.38
Total current liabilities		8,249.99	10,156.66
TOTAL LIABILITIES		8,442.78	10,309.15
TOTAL EQUITY AND LIABILITIES			
		18,226.07	19,494.31
Summary of significant accounting policies	1		
Notes refer to above form an integral part of the consolidated balance sheet			

This is the Consolidated Balance sheet referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

For and on behalf of the Board of Directors

Chartered Accountants

Firm's Registration no : 304026E / E-300009

Sumit Seth

Partner

Membership No.: 105869

Ashok Chawla

Chairman

[DIN:00056133]

Dinesh Kanabar

Director

[DIN:00003252]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date : May 4, 2018

Yatrik Vin

Chief Financial Officer

S. Madhavan

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2018	For the year ended 31.03.2017
INCOME			
Revenue from operations	25	2,609.14	2,104.26
Other income	26	423.42	576.40
Total income		3,032.56	2,680.66
EXPENSES			
Employee benefits expense	27	263.28	240.18
Depreciation and amortisation expense	2 & 3	125.59	118.14
Other expenses	28	568.99	525.30
Total expenses (excluding contribution to Core Settlement Guarantee Fund)		957.86	883.62
Profit before, share of net profits of investments accounted for using equity method, contribution to Core Settlement Guarantee Fund and tax		2,074.70	1,797.04
Share of net profit of associates and joint ventures accounted by using equity method	39	122.34	111.67
Profit before contribution to Core Settlement Guarantee Fund and tax		2,197.04	1,908.71
Less : Contribution to Core Settlement guarantee fund (Core SGF)	37	-	(134.07)
Profit before tax		2,197.04	1,774.64
Less : Tax expense			
Current tax expense	19 (a)	681.05	516.31
Deferred tax expense	19 (a)	54.52	39.51
Total tax expenses		735.57	555.82
Net Profit after tax (A)		1,461.47	1,218.82
Other comprehensive income			
Items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	13 b	(22.78)	12.62
Income tax relating to items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	13 b	7.96	(4.37)
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	13 b	(1.08)	(10.43)
Share of other comprehensive income of associates and Joint Ventures accounted for using the equity method	13 b	-	(1.75)
Changes in fair value of FVOCI equity instruments	13 b	8.24	(31.68)
Changes in foreign currency translation reserve	13 b	0.29	(2.40)
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	13 b	0.17	3.56
Changes in fair value of FVOCI equity instruments	13 b	(1.57)	8.10
Total other comprehensive income / (loss) for the year, net of taxes (B)		(8.77)	(26.35)
Total comprehensive income for the year (A+B)		1,452.70	1,192.47

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (CONTD...)

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2018	For the year ended 31.03.2017
Profit is attributable to :			
Owners of National Stock Exchange of India Limited		1,461.47	1,218.82
Other comprehensive income/(loss) is attributable to :			
Owners of National Stock Exchange of India Limited		(8.77)	(26.35)
Total comprehensive income is attributable to :			
Owners of National Stock Exchange of India Limited		1,452.70	1,192.47
Earnings per equity share from profit attributable to owners of the Company (Face value of ₹1 each)	29		
After contribution to Core Settlement Guarantee Fund			
- Basic and Diluted (₹)		29.52	24.62
Before contribution to Core Settlement Guarantee Fund			
- Basic and Diluted (₹)		29.52	26.39
Summary of significant accounting policies	1		
Notes refer to above form an integral part of consolidated statement of profit and loss			

This is the Consolidated Statement of Profit & loss referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm's Registration no : 304026E / E-300009

For and on behalf of the Board of Directors

Sumit Seth

Partner

Membership No.: 105869

Ashok Chawla

Chairman

[DIN:00056133]

Dinesh Kanabar

Director

[DIN:00003252]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date : May 4, 2018

Yatrik Vin

Chief Financial Officer

S. Madhavan

Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(A) EQUITY SHARE CAPITAL	(₹ in Crores)
Balance as at 01.04.2016	45.00
Issue of bonus shares	4.50
Balance as at 31.03.2017	49.50
Changes in equity share capital during the year	0.00
Balance as at 31.03.2018	49.50

Particulars	Reserves and Surplus						Other Reserves				Total other Equity
	Securities premium reserve	Retained earnings *	CSR Reserve	Liquidity Enhancement Scheme Incentive Reserve	Other reserves** (Refer Note 13b)	Total Reserves and Surplus	FVOCI equity instruments	FVOCI debt instruments	Foreign Currency Translation Reserve	Total other reserves	
Balance as at 01.04.2016	40.00	6,617.76	-	-	63.89	6,721.65	109.09	(7.97)	(0.10)	101.02	6,822.67
Profit for the period	-	1,218.82	-	-	-	1,218.82	-	-	-	-	1,218.82
Transfer to CSR Reserve	-	(72.06)	72.06	-	-	-	-	-	-	-	-
Other Comprehensive Income	-	(8.62)	-	-	-	(8.62)	(23.58)	8.25	(2.40)	(17.73)	(26.35)
Appropriation to Core Settlement Guarantee Fund (net of tax)	-	(24.55)	-	-	-	(24.55)	-	-	-	-	(24.55)
Issue of Bonus shares	(4.50)	-	-	-	-	(4.50)	-	-	-	-	(4.50)
Transaction with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	-	-
Dividend paid (including dividend distribution tax)	-	(825.96)	-	-	-	(825.96)	-	-	-	-	(825.96)
Balance as at 31.03.2017	35.50	6,905.38	72.06	-	63.89	7,076.84	85.51	0.28	(2.50)	83.29	7,160.13

(₹ in Crores)

Particulars	Reserves and Surplus					Other Reserves				Total other Equity	
	Securities premium reserve	Retained earnings *	CSR Reserve	Liquidity Enhancement Scheme Incentive Reserve	Other reserves** (Refer Note 13b)	Total Reserves and Surplus	FVOCI equity instruments	FVOCI debt instruments	Foreign Currency Translation Reserve		Total other reserves
Balance as at 01.04.2017	35.50	6,905.38	72.06	-	63.89	7,076.84	85.51	0.28	(2.50)	83.29	7,160.13
Profit for the period	-	1,461.47	-	-	-	1,461.47	-	-	-	-	1,461.47
Transfer to CSR Reserve	-	72.06	(72.06)	-	-	-	-	-	-	-	-
Other Comprehensive Income	-	(0.91)	-	-	-	(0.91)	6.67	(14.82)	0.29	(7.86)	(8.77)
Appropriation to Core Settlement Guarantee Fund (net of tax)	-	(165.43)	-	-	-	(165.43)	-	-	-	-	(165.43)
Share Issue Expenses	-	(0.38)	-	-	-	(0.38)	-	-	-	-	(0.38)
Contribution to Investor Protection Fund	-	(0.10)	-	-	-	(0.10)	-	-	-	-	(0.10)
Transfer to Liquidity Enhancement Scheme Incentive Reserve	-	(5.08)	-	5.08	-	-	-	-	-	-	-
Liquidity Enhancement Scheme Incentive paid/payable	-	1.50	-	(1.50)	-	-	-	-	-	-	-
Transaction with owners in their capacity as owners											
Dividend paid (including dividend distribution tax)	-	(1,146.86)	-	-	-	(1,146.86)	-	-	-	-	(1,146.86)
Balance as at 31.03.2018	35.50	7,121.66	0.00	3.58	63.89	7,224.63	92.18	(14.54)	(2.21)	75.43	7,300.06

Particulars	31.03.2018	31.03.2017
* Includes General Reserves	4,441.04	4,441.04
** Includes capital reserve on consolidation	39.39	39.39
** Includes capital redemption reserve	13.00	13.00
** Includes staff welfare reserve	1.50	1.50
** Includes investor compensation activities	10.00	10.00

As per our report attached

For Price Waterhouse & Co Chartered Accountants LLP For and on behalf of the Board of Directors

Chartered Accountants

Firm's Registration no : 304026E / E-300009

Sumit Seth

Partner

Membership No.: 105869

Place : Mumbai

Date : May 4, 2018

Ashok Chawla

Chairman

[DIN:00056133]

Yatrik Vin

Chief Financial Officer

Dinesh Kanabar

Director

[DIN:00003252]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

S. Madhavan

Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

Particulars	(₹ in Crores)	
	For the year ended 31.03.2018	For the year ended 31.03.2017
A) CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	2,197.04	1,774.64
Adjustments for		
Depreciation and amortisation expense	125.59	118.14
Interest income from financial assets at amortised cost	(145.96)	(135.65)
Interest Income from investments	(255.75)	(265.41)
Interest income from investments designated at FVOCI	(38.52)	(42.47)
Rental income	(4.72)	(6.96)
Dividend income	(0.79)	(2.95)
Net fair value gain on financial assets mandatorily measured at FVPL	(142.55)	(138.04)
Net gain on sale of investments	(87.65)	(253.03)
Net gain on sale of investments of associate (i.e. National Securities Depository Limited)	-	(2.06)
Net gain on disposal of property, plant and equipment	(12.66)	(0.20)
Doubtful debts written off	2.35	25.05
Provision for doubtful debts	0.74	1.41
Impairment in value of investments	2.93	9.29
Asset written off	11.78	-
Cost of investment written off	-	0.99
Share of net profit of associates and joint ventures accounted by using equity method	(122.34)	(111.67)
Change In operating assets and liabilities		
(Increase)/Decrease in trade receivables	(86.48)	(62.24)
(Increase)/Decrease inventories	0.01	0.01
Increase/(Decrease) in trade payables	31.99	31.04
(Increase)/Decrease in other financial assets	10.09	(9.61)
(Increase)/Decrease in other assets	(18.69)	(18.62)
Increase/(Decrease) in other financial liabilities	(1,941.29)	4,777.97
Increase/(Decrease) in provisions	5.19	5.31
Increase/(Decrease) in other liabilities	(88.32)	136.26
Refund / proceeds of deposits	112.63	128.13
Change in Core Settlement Guarantee Fund balance	259.30	255.30
CASH GENERATED FROM OPERATIONS	(186.08)	6,214.63
Income taxes paid	(615.05)	(448.13)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES - TOTAL (A)	(801.13)	5,766.50
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(182.28)	(146.54)
Proceeds from property, plant and equipment	20.37	0.51
Proceeds from rental income	4.72	6.96
(Payment) / proceeds from investments (Net)	(247.16)	957.52
Payment for investment in associates and joint ventures	-	(7.50)
(Payment) / proceeds from fixed deposits / bank balances other than cash & cash equivalents (Net)	187.87	(1,162.43)
Interest received	427.94	412.13
Dividend received (including dividend from associate companies)	52.92	38.81
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES - TOTAL (B)	264.38	99.46

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Crores)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid (including dividend distribution tax)	(1,146.86)	(825.96)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES - TOTAL (C)	(1,146.86)	(825.96)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	(1,683.61)	5,040.00
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	7,927.75	2,887.75
CASH AND CASH EQUIVALENTS AT END OF THE YEAR *	6,244.14	7,927.75
* Includes amount received from members towards settlement obligation and margin money. (Refer Note 11 & 16)		
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	(1,683.61)	5,040.00
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents	6,244.14	7,927.75
Bank overdrafts	-	-
Balances per statement of cash flows	6,244.14	7,927.75

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm's Registration no : 304026E / E-300009

Sumit Seth

Partner

Membership No.: 105869

Place : Mumbai

Date : May 4, 2018

For and on behalf of the Board of Directors

Ashok Chawla

Chairman

[DIN:00056133]

Yatrik Vin

Chief Financial Officer

Dinesh Kanabar

Director

[DIN:00003252]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

S. Madhavan

Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

Background

The National Stock Exchange of India Limited ("NSE" or "the Parent Company") established in 1992 is the first demutualized electronic exchange in India. NSE was the first exchange in the country to provide a modern, fully automated screen-based electronic trading system which offered easy trading facility to the investors spread across the country. NSE offers trading in equity, equity derivatives, debt and currency derivatives segments.

The consolidated financial statements relates to the Parent Company, its subsidiary companies and associates (collectively referred to as "the Group").

Note 1: SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements ("financial statements"). These policies have been consistently applied to all the years / periods presented, unless otherwise stated.

(a) Basis of preparation

These consolidated financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act, 2013 and Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements for the year ended March 31, 2018 has been approved by the Board of directors of the Company in their meeting held on May 4, 2018.

(i) Historical cost convention

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

- certain financial assets that are measured at fair value, and
- defined benefit plans - plan assets measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

(ii) Principles of consolidation and equity accounting

i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

iii) Joint Arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only joint ventures.

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note (i) below

v) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(b) Foreign currency translation and transactions

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian currency (INR), which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognised in statement of profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

(iii) Group Companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to statement of profit or loss, as part of the gain or loss on sale.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, incentives, service taxes and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue is recognised in the period when the service is provided as per arrangements/agreements with the customers. The sources of revenue are:

- (i) Transaction charges – revenue is recognised on transactions in accordance with the Group's fee scales as and when the transaction occurs.
- (ii) Subscription and other fees – revenue is recognised on a straight-line basis over the period to which the fee relates.
- (iii) Book building fees – revenue is recognised at the time of completion of book building process.
- (iv) Revenue from the sale of goods (software product licenses, digital certificates and resale of hardware & software) is recognised when the Group transfers to buyer the significant risks and rewards of ownership of the goods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

- (v) Revenue from consulting services (software development) is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method). Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.
- (vi) Revenues from Information Technology & Process support charges and maintenance are recognised on time and material basis based on the terms agreed with the customers.
- (vii) Others – all other revenue is recognised in the period in which the service is provided.

In respect of members who have been declared as defaulters by the Group all amounts (dues) remaining to be recovered from such defaulters, net of available security and insurance cover available if any, till the date of being declared as defaulters are written off as bad debts. All subsequent recoveries are accounted when received.

Penal charges in respect of shortages due from the respective member is recognised in profit and loss as part of other revenue to the extent such charges are recoverable in the period of declaration of default.

Insurance claims are accounted on accrual basis when the claims become due and payable.

(d) Inventory

The Inventory is valued at cost or net realisable value whichever is lower. Cost of inventories include all other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(e) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to consolidated statement of profit and loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity. The dividend distribution tax paid by the subsidiaries for which the set off has been availed by the Parent company has been recognized in equity.

(f) Leases

As a lessee

Leases of property, plant and equipment and land where the Group, as lessee, has substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(g) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- the fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business consideration is achieved in stages, the acquisition date carrying value of the acquirers previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

(h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(i) Cash and cash equivalents

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked/restricted for specific purposes.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(k) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised under other income. Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss under other income in the period in which it arises. Interest or dividend income, if any from these financial assets is separately included in other income.

Equity investments (other than investments in associates and joint venture)

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income in the statement of profit and loss.

Purchase and sale of investments are accounted at trade date.

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is de-recognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(iv) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

(l) Financial liabilities

(i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(ii) Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

(iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

(iv) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(m) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

(n) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Building	60 years
Furniture and fixture	5 to 10 years
Office equipment	4 to 5 years
Electrical equipment	10 years
Computer systems office automation	3 years
Computer systems – others	4 years
Computer software	4 years
Telecommunication systems	4 years
Trading systems	4 years
Clearing & Settlement Systems	4 years

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

The useful lives for computer systems office automation, computer systems – others, computer software, telecommunication systems, trading systems and clearing & settlement systems have been determined based on technical evaluation done by the management's expert which are lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted on a prospective basis if appropriate, at the end of each reporting period.

In case of subsidiary company NSEIT Limited, fixed assets are depreciated as per the useful life specified under schedule II to Companies Act 2013 except the furniture and fixtures, electrical installation and office equipment including civil improvements at leased premises which are depreciated over the lease period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.

Fixed assets whose aggregate cost is ₹ 5,000 or less are depreciated fully in the year of acquisition.

(p) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is accounted as investment property. Investment property is measured initially at its cost, including related transaction costs.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years.

(q) Intangible assets

(i) Goodwill:

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(ii) Other intangible assets:

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Computer software is amortised over a period of 4 years.

(r) Trade and other payables

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

(s) Provisions

Provisions for legal claims and discounts/incentives are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

At the end of each reporting period, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at a future date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(t) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not disclosed in case the possibility of an outflow of resources embodying economic benefits is remote.

(u) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet since the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, and
- (b) defined contribution plans such as provident fund and superannuation.

Gratuity obligations

The Group has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to yields on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iv) Defined contribution plans

Provident fund

The Company has established 'National Stock Exchange of India Limited Employee Provident Fund Trust' and one of the subsidiary, NSE Infotech Services Limited has established 'NSE Infotech Services Limited Employee Provident Fund Trust' to which both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary, respectively. Such contribution to the provident fund for all employees, are charged to the profit and loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is provided for by the Group.

One of the subsidiary, NSEIT Limited contributes to the Government administered fund and the same is charged to statement of profit and loss.

Superannuation

Superannuation benefits for employees designated as chief managers and above are covered by Group policies with the Life Insurance Corporation of India. Group's contribution payable for the year is charged to profit and loss. There are no other obligations other than the annual contribution payable.

(v) Bonus plans

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

In case of the Parent Company and one of the subsidiary company, SEBI has laid down certain norms in terms of the compensation policy for the key management personnel which are as under :

- A. The variable pay component will not exceed one third of the total pay.
- B. 50% of the variable pay will be paid on a deferred basis after three years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(v) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(w) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(x) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(y) Core Settlement Guarantee Fund

The Group contributes to Settlement Guarantee Fund/ Core Settlement Guarantee Fund in accordance with Securities Exchange Board of India ('SEBI') (Stock Exchanges and Clearing Corporations) Regulation 2012. National Stock Exchange of India Limited (the Parent company) contributes 25% of its annual profits along with its clearing corporation subsidiary, National Securities Clearing Corporation Limited contributes amounts pertaining to Minimum Required Corpus to the Core Settlement Guarantee Fund, which is determined as per SEBI guidelines. The contribution to Settlement Guarantee Fund/ Core Settlement Guarantee Fund by the Parent Company is recorded as an expense in the Consolidated Statement of Profit and Loss and contribution by its clearing corporation subsidiary is recorded as an appropriation from Group's retained earnings and such amounts are separately disclosed as Core Settlement Guarantee Fund in the Consolidated balance sheet.

As per SEBI guidelines, the Group invests balances in Core Settlement Guarantee Fund in prescribed category of securities which are earmarked/restricted and income earned on such investments are attributed directly and credited to the fund balance. Fines and penalties recovered by the Group from members are also directly attributed and credited to the fund balance.

The Group records a loss in its Statement Profit and Loss in case of a default event, as per the default waterfall defined under the SEBI regulations, including by utilization of the Core Settlement Guarantee Fund balance. (Refer note 37).

(z) Non- Current assets held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell. Non-current assets classified as held for sale are presented separately from other assets in the balance sheet.

(aa) Rounding of amounts

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

(bb) Reclassification

Previous year figures have been reclassified / regrouped wherever necessary.

(cc) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

The areas involving critical estimates or judgements are:

Estimation of fair value of unlisted securities Note 40

Estimation of useful life of intangible assets Note 3

Estimation of defined benefit obligation Note 30

Estimation of contingent liabilities refer Note 34

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

(dd) Recent Accounting Pronouncements

(i) Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

A new five steps process must be applied before revenue can be recognised.

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The new standard is mandatory for financial years commencing on or after 1 April 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group is in the process of assessing the detailed impact of Ind AS 115. Presently, the Group is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements.

(ii) Other Updates

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration. The amendment clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force on April 1, 2018. The Group has evaluated the effect of this on the financial statements and the impact is not expected to be material.

Other Amendments - Amendments to Ind AS 40 Investment Property, Amendment to Ind AS 12 Income Taxes, Amendments to Ind AS 28, Investment in Associates and Joint Ventures and Ind AS 112 Disclosure of Interest in Other Entities are not applicable to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 2 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Freehold land	Leasehold land	Owned building (Refer note 2.1)	Office equipments	Electrical equipment & installations	Furniture & Fixtures	Trading systems	Computer systems office automation	Computer systems others	Tele-communication systems	Clearing and settlement system	Total	Capital work in progress
Gross carrying amount													
Cost as at 01.04.2016	35.51	107.62	174.51	74.46	102.86	45.94	190.70	27.08	199.78	174.81	31.33	1,164.60	15.06
Additions	-	-	-	3.31	1.19	5.91	10.04	1.87	28.54	22.62	0.58	74.06	139.68
Disposals	-	-	-	(0.09)	(0.01)	(0.13)	-	(0.52)	(0.60)	(0.66)	-	(2.01)	(1.78)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(74.06)
Closing gross carrying amount	35.51	107.62	174.51	77.68	104.04	51.72	200.74	28.43	227.72	196.77	31.91	1,236.65	78.90
Accumulated depreciation													
Accumulated depreciation as at 01.04.2016	-	26.43	35.17	54.73	34.24	27.37	171.86	21.04	124.96	135.12	26.50	657.42	-
Depreciation charge during the period	-	1.30	3.03	8.01	8.09	4.42	10.52	2.43	36.47	19.76	2.08	96.11	-
Disposals	-	-	-	(0.06)	-	(0.13)	-	(0.53)	(0.60)	(0.38)	-	(1.70)	-
Closing Accumulated depreciation	-	27.73	38.20	62.68	42.33	31.66	182.38	22.94	160.83	154.50	28.58	751.83	-
Net carrying amount as at 31.03.2017	35.51	79.89	136.31	15.00	61.71	20.06	18.36	5.49	66.89	42.27	3.33	484.82	78.90
Gross carrying amount													
Cost as at 01.04.2017	35.51	107.62	174.51	77.68	104.04	51.72	200.74	28.43	227.72	196.77	31.91	1,236.65	78.90
Additions	-	-	13.54	16.50	11.83	10.86	12.05	6.10	49.63	37.25	2.79	160.56	97.34
Disposals	(3.30)	-	(3.38)	(3.36)	(4.45)	(2.69)	(43.08)	(0.51)	(24.93)	(22.13)	(0.42)	(108.25)	(0.02)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(144.50)
Closing gross carrying amount	32.21	107.62	184.67	90.82	111.42	59.89	169.71	34.02	252.42	211.89	34.28	1,288.96	31.72
Accumulated depreciation													
Accumulated depreciation as at 01.04.2017	-	27.73	38.20	62.68	42.33	31.66	182.38	22.94	160.83	154.50	28.58	751.83	-
Depreciation charge during the period	-	1.29	3.35	8.68	8.61	5.10	10.45	4.31	35.83	22.80	1.90	102.32	-
Disposals	-	-	(1.10)	(3.29)	(3.64)	(2.41)	(43.08)	(0.51)	(24.16)	(21.92)	(0.43)	(100.54)	-
Net carrying amount as at 31.03.2018	32.21	78.60	144.22	22.75	64.12	25.54	19.96	7.28	79.92	56.51	4.23	535.35	31.72

Note 2.1 : Includes investment property for which cost and fair value details are as follows:

Particulars	31.03.2018	31.03.2017
Net carrying amount of investment property	4.41	4.87
Fair value of investment property	63.84	53.03
Depreciation	0.10	0.11
Rental income	4.72	6.55

Note 2.2: Capital and other Contractual commitment Refer note 33

Note 2.2: Estimation of fair value

The group obtains independent valuations / quotations for its investment property. The best evidence of fair value is current prices in an active market for similar property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 3 : INTANGIBLE ASSETS

(₹ in Crores)

	Goodwill	Other intangible assets			Intangible under development
		Computer software	Software copyrights	Total	
Gross carrying amount					
Cost as at 01.04.2016	67.35	213.78	2.59	216.37	23.31
Additions	-	21.46	-	21.46	33.59
Disposals	-	(0.36)	-	(0.36)	(0.52)
Transfers	-	-	-	-	(21.40)
Closing gross carrying amount	67.35	234.88	2.59	237.47	34.98
Accumulated amortisation					
Accumulated amortisation as at 01.04.2016	-	167.90	2.59	170.49	-
Amortisation charge during the period	-	22.03	-	22.03	-
Disposals	-	(0.36)	-	(0.36)	-
Closing Accumulated amortisation	-	189.57	2.59	192.16	-
Net carrying amount as at 31.03.2017	67.35	45.31	-	45.31	34.98
Gross carrying amount					
Cost as at 01.04.2017	67.35	234.88	2.59	237.47	34.98
Additions	-	36.22	-	36.22	35.52
Disposals	-	(12.38)	-	(12.38)	(10.00)
Transfers	-	-	-	-	(26.81)
Closing gross carrying amount	67.35	258.73	2.59	261.32	33.69
Accumulated amortisation					
Accumulated amortisation as at 01.04.2017	-	189.57	2.59	192.16	-
Amortisation charge during the period	-	23.27	-	23.27	-
Disposals	-	(4.41)	-	(4.41)	-
Closing Accumulated amortisation	-	208.43	2.59	211.02	-
Net carrying amount as at 31.03.2018	67.35	50.30	-	50.30	33.69

Significant estimate: Useful life of Intangible assets under development

The Group has completed the development of software that is used in its various business processes. As at 31 March 2018, the net carrying amount of this software was ₹ 50.30 crores (31 March 2017: ₹ 45.31 crores). The Group estimates the useful life of the software to be 4 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 4 years, depending on technical innovations and competitor actions.

Impairment of goodwill

For the purpose of impairment testing, goodwill is allocated to a cash generating unit, representing the lowest level within the Group at which goodwill is monitored for internal management purposes and which is not higher than the Group's operating segment. The goodwill of ₹65.59 crores relates to the index licensing services business of the Group and ₹1.76 crores relates to datafeed services. The recoverable amount of the cash generating unit has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

The Group has carried out annual goodwill impairment assesment as at March 31, 2018 and March 31, 2017. The carrying amount does not exceed the recoverable amount of the cash generating units. Accordingly, there were no impairment recorded for the year ended March 31, 2018 and March 31, 2017.

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating units.

Note : 3.1 Capital and other Contractual commitment Refer note 33

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 4 : NON-CURRENT INVESTMENTS

Particulars	31.03.2018		31.03.2017	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
(A) Investment in equity instruments				
(i) Quoted equity instruments at FVOCI				
In other companies				
MCX Limited	5,000	0.33	5,000	0.68
Total quoted equity instruments		0.33		0.68
(ii) Unquoted equity instruments at FVOCI				
In other companies				
National Commodity & Derivative Exchange Limited	76,01,377	136.51	76,01,377	128.00
Goods And Service Tax Network (Section 8 company) (Refer Note 4.1)	10,00,000	-	10,00,000	-
Total in other companies		136.51		128.00
Total equity instruments		136.84		128.68
(B) Investments in preference shares				
Unquoted preference shares				
In associate company at FVPL				
10% Optionally Convertible Redeemable Preference Shares of Power Exchange of India Limited (Refer Note 4.2)	50,00,000	-	50,00,000	-
Total preference shares		-		-
(C) Investment in exchange traded funds (ETF)				
Quoted exchange traded funds at FVPL				
CPSE ETF	1,52,57,095	42.74	2,54,70,000	71.85
SBI-ETF Nifty 50	41,89,000	42.70	24,13,000	22.32
ICICI Prudential Nifty iWIN ETF	60,06,000	62.65	23,26,000	21.75
Kotak Mahindra MF - Kotak Banking ETF	18,73,628	46.42	7,78,500	16.96
R Shares Nifty Bees	8,33,158	87.42	5,40,200	50.69
R Shares Bank Bees	3,92,285	96.72	2,37,000	51.40
Total exchange traded funds		378.65		234.97
(D) Investment in bonds				
Quoted bonds at amortised cost				
(i) Tax free bonds				
7.35% National Bank For Agricultural & Rural Development - 23 Mar 2031	5,00,000	52.01	5,00,000	52.10
7.64% National Bank For Agricultural & Rural Development - 23 Mar 2031	4,00,000	42.25	4,00,000	42.35
8.67% National Hydroelectric Power Corporation Limited - 02 Nov 2033	3,00,000	38.97	3,00,000	39.21
6.86% India Infrastructure Finance Company Limited - 26 Mar 2023	2,50,000	24.64	2,50,000	24.57
8.46% Rural Electrification Corporation Limited - 24 Sep 2028	2,50,000	27.76	2,50,000	27.89
8.67% Power Finance Corporation Limited - 16 Nov 2033	2,50,000	31.18	2,50,000	31.38
7.18 % Indian Railway Finance Corpn Ltd - Tranche 1 - Series 1 - 19 Feb 2023	2,50,000	31.61	2,50,000	31.72
7.51% Housing & Urban Development Corporation Limited - 16 Feb 2028	2,50,000	25.94	2,50,000	25.99
8.20% Housing & Urban Development Corporation Limited - 05 Mar 2027	2,00,000	22.57	2,00,000	22.78
7.39% Housing & Urban Development Corporation Limited - 15 Mar 2031	2,00,000	21.95	2,00,000	22.03
7.19% India Infrastructure Finance Company Limited - 22 Jan 2023	1,95,000	20.12	1,95,000	20.06
8.20% Power Finance Corporation Limited - Tranche 1 - Series 1 - 01 Feb 2022	1,35,436	14.37	1,35,436	14.44
7.27% Power Finance Corporation Limited - 17 Oct 2030	1,00,000	11.15	1,00,000	11.19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2018		31.03.2017	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
7.19% Housing & Urban Development Corporation Limited 28 Mar 2028	1,00,000	10.09	1,00,000	10.09
7.43% Rural Electrification Corporation Limited - 05 Nov 2035	1,00,000	10.75	1,00,000	10.76
8.66% India Infrastructure Finance Company Limited - 22 Jan 2034	1,00,000	11.83	1,00,000	11.89
7.34% Indian Railway Finance Corporation Limited - 19 Feb 2028	1,00,000	10.49	1,00,000	10.50
7.35% National Highways Authority Of India - 11 Jan 2031	3,50,000	40.89	1,00,000	10.76
7.36% India Infrastructure Finance Company Limited - 22 Jan 2028	1,00,000	10.32	1,00,000	10.33
8.40% Indian Railway Finance Corporation Limited - 18 Feb 2029	1,00,000	11.76	1,00,000	11.82
8.41% NTPC Limited - 16 Dec 2023	1,29,162	14.53	1,29,162	14.72
8.00 % Indian Railway Finance Corporation Limited - Tranche 1 - Series 1 - 23 Feb 2022	65,252	6.96	65,252	7.01
7.93 % Rural Electrification Corporation Limited - Tranche 1 - Series 1 - 27 Mar 2022	61,238	6.85	61,238	6.93
8.63% National Housing Bank - 13 Jan 2029	80,000	48.07	60,000	36.06
7.40% India Infrastructure Finance Company Limited - 22 Jan 2033	50,000	5.48	50,000	5.50
8.66% NTPC Limited - 16 Dec 2033	50,000	6.20	50,000	6.24
8.54% Power Finance Corporation Limited - 16 Nov 2028	50,000	5.93	50,000	5.99
8.20% National Highways Authority Of India - Tranche 1 - Series 1 - 25 Jan 2022	37,086	3.86	37,086	3.86
8.68% National Housing Bank - 24 Mar 2029	10,000	5.96	10,000	6.01
7.28% National Highways Authority of India - 18 Sep 2030	1,100	119.93	950	102.01
8.09% - Power Finance Corporation Limited - Series 80 A - 25 Nov 2021	500	5.44	500	5.52
7.19% Indian Railway Finance Corporation Limited - 31 Jul 2025	500	53.84	500	53.88
6.89% National Housing Bank - 22 Mar 2023	350	36.05	350	36.23
8.46% National Housing Bank - Series V - 30 Aug 2028	300	33.95	300	34.12
7.15% NTPC Limited - 21 Aug 2025	200	21.14	200	21.16
8.63% NTPC Limited - 04 Mar 2029	200	23.66	200	23.89
8.46% Rural Electrification Corporation Limited - 29 Aug 2028	400	48.19	200	23.61
8.46% India Infrastructure Finance Company Limited - 30 Aug 2028	200	22.85	200	22.98
8.35% Indian Railway Finance Corporation Limited - 21 Nov 2023	150	16.21	150	16.21
8.48% India Infrastructure Finance Company Limited 05 Sep 2028	150	17.04	150	17.13
7.21% Rural Electrification Corporation Limited -21 Nov 2022	100	10.44	100	10.48
7% Housing & Urban Development Corporation Limited - 09 Oct 2025	100	10.34	100	10.33
7.07% Housing & Urban Development Corporation Limited - 01 Oct 2025	100	10.35	100	10.35
7.35% Indian Railway Finance Corporation Ltd 2031	1,50,000	17.51	-	-
8.46% Power Finance Corporation Limited - 30 Aug 2028	50	6.13	-	-
Total tax free bonds		1,027.56		922.07
(ii) Taxable bonds				
8.80% Power Grid Corporation of India Limited - 13 Mar 2023	500	50.49	500	50.54
8.39% Power Finance Corporation Limited - 19 Apr 2025	250	24.90	250	24.87
8.82% Rural Electrification Corporation Limited - Sr 114 - 12 Apr 2023	150	16.37	150	16.39
11.25% Power Finance Corporation Limited - 28 Nov 2018	-	-	100	10.69
8.40% Power Grid Corporation Of India Limited - 27 May 2024	50	5.31	50	5.31
8.70% Power Grid Corporation Of India Limited 15-Jul-2013	-	-	50	5.50
8.70% Power Grid Corporation of India Limited 15-Jul-2023	50	5.47	-	-
Total taxable bonds		102.54		113.30
Total bonds		1,130.11		1,035.36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 4 : NON-CURRENT INVESTMENTS (contd..)

Particulars	31.03.2018		31.03.2017	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
(E) Investment in debentures				
Quoted at amortised cost				
8.58% Infrastructure Leasing & Financial Services Limited - 01 Dec 2018	-	-	2,50,000	25.72
8.70% Il&Fs Financial Services Limited-Ncd--30Sp2018-	-	-	2,50,000	26.09
8.90% Il&Fs Financial Services Limited-Deb-21032019	-	-	2,50,000	25.07
8.74% Infrastructure Leasing & Financial Services Limited - 10 Aug 2018	-	-	2,50,000	26.40
0% Infrastructure Leasing & Financial Services Limited - 10 Apr 2018	-	-	1,50,000	17.69
8.77% Icici Home Finance Co. Limited-Deb-21122018	-	-	500	25.05
8.80% Kotak Mahindra Prime Limited - 26 Jun 2018	-	-	450	47.86
8.71% Can Fin Homes Ltd - 07 Aug 2018	-	-	350	36.98
7.65% Bajaj Finance Limited - 10 Feb 2020	300	30.31	300	30.31
8.48% HDB Financial Services Limited - 13 May 2019	250	26.81	250	26.77
0% HDB Financial Services Limited - 16 Dec 2019	250	28.32	250	26.23
7.90% Tata Sons Limited - 03 Mar 2020	250	26.55	250	25.12
8.79% Bajaj Finance Limited - 10 May 19	250	25.60	250	25.84
9.25% Tata Sons Limited - 19 Jun 2019	250	25.54	250	26.13
9.90 % Tata Sons Limited 2016	-	-	250	26.74
8.80% Kotak Mahindra Prime Limited 10 Jul 2018	-	-	150	15.96
8.71% HDB Financial Services Limited - 20 Oct 2018	-	-	100	10.55
7.90% Bajaj Finance Limited - 27 Sep 2019	100	10.43	100	10.44
8.25% Bajaj Finance Limited - 19 Aug 2019	100	10.58	100	10.63
8.41% Can Fin Home Finance	-	-	100	10.44
8.80% Can Fin Homes Ltd - Deb - 02 Jul 2018	-	-	100	10.66
8.90% HDB Financial Services Limited - 28-Feb-2019	-	-	100	10.30
9.05% Fullerton India Credit Comapny Limited - 30 April 2018 - Series 33-A	-	-	50	5.41
7.95% HDFC Limited - 23 Sep 2019	50	52.50	50	52.56
8.45% Can Fin Home Finance	-	-	50	5.20
8.72% Lic Housing Finance - 28 Nov 2019	50	5.21	50	5.25
10.25% Mahindra & Mahindra Financial Services Limited-Deb-08-Oct-2018	-	-	50	5.35
7.80% HDFC Limited - 11 Nov 2019	25	25.74	25	25.74
7.7435% Bajaj Finance Limited - 30 Jun 2020	250	26.91	-	-
7.70% HDB Financial Services Limited - 12 Jun 2020	250	26.65	-	-
7.52% HDB Financial Services Limited - 17 Aug 2020	250	26.38	-	-
7.35% Tata Sons Limited - 18 Aug 2020	250	26.08	-	-
7.59% Kotak Mahindra Investments Limited - 31 Oct 2019	250	25.79	-	-
9.44% Lic Housing Finance - 30 Aug 2019	150	16.04	-	-
8.97% Tata Sons Limited - 15 Jul 2020	50	5.47	-	-
8.97% Lic Housing Finance - 29 Oct 2019	50	5.27	-	-
9.47% Bajaj Finance Limited - 22 Oct 2019	50	5.34	-	-
Total debentures		431.52		596.50
(F) Investment in government securities				
Quoted investment in government securities at FVOCI				
7.61% Government of India - 09 May 2030		154.64		159.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2018		31.03.2017	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
8.60% Government of India - 02 Jun 2028		76.96		50.65
9.20% Government of India - 30 Sep 2030		-		63.46
8.15% Government of India - 24 Nov 2026		68.91		16.45
8.67% Maharashtra SDL - 24 Feb 2026		-		5.59
8.97% Government of India - 05 Dec 2030		140.93		-
6.97% Government Of India - 06 Sep 2026		58.23		-
6.79% Government Of India - 26-Dec-2029		24.23		-
8.67% Maharashtra SDL - 24 Feb 2026		5.27		-
Total government securities		529.17		296.01
(G) Mutual Funds				
(i) Quoted Mutual funds at FVPL				
Fixed Maturity Plans				
ICICI Prudential Fixed Maturity Plan - Series 80 - 1187 Days Plan G - Direct-Growth	2,50,00,000	26.81	2,50,00,000	25.09
Reliance Fixed Horizon Fund - XXXIII - Series 4 - 1208 Days	2,50,00,000	26.86	2,50,00,000	25.16
Reliance Fixed Horizon Fund - XXXIII - Series 6 - 1201 Days - Direct - Growth	2,50,00,000	26.78	2,50,00,000	25.06
Reliance Fixed Horizon Fund XXXIII Series 3 - 1215 Days - Direct - Growth	2,50,00,000	26.88	2,50,00,000	25.19
Kotak FMP Series 202 - 1144 Days - Direct - Growth	2,10,00,000	22.46	2,10,00,000	21.04
Birla Sun Life Fixed Term Plan - Series OI (1120 Days)	2,00,00,000	21.49	2,00,00,000	20.12
Kotak Fmp Series 199 - 1147 Days	2,00,00,000	21.52	2,00,00,000	20.15
Reliance Fixed Horizon Fund - XXXIII - Series 7 - 1197 Days - Direct - Growth	2,00,00,000	21.39	2,00,00,000	20.02
Reliance Fixed Horizon Fund XXXII Series 9 - 1285 Days	2,00,00,000	21.51	2,00,00,000	20.13
Reliance Fixed Horizon Fund XXXIII Series 1 - 1222 Days	2,00,00,000	21.51	2,00,00,000	20.15
DSP Blackrock FMP Series 204 - 37M - Direct - Growth	1,50,00,000	16.09	1,50,00,000	15.10
ICICI Prudential Fixed Maturity Plan - Series 80 - 1253 Days Plan J	1,50,00,000	16.14	1,50,00,000	15.12
IDFC Fixed Maturity Plan - Series 131 - 1139 Days - Direct - Growth	1,50,00,000	16.06	1,50,00,000	15.02
Kotak FMP Series 200 - 1158 Days	1,50,00,000	16.11	1,50,00,000	15.09
Birla Sun Life Fixed Term Plan - Series Oe - 1153 Days	1,00,00,000	10.74	1,00,00,000	10.06
Birla Sun Life Fixed Term Plan - Series Og - 1146 Days	1,00,00,000	10.73	1,00,00,000	10.05
Birla Sun Life Fixed Term Plan - Series Oh - 1120 Days	1,00,00,000	10.77	1,00,00,000	10.09
Birla Sun Life Fixed Term Plan - Series OK (1135 Days) - Direct - Growth	1,00,00,000	10.71	1,00,00,000	10.03
DSP Blackrock FMP Series 205 - 37M - Direct - Growth	1,00,00,000	10.72	1,00,00,000	10.06
ICICI Prudential Fixed Maturity Plan - Series 80 - 1227 Days Plan Q	1,00,00,000	10.73	1,00,00,000	10.06
ICICI Prudential Fixed Maturity Plan - Series 80 - 1231 Days Plan P	1,00,00,000	10.74	1,00,00,000	10.06
ICICI Prudential Fixed Maturity Plan - Series 80 - 1225 Days Plan T - Direct - Growth	1,00,00,000	10.69	1,00,00,000	10.02
Icici Prudential Fixed Maturity Plan - Series 80 - 1233 Days Plan O - 29-Jul-2020	1,00,00,000	10.74	1,00,00,000	10.07
IDFC Fixed Maturity Plan - Series 129 - 1147 Days	1,00,00,000	10.77	1,00,00,000	10.08
Invesco India Fixed Maturity Plan - Series 29 - Plan B (1150 Days) - Direct - Growth	1,00,00,000	10.71	1,00,00,000	10.03
UTI Fixed Term Income Fund Series XXVI-VIII (1154 Days) - Direct - Growth	1,00,00,000	10.68	1,00,00,000	10.01
UTI-FTIF-XXVI-VI (1146 Days)	1,00,00,000	10.73	1,00,00,000	10.05
DHFL Pramerica Fixed Duration Fund Series AE	1,50,000	16.11	1,50,000	15.08

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2018		31.03.2017	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
Reliance Fixed Horizon Fund Xxxiv Series 7 - 1105 Days - Direct - Growth	1,00,00,000	10.47	-	-
HDFC FMP 1430D - Series 38 - Direct - Growth	1,00,00,000	10.32	-	-
Reliance Fixed Horizon Fund - Xxxiv - Series 9 - Direct - Growth	97,50,000	10.14	-	-
Balanced Funds				
Hdfc Prudence Fund - Direct - Growth	93,270	4.72	-	-
L&T India Prudence Fund - Direct - Growth	14,48,145	3.90	-	-
Icici Prudential Balanced Fund - Direct Growth	3,65,422	4.84	-	-
Aditya Birla Sunlife Balanced 95 Fund - Direct - Growth	50,075	3.90	-	-
Sbi Magnum Balanced Fund - Direct - Growth	3,02,971	3.90	-	-
Hdfc Balanced Fund - Direct - Growth	2,56,209	3.91	-	-
Tata Balanced Fund - Direct - Growth	1,86,744	3.91	-	-
Total quoted mutual funds		517.19		428.20
(ii) Unquoted Mutual funds at FVPL				
ICICI Prudential Ultra Short Term Plan - Direct - Growth	1,08,01,217	19.76	1,13,59,010	19.44
Axis Treasury Advantage Fund - Growth - Direct Plan	1,02,211	20.25	1,02,211	18.87
Baroda Pioneer Treasury Advantage Fund - Plan B - Direct - Growth	71,222	14.73	97,087	18.66
Kotak Treasury Advantage Fund - Direct - Growth	68,38,294	19.30	68,38,294	18.03
Reliance Medium Term Fund - Direct - Growth	51,46,322	19.13	51,46,322	17.85
HDFC Floating Rate Income Fund - Stp - Direct - Growth	60,98,830	18.53	60,98,830	17.30
Birla Sun Life Savings Fund - Direct - Growth	-	-	5,35,518	17.14
UTI Floating Rate Fund - Stp - Direct - Growth	62,902	18.31	62,902	17.10
IDFC Money Manager - Treasury Plan - Direct - Growth	64,58,675	18.02	64,58,675	16.91
Birla Sun Life Floating Rate Fund - Ltp - Direct - Growth	8,31,723	17.91	8,31,723	16.69
Reliance Liquid Fund - Cash Plan - Direct - Growth	48,451	13.60	48,451	12.72
JM High Liquidity Fund - Direct Growth	27,09,787	12.89	27,09,787	12.06
ICICI Prudential Flexible Income Plan - Growth - Direct	-	-	2,78,673	8.71
Principal Cash Management - Direct Plan - Growth	33,926	5.74	47,458	7.52
IDFC Ultra Short Term Fund - Direct - Growth	39,28,288	9.74	-	-
Reliance Money Manager Fund - Growth - Direct	25,439	6.20	-	-
Aditya Birla Sun Life Cash Manager - Direct - Growth	4,26,360	18.59	-	-
Aditya Birla Sun Life Savings Fund - Direct - Growth	11,35,875	39.07	-	-
UTI Treasury Advantage Fund - Direct - Growth	28,375	6.85	28,375	6.40
UTI Treasury Advantage Fund Growth - Direct Plan	4,748	1.15	4,748	1.07
Total unquoted mutual funds		279.77		226.46
Total non-current investments		3,403.25		2,946.18
Total non-current investments				
Aggregate Book value - Quoted Investments		2,986.97		2,591.72
Aggregate Book Value - Unquoted Investments		416.28		354.46
Aggregate Market Value of Quoted Investments		3,025.26		2,633.64

Note 4.1 Goods and Service Tax Network is incorporated under section 8 of the Companies Act, 2013 and intends to apply its profits, if any, or other income in promoting its objects and any payment of dividend to its members is prohibited. Accordingly, the investment in the company was written down to ₹ 1/-. Accordingly, the Company had written off the investment in Goods and Service Tax Network amounting to ₹0.99 crore and the same was debited to the Statement of Profit and Loss during the previous year ended March 31, 2017.

Note 4.2 During the previous year ended March 31, 2017, the Group had recorded impairment of ₹ 5.01 Crores on 10% Optionally Convertible Redeemable Preference Shares of Power Exchange India Limited since the company has negative networth. The impairment has been debited to the consolidated statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 5 : OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Non-current bank balances		
Fixed deposits with maturity for more than 12 months	187.63	434.98
Earmarked fixed deposits with maturity for more than 12 months (Refer note 5.1)	72.46	27.32
Earmarked fixed deposits with maturity for more than 12 months towards Core Settlement	754.53	667.25
Guarantee fund		
Total (a)	1,014.62	1,129.55
Others		
Security deposit for utilities and premises	2.82	7.48
Interest accrued on bank deposits(Refer note 5.1)	17.85	64.09
Interest accrued on bank deposits towards Core Settlement Guarantee fund	40.15	26.37
Total (b)	60.82	97.94

5.1 Earmarked deposits includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.

Note 6 : OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Security deposit for utilities and premises	4.31	0.22
Interest accrued on bank deposits and certificate of deposits	68.79	77.70
Interest accrued on bank deposits and certificate of deposits towards Core Settlement Guarantee Fund	97.24	43.58
Unbilled revenue	5.32	10.92
Other receivables	27.08	31.01
Total	202.74	163.43

Note 7 : OTHER NON-CURRENT ASSETS

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Capital advances	1.11	0.33
Prepaid expenses	2.94	5.23
Securities Transaction Tax paid(Refer note 7.1)	10.59	10.59
Bank balance : Fund to guarantee settlement of trades(Refer note 7.2)	-	4.87
Other receivables	-	0.08
	14.64	21.10

7.1 Securities Transaction Tax ("STT") paid represents amounts recovered by tax authorities towards STT, interest and penalty thereon recoverable from few members and ad-hoc STT, interest and penalty thereon which is disputed by the Company. The Company has recovered an amount of ₹5.39 crores against the STT paid to tax authorities from the respective members and which is held as deposit and disclosed under other non current liabilities (Refer note: 22). The contingent liability of ₹ 6.76 crores net of recoveries from members amounting to ₹ 5.39 crores disclosed under contingent liability (Refer note: 34 (d))

7.2 Represents amount in respect of one of the subsidiary which has been earmarked towards fund to guarantee settlement of trades in accordance with SEBI circular no.SEBI/HO/MRD/DSA/CIR/P/2016/125 dated November 28, 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 8 : OTHER CURRENT ASSETS

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Other Advance recoverable	9.55	6.32
Balances with statutory authorities	40.78	21.75
Advances to related parties (Refer note no.32)	-	2.49
Prepaid expenses	30.18	27.96
Other receivables	6.34	2.40
	86.85	60.92

Note 9 : CURRENT INVESTMENTS

Particulars	31.03.2018		31.03.2017	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
(A) Investment in bonds				
Quoted bonds at amortised cost				
(i) Taxable bonds				
11.25% Power Finance Corporation Limited - 28 Nov 2018	100	10.48	-	-
8.95% Nabard - 01 Jan 2018	-	-	2,500	4.74
Total taxable bonds		10.48		4.74
Total bonds		10.48		4.74
(B) Investment in debentures				
(i) Quoted debentures at amortised cost				
8.80% Kotak Mahindra Prime Limited - 26 Jun 2018	450	47.88	-	-
8.71% Can Fin Homes Limited - 07 Aug 2018	350	36.98	-	-
8.90% Il&Fs Financial Services Limited - 21 Mar 2019	2,50,000	25.07	-	-
8.77% ICICI Home Finance Company Limited - 21 Dec 2018	500	25.05	-	-
8.90% Sundaram Finance Limited - 29 Jun 2018	250	26.74	-	-
8.75% Tata Capital Limited - 17 Aug 2018	250	26.45	-	-
8.74% Infrastructure Leasing & Financial Services Limited - 10 Aug 2018	2,50,000	26.40	-	-
8.58% Tata Motors Finance Limited - 17 Aug 2018	250	26.41	-	-
9.90% Tata Sons Limited - 20 Mar 2019	250	26.23	-	-
8.70% Il&Fs Financial Services Limited - 30 Sep 2018	2,50,000	26.08	-	-
8.58% Infrastructure Leasing & Financial Services Limited - 01 Dec 2018	2,50,000	25.71	-	-
0% Infrastructure Leasing & Financial Services Limited - 10 Apr 2018	1,50,000	19.30	-	-
8.80% Kotak Mahindra Prime Limited 10 Jul 2018	150	15.96	-	-
8.80% Can Fin Homes Limited - 02 Jul 2018	100	10.66	-	-
8.71% Hdb Financial Services Limited - 20 Oct 2018	100	10.54	-	-
8.41% Can Fin Homes Limited - 30 Jan 2019	100	10.39	-	-
8.90% HDB Financial Services Limited - 28 Feb 2019	100	10.18	-	-
9.05% Fullerton India Credit Company Limited - 30 Apr 2018 - Series 33-A	50	5.41	-	-
10.25% Mahindra & Mahindra Financial Services Limited - 08 Oct 2018	50	5.28	-	-
8.58% Sundaram Finance Limited - 18 Apr 2018	50	5.41	-	-
9% Shriram Transport Finance Company Limited - 20 Apr 2018	50	5.42	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2018		31.03.2017	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
8.45% Can Fin Homes Limited - 22 Feb 2019	50	5.17	-	-
9.65% II&FS Financial Services Limited - 18 Sep 2017	-	-	2,80,000	29.45
8.74% Infrastructure Leasing & Financial Services Limited - 10 Aug 2017	-	-	1,00,000	10.57
9.10% Tata Motors Finance Limited - 20 Nov 2017	-	-	600	62.38
8.33% ICICI Home Finance - 09 Jun 2017	-	-	500	25.83
8.80% ICICI Home Finance - 15 Nov 2017	-	-	500	25.87
8.90% - Tata Cleantech Capital Limited - 03 Aug 2017	-	-	500	53.06
9.35% Piramal Enterprises Limited - 24 July 2017	-	-	500	53.31
8.75% Mahindra & Mahindra Financial Services Limited - 31 Jul 2017	-	-	400	42.34
9% Tata Capital Financial Ser. Limited - 24 May 2017	-	-	350	37.68
8.95% L&T Infrastructure Finance Company Limited - 17 July 2017	-	-	300	79.85
8.8075% Mahindra & Mahindra Financial Services Limited - 15 May 2017	-	-	250	26.87
9.15 Piramal Enterprises Limited - 10 Apr 2017	-	-	250	27.06
8.70% Kotak Mahindra Investment Limited - 11 Aug 2017	-	-	250	26.36
8.90% Kotak Mahindra Investment Limited - 11 Sep 2017	-	-	250	26.23
9.15% - Tata Cleantech Capital Limited - 17 May 2017	-	-	250	26.98
9.74% Dewan Housing Finance Corp. Limited - 09 Jun 2017	-	-	200	21.96
10.95% Dewan Housing Finance Limited - 27 Apr 2017	-	-	200	21.71
8.80% Kotak Mahindra Prime Limited - 15 Mar 2018	-	-	150	15.91
9% Fullerton India Credit Company Limited - 07-Aug-2017	-	-	50	5.31
9.60% Dewan Housing Finance Limited - 18 Nov 2017	-	-	50	5.21
9.65% Sundaram Finance Limited - 25 Aug 2017	-	-	50	5.32
8.75% Mahindra & Mahindra Financial Services Limited - 04 Aug 2017	-	-	50	5.29
0% Dewan Housing Finance Corp. Limited - 26 Apr 2017	-	-	40	5.41
Total quoted debentures		422.72		639.95
(C) Investment in mutual funds				
(i) Unquoted Mutual funds at FVPL				
L&T Ultra Short Term Fund - Direct - Growth	8,35,99,661	241.04	8,35,99,661	224.90
UTI Treasury Advantage Fund - Direct - Growth - Colocation (Refer note 9.1)	9,37,102	226.17	-	-
Tata Ultra Short Term Fund - Direct - Growth - Colocation (Refer note 9.1)	6,93,147	184.17	-	-
DSP Blackrock Ultra Short Term Fund - Dir - Growth - Colocation (Refer note 9.1)	13,67,64,789	174.28	-	-
LIC MF Savings Plus Fund - Direct - Growth - Colocation (Refer note 9.1)	6,08,74,471	168.12	-	-
Reliance Money Manager Fund - Direct - Growth - Colocation (Refer note 9.1)	5,58,037	136.01	-	-
Aditya Birla Sun Life Savings Fund - Direct - Growth - Colocation (Refer note 9.1)	32,82,008	112.88	-	-
Invesco India Ultra Short Term Fund - Direct - Growth - Colocation (Refer note 9.1)	3,57,392	87.37	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2018		31.03.2017	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
IDFC Ultra Short Term Fund - Dir – Growth - Colocation (Refer note 9.1) - Lien Mark	2,56,33,104	63.56	-	-
HDFC Floating Rate Income Fund - STP - Direct - Growth	5,45,65,681	165.78	5,80,02,154	164.49
ICICI Prudential Flexible Income Plan - Growth - Direct	41,93,337	140.42	40,84,884	127.68
Axis Treasury Advantage Fund - Growth - Direct Plan	6,16,224	122.07	49,220	9.09
UTI Money Market - Direct Plan - Growth	3,88,330	75.71	21,990	4.01
L&T Liquid Fund - Direct - Growth	2,51,986	60.05	2,30,674	51.44
JM High Liquidity Fund - Direct Growth	1,19,44,911	56.83	8,95,684	3.99
Reliance Liquid Fund - Cash Plan - Direct - Growth	1,58,262	44.43	1,87,605	49.24
Axis Liquid Fund -Direct - Growth	2,24,037	43.18	-	-
Tata Liquid Fund Direct Plan - Growth	81,194	26.01	-	-
Sundaram Ultra Short Term - Direct Plan - Growth	97,59,292	23.76	84,20,757	19.13
Aditya Birla Sun Life Savings Fund - Direct - Growth	6,31,130	21.71	-	-
HSBC Cash Fund – Direct - Growth	1,15,976	20.06	-	-
LIC MF Savings Plus Fund - Direct – Growth	72,45,359	20.01	7,62,94,877	196.47
Templeton India TMA - Direct - Growth	76,651	19.92	-	-
Aditya Birla Sun Life Cash Manager - Direct - Growth	3,65,602	15.94	-	-
DSP Blackrock Ultra Short Term Fund - Direct - Growth	1,23,73,638	15.77	15,28,43,227	182.00
IDFC Ultra Short Term Fund - Direct - Growth	63,16,387	15.66	43,28,039	10.02
Reliance Medium Term Fund - Direct - Growth	39,35,964	14.64	37,54,136	13.02
ICICI Prudential Ultra Short Term Plan - Direct - Growth	78,72,005	14.40	1,33,05,003	22.77
DHFL Pramerica Short Term FRF - Dir – Growth	-	-	5,32,77,022	96.81
IDFC Money Manager - Treasury Plan - Direct - Growth	33,22,812	9.27	1,30,13,860	34.08
Kotak Treasury Advantage Fund – Direct - Growth	36,05,814	10.18	73,99,570	19.50
Birla Sun Life Floating Rate Fund - LTP - Direct - Growth	6,37,375	13.72	67,92,218	136.28
IDFC Money Manager - Investment Plan - Direct - Growth	40,87,652	11.10	40,87,652	10.52
UTI Treasury Advantage Fund - Direct - Growth	43,020	10.38	8,23,115	185.64
Mirae Asset Cash Management Fund – Direct Plan – Growth	55,591	10.19	-	-
UTI Floating Rate Fund - STP - Direct – Growth	29,502	8.59	28,471	7.74
ICICI Prudential Liquid - Direct Plan - Growth	3,24,711	8.35	31,81,054	76.57
Tata Ultra Short Term Fund - Direct - Growth	23,595	6.27	-	-
Kotak Liquid Scheme - Plan A - Direct - Growth	16,608	5.85	16,608	5.48
Kotak Liquid Fund – Direct – Growth	14,462	5.09	-	-
Birla Sun Life Floating Rate Fund - LTP - Direct - Growth Lien Marked	1,93,079	4.16	1,57,986	3.17
Kotak Floater - Short Term - Direct - Growth	13,727	3.92	13,727	3.66
HDFC Liquid Fund - Direct - Growth	7,010	2.40	11,955	3.84
Birla Sun Life Cash Manager - Direct - Growth	41,382	1.80	1,03,941	4.22
Invesco India Ultra Short Term Fund - Direct – Growth	6,552	1.60	5,47,863	125.27
UTI Floating Rate Fund - STP - Direct – Growth Lien Marked	5,048	1.47	10,127	2.75
SBI Shdf - Ultra Short Term - Direct – Growth Lien Marked	6,434	1.45	12,391	2.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2018		31.03.2017	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
SBI Shdf - Ultra Short Term - Growth - Direct Plan	5,553	1.25	26,415	5.57
Reliance Money Manager Fund - Growth - Direct	4,908	1.20	2,44,814	55.73
ICICI Prudential Money Market Fund - Direct- Growth	39,098	0.94	96,741	2.18
UTI Treasury Advantage Fund - Direct - Growth – Lien Marked	2,954	0.71	-	-
UTI Money Market Fund - Institutional Plan - Direct - Growth	2,592	0.51	-	-
Axis Liquid Fund - Direct – Growth – Lien Mark	1,840	0.36	-	-
JM High Liquidity - Direct – Growth – Lien Mark	74,539	0.35	-	-
Uti Liquid Fund - Cash Plan -Direct- Growth	694	0.20	694	0.18
LIC Nomura MF Liquid Fund - Direct - Growth	401	0.13	18,06,370	4.77
SBI Short Term Debt Fund - Dir - Growth	5,01,241	1.03	-	-
UTI Treasury Advantage Fund - Dir - Growth	8,571	2.07	-	-
Kotak Treasury Advantage Fund - Dir - Growth	7,33,065	2.07	-	-
DSP Black Rock Ultra Short Term Fund changed(DSPBR Low Duration Fund)	16,22,981	2.07	-	-
HDFC Regular Savings Fund - Dir-Growth	5,83,563	2.06	-	-
Kotak Flexi Debt Scheme - Plan A - Direct - Growth	-	-	26,46,665	5.70
Dhfl Pramerica Insta Cash Plus Fund - Direct – Growth	-	-	24,33,797	51.42
SBI Treasury Advantage Fund - Direct – Growth	-	-	10,42,361	192.55
DSP BlackRock Ultra Short term fund direct Growth	-	-	4,23,159	0.50
Tata Liquid Fund Direcl Plan - Growth	-	-	1,71,456	51.43
Axis Banking Debt Fund - Direct – Growth	-	-	99,451	15.00
ICICI Prudential Flexible Income Plan - Growth	-	-	90,439	2.82
UTI Treasury Advantage Fund Growth - Direct Plan	-	-	56,772	12.80
Axis Treasury Advantage Fund - Ip - Growth	-	-	55,403	10.22
Birla Sun Life Cash Plus - Direct - Growth	-	-	49,716	1.30
Reliance Money Manager Fund - Growth	-	-	22,459	5.04
Tata Floater Fund - Direct - Growth	-	-	16,497	4.09
Reliance Liquidity Fund - Direct - Growth	-	-	7,377	1.81
Cannara Robecco Liquid- Direct Growth	-	-	5,620	1.11
IDBI Liquid Fund(G)-Direct	-	-	4,336	0.76
UTI Treasury Advantage Fund - Growth	-	-	4,586	1.03
HDFC Cash Management Savings Direct (G)	-	-	2,965	1.01
Total mutual funds		2,440.69		2,223.45
Total current investments		2,873.89		2,868.14
Aggregate Book value - Quoted Investments		433.20		644.69
Aggregate Book Value - Unquoted Investments		2,440.69		2,223.45
Aggregate Market Value of Quoted Investments		433.96		647.69

Note: 9.1 This represents investment made from amounts transferred in a separate bank account towards transaction charges and colocation services based on SEBI directives after taking Board's approval . These investments amounting to ₹ 1117.21 crores as of March 31, 2018 have been restricted / earmarked pursuant to the SEBI directive in the colocation matter (Refer also Note 45).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 10 : TRADE RECEIVABLES

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Outstanding for a period of over six months from the date they are due for payment		
Secured, considered good(Refer note 10.1)	3.69	4.74
Unsecured, considered good	28.49	15.48
Doubtful	-	-
	32.18	20.22
Less : Allowance for doubtful debts	-	-
	32.18	20.22
Other receivables		
Secured, considered good(Refer note 10.1)	306.59	250.63
Unsecured, considered good	57.63	42.81
Related Party, considered good (Refer Note 32)	1.28	0.63
Doubtful	0.71	1.45
	366.21	295.52
Less : Allowance for doubtful debts	0.71	1.45
	365.50	294.07
Total	397.68	314.29

10.1 Trade receivables are secured against deposits and margin money received from members (Refer note: 24 and 16).

Note 11 : CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Balances with banks :-		
In current accounts (Refer note 11.1)	1,450.66	971.98
Balance held for the purpose of meeting short term cash commitments (Refer note 11.1)	4,521.30	6,882.29
Earmarked balances towards Core Settlement Guarantee Fund	272.17	73.47
Cash on hand	0.01	0.01
	6,244.14	7,927.75

11.1 Represents amount received from members towards settlement obligations which is payable on the date of settlement of the transactions. i.e. Transaction date + 2 days & margin money from members which is also repayable on the settlement of transactions. Balance in current accounts also includes amount received from members towards settlement obligations. (Refer note 16).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 12 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Balance in Escrow Account(Refer note 12.1)	-	6.42
<i>Restricted Balances with banks :</i>		
In current accounts(Refer note 12.2)	0.10	323.88
in fixed deposits(Refer note 12.3)	82.39	-
<i>Fixed deposits</i>		
- with original maturity for more than 3 months but less than 12 months	56.31	75.61
- with maturity of less than 12 months at the balance sheet date	516.60	678.28
<i>Earmarked Deposits:</i>		
<i>Fixed deposits</i>		
- with original maturity for more than 3 months but less than 12 months (Refer note 12.4)	15.40	37.00
- with original maturity for more than 3 months but less than 12 months towards Core Settlement Guarantee Fund	136.00	493.92
- with maturity of less than 12 months at the balance sheet date towards Core Settlement Guarantee Fund	1,121.23	450.33
- with maturity of less than 12 months at the balance sheet date (Refer note 12.4)	172.91	108.44
	2,100.94	2,173.88

12.1 Balance in escrow Account represents balances kept by NSE IT Ltd towards UIDAI project of Government of India for the year ended March 2017. (Refer note 16).

12.2 This represents amounts transferred in a separate bank account towards transaction charges and colocation services based on SEBI directives which have been subsequently invested in mutual funds (Refer Note 45) and one of the subsidiary company has kept balance towards Core Settlement Guarantee Fund (Refer Note 37).

12.3 This represents amount placed as a fixed deposit by NSE Foundation.

12.4 Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor service funds and other deposits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 13 a : EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Authorised		
50,00,00,000 Equity Shares of ₹ 1 each. (Previous year : 50,00,00,000 equity shares of ₹ 1 each)	50.00	50.00
Issued, subscribed and paid-up		
49,50,00,000 equity shares of ₹ 1 each, fully paid up (Previous year : 49,50,00,000 equity shares of ₹ 1 each, fully paid up)	49.50	49.50
Total	49.50	49.50

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. They entitle the holder to participate in dividends. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

A reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period

Name of the Company	As at 31.03.2018		As at 31.03.2017	
	(Numbers in Crores)	(₹ in Crores)	(Numbers in Crores)	(₹ in Crores)
At the beginning of the year Face value of ₹ 1 each (Previous year : ₹ 10 each)	49.50	49.50	4.50	45.00
Add: Bonus Shares Issued during the year [Note 3 of 13 (b)]	-	-	0.45	4.50
	49.50	49.50	4.95	49.50
Sub-division of equity shares of ₹10 each, into equity shares having a face value of ₹ 1 [Note 3 of 13 (b)]	-	-	49.50	-
At the end of the year	49.50	49.50	49.50	49.50

Details of shareholders holding more than 5% share in the Company (No. of Shares)

Particulars	31.03.2018	31.03.2017
Life Insurance Corporation of India	6,19,13,500	6,19,13,500
State Bank of India	2,57,12,500	2,57,12,500

Details of shareholders holding more than 5% share in the Company (% shareholding)

Particulars	31.03.2018	31.03.2017
Life Insurance Corporation of India	12.51%	12.51%
State Bank of India	5.19%	5.19%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 13 b : OTHER EQUITY

Particulars	Reserves and Surplus					Other Reserves				Total other Equity	
	Securities premium reserve	Retained earnings *	CSR Reserve	Liquidity Enhancement Scheme Incentive Reserve	Other reserves**	Total Reserves and Surplus	FVOCI equity instruments	FVOCI debt instruments	Foreign Currency Translation Reserve		Total other reserves
Balance as at 01.04.2016	40.00	6,617.76	-	-	63.89	6,721.65	109.09	(7.97)	(0.10)	101.02	6,822.67
Profit for the period	-	1,218.82	-	-	-	1,218.82	-	-	-	-	1,218.82
Transfer to CSR Reserve [Refer note 42(iii)]	-	(72.06)	72.06	-	-	-	-	-	-	-	-
Other Comprehensive Income	-	(8.62)	-	-	-	(8.62)	(23.58)	8.25	(2.40)	(17.73)	(26.35)
Appropriation to Core Settlement Guarantee Fund (net of tax) (Refer note 4 below)	-	(24.55)	-	-	-	(24.55)	-	-	-	-	(24.55)
Issue of Bonus shares	(4.50)	-	-	-	-	(4.50)	-	-	-	-	(4.50)
Transaction with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	-	-
Dividend paid (including dividend distribution tax)	-	(825.96)	-	-	-	(825.96)	-	-	-	-	(825.96)
Balance as at 31.03.2017	35.50	6,905.38	72.06	-	63.89	7,076.84	85.51	0.28	(2.50)	83.29	7,160.13
Balance as at 01.04.2017	35.50	6,905.38	72.06	-	63.89	7,076.84	85.51	0.28	(2.50)	83.29	7,160.13
Profit for the period	-	1,461.47	-	-	-	1,461.47	-	-	-	-	1,461.47
Transfer to CSR Reserve [Refer note 42(iii)]	-	72.06	(72.06)	-	-	-	-	-	-	-	-
Other Comprehensive Income	-	(0.91)	-	-	-	(0.91)	6.67	(14.82)	0.29	(7.86)	(8.77)
Appropriation to Core Settlement Guarantee Fund (net of tax) (Refer note 4 below)	-	(165.43)	-	-	-	(165.43)	-	-	-	-	(165.43)
Share Issue Expenses	-	(0.38)	-	-	-	(0.38)	-	-	-	-	(0.38)
Contribution to Investor Protection Fund (Refer Note 38 b)	-	(0.10)	-	-	-	(0.10)	-	-	-	-	(0.10)
Transfer to Liquidity Enhancement Scheme Incentive Reserve (Refer Note 38 a)	-	(5.08)	-	5.08	-	-	-	-	-	-	-
Liquidity Enhancement Scheme Incentive paid/payable (Refer Note 38 a)	-	1.50	-	(1.50)	-	-	-	-	-	-	-
Transaction with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	-	-
Dividend paid (including dividend distribution tax)	-	(1,146.86)	-	-	-	(1,146.86)	-	-	-	-	(1,146.86)
Balance as at 31.03.2018	35.50	7,121.66	0.00	3.58	63.89	7,224.63	92.18	(14.54)	(2.21)	75.43	7,300.06

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
* Includes General Reserves	4,441.04	4,441.04
** Includes capital reserve on consolidation	39.39	39.39
** Includes capital redemption reserve	13.00	13.00
** Includes staff welfare reserve	1.50	1.50
** Includes investor compensation activities	10.00	10.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Other Equity

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

CSR Reserves:

In the previous year ended March, 31 2017 the group had created CSR Reserve to undertake CSR activities and transferred unspent amount from Retained earnings to CSR Reserve. During the current year ended March, 31 2018, the Group has contributed amount of ₹ 72.06 crores to NSE Foundation (Section 8 company of the group) towards contribution for CSR activities. Accordingly, CSR reserve created during previous year has been credited to Retained Earning.

Other Reserves:

The Group has in the past created Other Reserves for investor compensation activities, staff welfare activities, capital redemption reserve and capital reserve arising on consolidation.

FVOCI equity investments

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Debt Instruments through Other Comprehensive Income:

The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in debt instruments through other comprehensive income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.

Note 1 : The Board of Directors, in their meeting on May 12, 2016, proposed a dividend of ₹ 73 /- per equity share which has been approved by the shareholders at the Annual General Meeting held on September 16, 2016 and on October 4, 2016 declared an interim dividend of ₹79.50 (795%) per equity share of ₹10/- each of the Company. The total dividend paid during the year ended March 31, 2017 amounts to ₹ 686.25 crores excluding dividend distribution tax ₹ 107.64 crores. Further, Company has availed set off of dividend distribution tax of ₹ 32.07 crores paid by a subsidiary company while distributing the dividend to Parent company.

Note 2 : The Board of Directors, in their meeting on May 5, 2017, proposed a dividend of ₹ 12.25 /- per equity share which has been approved by the shareholders at the Annual General Meeting held on August 4, 2017 and on November 3, 2017 declared an interim dividend of ₹7/- per equity share of ₹ 1/- each of the Company. The total dividend paid during the year ended March 31, 2018 amounts to ₹ 952.88 crores excluding dividend distribution tax ₹ 169.57 crores. Further, Company has availed set off of dividend distribution tax of ₹22.41 crores paid by a subsidiary company while distributing the dividend to Parent company.

Note 3 : The Board of directors of the Parent Company in their meeting held on October 4, 2016 recommended issue of Bonus equity shares in the proportion of 1 (one) bonus share of ₹10/- (Rupees Ten each) for every existing 10 (Ten) fully paid up equity shares of ₹10 each, which was approved by the shareholders in the general meeting held on November 10, 2016. The record date for issue of bonus shares was November 23, 2016. The board of directors also recommended the sub-division of equity shares of ₹10 each, into equity shares having a face value of ₹ 1 each. The same was approved by the shareholders in the general meeting held on November 10, 2016, approved by SEBI on November 27, 2016 and has been notified in the gazette on December 10, 2016. The record date for sub-division of equity shares was December 13, 2016.

Note 4 : Pertains to appropriation to Core Settlement Guarantee Fund by one of the subsidiary, National Securities Clearing Corporation Limited of ₹ 198.90 Crores (Previous year ₹ 37.12 crores), net of corresponding tax benefit of ₹33.47 crores (Previous year ₹ 12.57 crores).

NSE Foundation

Other equity includes amount of ₹ 82.46 crores pertain to NSE Foundation (Section 8 company) which would be used for charitable purpose in accordance with its charitable object.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 14 : TRADE PAYABLES (CURRENT)

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Trade payables to MSME (Refer note 35)	1.21	0.07
Trade payables	128.16	97.09
Trade payables to related parties (Refer note 32)	0.09	0.31
Total	129.46	97.47

Note 15 : OTHER FINANCIAL LIABILITIES (NON-CURRENT)

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Obligations under finance lease	9.64	9.19
Total	9.64	9.19

Note 16 : OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Deposits - premises	5.31	5.24
Creditors for capital expenditure	16.89	44.89
Defaulters fund pending claims	83.01	76.27
Margin money from members(Refer note 16.1)	1,286.83	3,296.24
Settlement obligation payable(Refer note 16.1)	4,260.21	4,210.41
Obligations under finance lease	1.20	0.93
Balance in escrow account(Refer note 16.2)	-	6.73
Other liabilities	44.24	26.72
Total	5,697.69	7,667.43

16.1 Represents amount received from members towards settlement obligations which is payable on the date of settlement of the transactions.
i.e. Transaction date + 2 days & margin money from members which is also repayable on the settlement of transactions (refer note 11)

16.2 Balance in Escrow Account represents liability towards balances kept by NSE IT Ltd for UIDAI project of Government of India. (Refer note 12.1)

Note 17 : PROVISION (NON CURRENT)

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Employee benefits obligation		
Provision for gratuity	11.11	11.40
Provision for variable pay and allowance	9.76	7.54
Total	20.87	18.94

Note 18 : PROVISION (CURRENT)

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Employee benefits obligation		
Provision for gratuity	4.22	4.44
Provision for variable pay and allowance	36.98	33.72
Provision for leave encashment	19.80	18.50
Total	61.00	56.66

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 19 : INCOME TAXES

Particulars	(₹ in Crores)	
	31.03.2018	31.03.2017
(a) Income tax expense		
Current Tax		
Current tax expense	681.05	516.31
Deferred Tax		
Decrease (increase) in deferred tax assets	(10.26)	(0.80)
Increase (decrease) in deferred tax liabilities	64.78	40.31
Total deferred tax expense (benefit)	54.52	39.51
Total Income tax expenses(Refer note 19.1)	735.57	555.82
19.1 This excludes deferred tax benefit/expense on other comprehensive income	6.56	7.29
This excludes income tax benefit adjusted in other equity	33.47	12.57

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	(₹ in Crores)	
	31.03.2018	31.03.2017
Profit before income tax expense	2,197.04	1,774.64
Tax rate (%)	34.608%	34.608%
Tax at the Indian Tax Rate of 34.608%	760.35	614.16
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
Dividend income	0.27	(1.02)
Dividend Distribution Tax paid by subsidiary companies on which credit is not availed	-	0.41
Interest on tax free bonds	(23.96)	(19.99)
Expenditure related to exempt income	9.29	8.64
Net (gain)/loss on financial assets mandatorily measured at fair value through profit or loss	(3.70)	(23.57)
Profit on sale of investments taxed at other than statutory rate	(6.69)	(21.12)
Specific Tax deductions	(1.46)	(1.39)
Profits of associates and joint venture taxed at different rate	(5.82)	(15.51)
Provision for impairment in value of investments/investments written off	(5.04)	3.56
MAT credit not recognized	3.21	2.99
Others	9.12	8.65
Income Tax Expense	735.57	555.81

(c) Deferred tax (liabilities)/assets (net)

The balance comprises temporary differences attributable to:

Particulars	(₹ in Crores)	
	31.03.2018	31.03.2017
Deferred income tax assets		
Property, plant and equipment and investment property	2.29	3.63
Provision for leave encashment	5.07	4.74
Financial Assets at Fair Value through profit and Loss	0.42	-
Financial Assets at Fair Value through OCI	20.31	12.35
Others	28.77	17.75
Total deferred tax assets	56.86	38.47
Deferred income tax liabilities		
Property, plant and equipment and investment property	17.46	25.98
Financial Assets at Fair Value through OCI	26.17	24.60
Financial Assets at Fair Value through profit and Loss	69.15	39.31
Tax on undistributed earning of Associates	75.58	60.38
Others	19.90	3.44
Total deferred tax liabilities	208.26	153.71
Net Deferred tax (liabilities) / assets	(151.40)	(115.24)
Deferred tax assets	5.49	3.73
Deferred tax liabilities	(156.89)	(118.97)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(d) Deferred tax assets

Movements in deferred tax assets

(₹ in Crores)

	Property, plant and equipment	Provision for leave encashment	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	Others	Total
At 1 April 2016	2.32	5.73	-	4.25	13.71	26.01
Charged/(credited)						
- to profit or loss	1.31	(0.99)			0.48	0.80
- to other comprehensive income				8.10	3.56	11.66
At 31 March 2017	3.63	4.74	-	12.35	17.75	38.47
Charged/(credited)						
- to profit or loss	(1.34)	0.33	0.42		10.85	10.26
- to other comprehensive income				7.96	0.17	8.14
At 31 March 2018	2.29	5.07	0.42	20.31	28.77	56.87

(e) Movements in deferred tax liabilities

(₹ in Crores)

	Property, plant and equipment	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	Tax on undistributed earning of Associates	Others	Total
At 1 April 2016	30.66	19.15	20.22	43.40	1.22	114.65
Charged/(credited)						
- to profit or loss	(4.68)	20.16		23.46	1.38	40.32
- to others				(6.48)	0.84	(5.64)
- to other comprehensive income		-	4.38		-	4.38
At 31 March 2017	25.98	39.31	24.60	60.38	3.44	153.71
Charged/(credited)						
- to profit or loss	(8.52)	29.84		25.81	17.64	64.78
- to others				(10.61)	(1.17)	(11.78)
- to other comprehensive income			1.57		(0.01)	1.56
At 31 March 2018	17.46	69.15	26.17	75.58	19.90	208.27

(f) The Group has not recognised deferred tax liability associated with undistributed earnings of its subsidiaries as it can control the timing of the reversal of these temporary differences and it is probable that such differences will not reverse in the foreseeable future.

The taxable temporary differences relating to investment in subsidiaries with respect to undistributed earnings for which a deferred tax liability has not been created:

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Undistributed Earnings	1,290.87	1,234.92
Unrecognised deferred tax liabilities relating to the above temporary differences	265.37	251.40

(g) Deferred tax assets are not recognised for temporary differences where it is not probable that the differences will reverse in the foreseeable future and taxable profits will not be available against which the temporary difference can be utilized. The Group has not recognized deferred tax assets of ₹31.49 crores in respect of tax effect on intragroup transactions of its various subsidiaries as based on management's projections of future taxable income and existing plans as it is not probable that such difference will reverse in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 20 : INCOME TAX LIABILITIES (NET)

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Income tax (net of advances)	97.58	95.13
Fringe Benefit Tax (net of Advances)	0.02	0.02
Wealth tax (net of advances)	0.27	0.29
Total	97.87	95.44

Note 21 : INCOME TAX ASSETS (NET)

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Income tax paid including TDS (net of provisions)	273.25	303.44
Wealth tax (net of provisions)	-	0.02
Fringe benefit tax (net of provisions)	2.34	2.23
Total	275.59	305.69

Note 22 : OTHER NON-CURRENT LIABILITIES

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Deposit - STT (Refer note no. 7)	5.39	5.39
Total	5.39	5.39

Note 23 : OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Securities Transaction Tax payable	163.72	267.68
Statutory dues payable	89.92	52.99
Advance from customers	29.66	34.60
Income received in advance	31.08	51.28
Others	33.68	29.83
Total	348.06	436.38

Note 24 : DEPOSITS

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Deposits from trading members	1,026.45	1,034.23
Deposits from applicants for membership	3.05	3.80
Deposits from mutual fund distributors	4.28	3.21
Deposits towards equipment's	26.56	21.32
Deposit from clearing members	323.73	324.68
Deposit in lieu of bank guarantee/securities from clearing members	67.93	66.89
Deposits from clearing banks	377.12	293.05
Deposit - listing & book building	86.79	56.10
Total	1,915.91	1,803.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 25 : REVENUE FROM OPERATIONS

(₹ in Crores)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Operating revenues		
<i>Revenue from services :</i>		
<u>Trading services</u>		
Transaction charges(Refer note 25.1 and 45)	1,745.45	1,335.30
<u>Listing services</u>		
Listing fees	67.28	63.43
Book building fees	30.02	13.83
	97.30	77.26
<u>Technology services</u>		
Application development & maintenance services	31.41	28.22
Infrastructure management services	4.20	5.49
E-Learning solutions	92.76	75.61
	128.37	109.32
<u>Data Feed services</u>		
Online datafeed service fees	75.66	73.04
<u>Licensing services</u>		
Index licensing & Data subscription fees	77.46	69.28
Others	6.32	2.23
Other operating revenues		
<u>Listing services</u>		
Processing fees	32.86	21.97
Colocation Charges (Refer note 25.2 and 45)	103.56	80.36
<u>Others</u>		
Registration & test enrolment fees	21.09	19.32
Income on investments(Refer note 25.3)	255.75	265.41
Net fair value gain on financial assets mandatorily measured at FVPL	16.99	15.17
Net gain on sale of financial assets mandatorily measured at FVPL	1.23	1.40
Others	46.94	33.76
	342.00	335.06
Sale of Products :		
Software Products	0.09	0.22
Traded Goods	0.07	0.22
	0.16	0.44
Total	2,609.14	2,104.26

25.1 Includes revenue from Transaction charges amounting to ₹717.90 crores (Previous year : ₹325.25) kept in separate bank account based on SEBI directive which have been subsequently invested in mutual funds.

25.2 Pertains to revenue from colocation services amounting to ₹103.56 crores (Previous year : ₹ 50.26) kept in separate bank account based on SEBI directive which have been subsequently invested in mutual funds.

25.3 Represent income generated from sources of fund related to operating activity of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 26 : OTHER INCOME

(₹ in Crores)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Other income		
Dividend income		
- from equity investments designated at FVOCI	0.27	1.90
- from other investments	0.52	1.05
Interest income from financial assets at amortised cost	145.96	135.65
Interest income from financial assets designated at FVOCI	38.52	42.47
Rental income	5.88	6.96
Miscellaneous income	6.02	10.15
	197.17	198.18
Other gains/ (losses)		
Net gain / (loss) on financial assets mandatorily measured at FVPL	125.56	122.87
Net gain on sale of financial assets measured at FVOCI(Refer note 26.1)	1.96	26.90
Net gain on sale of financial assets mandatorily measured at FVPL	85.69	226.13
Net gain on sale of investments of associate (i.e. National Securities Depository Limited)	-	2.06
Net gain on disposal of property, plant and equipment	12.66	0.20
Net foreign exchange gains	0.38	0.06
Total other income and other gains/(losses)	226.25	378.22
Total	423.42	576.40

26.1 This includes amount of ₹ 1.93 crores reclassified from other comprehensive income on account of sale of investments for the year ended March 31, 2018 (March 31, 2017 : ₹10.02 crores)

Note 27 : EMPLOYEE BENEFITS EXPENSES

(₹ in Crores)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Salaries, wages and bonus	240.49	218.78
Contribution to provident and other fund (refer note 30)	8.59	7.72
Gratuity	4.67	3.16
Staff welfare expenses	9.53	10.52
Total	263.28	240.18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 28 : OTHER EXPENSES

(₹ in Crores)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Repairs & maintenance		
- To computers, trading & telecommunication systems	88.24	85.03
- To buildings	4.77	3.57
- To others	11.71	8.71
SEBI regulatory fees	26.73	26.34
IT management and consultancy charges	16.96	11.18
Software expenses	40.49	55.25
Network infrastructure management charges	-	5.36
Lease line charges	18.76	11.57
Telephone charges	8.46	4.10
Water and electricity charges	34.05	23.09
Rental charges	29.36	20.28
Rates and taxes	6.56	7.91
Directors' sitting fees	2.81	2.08
Legal and professional fees	39.52	39.82
Advertisement and publicity	14.05	31.97
Travel and conveyance	21.29	15.48
Insurance	2.30	2.29
Printing and stationery	4.28	4.54
Corporate social responsibility expenditure	22.81	11.62
Contribution to Investor protection fund trust(Refer note 28.1)	4.98	5.60
Investor education expenses	17.97	2.19
Payment to auditors (Refer note below)	1.38	1.30
Doubtful debts written off (Refer Note 37)	2.35	25.05
Provision for doubtful debts	0.74	1.41
Liquidity enhancement incentive	1.50	-
Technical & Subcontract Charges	30.72	21.45
Impairment in value of investments (Refer Note 4.2 and 39.3)	2.93	9.29
Cost of investment written off (Refer Note 4.1)	-	0.99
Intangible assets / Intangible assets under development w/off	11.78	-
Other expenses	101.49	87.83
Total	568.99	525.30
Note :		
Payment to auditors		
As auditors :		
Audit fees	0.72	0.57
Tax audit fee	0.07	0.11
Limited review	0.20	0.16
In other capacities		
Taxation matters	0.11	0.19
Certification matters	0.06	0.08
Other services	0.22	0.19
Total	1.38	1.30

28.1 It represents contribution to National Stock Exchange Investor Protection fund trust formed as required under SEBI regulation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 29 : EARNINGS PER SHARE

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Profit attributable to the equity holders of the company used in calculating basic earnings per share and diluted earnings per share		
Profit for the period	1,461.47	1,218.82
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (no. in Crores)(Refer note 29.1)	49.50	49.50
Earnings per equity share (basic and diluted)	29.52	24.62
Profit before contribution to Core Settlement Guarantee Fund	2,197.04	1,908.71
Income tax effects on above	(735.57)	(602.22)
Profit before contribution to Core Settlement Guarantee Fund	1,461.47	1,306.49
Earnings per equity share before contribution to Core Settlement Guarantee Fund (net) (basic and diluted)	29.52	26.39

29.1 The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same.

30 Disclosure under Indian Accounting Standard 19 (Ind AS 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

i) Defined contribution plan

The Group's contribution towards superannuation fund during the years has been charged to Statement of Consolidated Profit & Loss as follows:

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Group's contribution towards superannuation fund	1.41	1.58
Interest shortfall liability	NIL	NIL

ii) Defined benefit plan :

(a) Provident fund:

Provident fund:

The Company has established 'National Stock Exchange of India Limited Employees Provident Fund Trust' and one of the subsidiary, NSE Infotech Services Limited has established 'NSE Infotech Services Limited Employees Provident Fund Trust' to which both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively. The Company's contribution to the provident fund for all employees is charged to Statement of Consolidated Profit and Loss. In case of any liability arising due to short fall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. The actuary has provided an actuarial valuation and indicated the interest shortfall liability for the years as below, which has been provided in the books of accounts after considering the reserves available with the company's Provident Fund Trust, where considered necessary. The Company has contributed towards Provident Fund during the years as below.

Other subsidiaries, contribute to the Regional Provident Fund Office as per the applicable rule at the rate of 12% of the employee's basic salary to the said recognized provident fund and the same is charged to to Statement of Consolidated Profit and Loss.

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Group's contribution to the provident fund	6.94	6.14

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows: (₹ in Crores)

Particulars	31.03.2018	31.03.2017
a. Approach used	Deterministic	Deterministic
b. Increase in compensation levels	8.00%	8.00%
c. Discount Rate	7.68%	7.09%
d. Attrition Rate	12.00%	12.00%
e. Weighted Average Yield	8.90%	9.14%
f. Weighted Average YTM	8.85%	9.27%
g. Reinvestment Period on Maturity	5 years	5 years
h. Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

(b) Gratuity:

The Group provides for gratuity for employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity, The amount of Gratuity is payable on retirement/termination of the employee's based on last drawn basic salary per month multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contribution to recognised funds with Life Insurance Corporation of India (LIC).

A Consolidated Balance Sheet

(i) The amounts recognised in the consolidated balance sheet and the movements in the net defined benefit obligation over the years are as follows:

Particulars	31.03.2018		
	Present Value of Obligation	Fair Value of Plan Assets	Total
At the beginning of the year	31.78	(15.94)	15.84
Current service Cost	3.54	-	3.54
Interest cost / (income)	2.34	(1.21)	1.13
Expenses recognised in the Statement of Profit & Loss	5.88	(1.21)	4.67
Remeasurements			
Return on plan assets	-	(0.12)	(0.12)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	(0.37)	-	(0.37)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(1.09)	-	(1.09)
Actuarial (gains)/losses on obligations - due to experience	2.66	-	2.66
Net (income)/expense for the period recognized in OCI	1.20	(0.12)	1.08
Employer Contributions	-	(6.26)	(6.26)
Liability transferred	-	-	-
Benefits paid	(2.75)	2.75	-
At the end of the year	36.11	(20.78)	15.33

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Crores)

Particulars	31.03.2017		
	Present Value of Obligation	Fair Value of Plan Assets	Total
At the beginning of the year	25.21	(17.49)	7.72
Current service Cost	2.59	-	2.59
Interest cost / (income)	1.96	(1.39)	0.57
Expenses recognised in the Statement of Profit & Loss	4.55	(1.39)	3.16
Remeasurements			
Return on plan assets	-	(0.27)	(0.27)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	2.79	-	2.79
Actuarial (gains)/losses on obligations - due to change in financial assumptions	5.27	-	5.27
Actuarial (gains)/losses on obligations - due to experience	2.64	-	2.64
Net (income)/expense for the period recognized in OCI	10.70	(0.27)	10.43
Employer Contributions	-	(5.62)	(5.62)
Liability transferred	0.15	-	0.15
Benefits paid	(8.83)	8.83	-
At the end of the year	31.78	(15.94)	15.84

(ii) The net liability disclosed above relates to funded plans are as follows:

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Fair value of plan assets as at the end of the year	(20.78)	(15.94)
Liability as at the end of the year	36.11	31.78
Net (liability) / asset	15.33	15.84
Non Current Portion	(11.11)	(11.40)
Current Portion	(4.22)	(4.44)

(iii) Sensitivity Analysis

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Projected Benefit Obligation on Current Assumptions	36.11	31.78
Delta Effect of +1% Change in Rate of Discounting	(1.96)	(1.85)
Delta Effect of -1% Change in Rate of Discounting	2.21	2.10
Delta Effect of +1% Change in Rate of Salary Increase	2.18	2.08
Delta Effect of -1% Change in Rate of Salary Increase	(1.97)	(1.86)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.02)	(0.06)
Delta Effect of +1% Change in Rate of Employee Turnover	0.01	0.05

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(iv) Significant actuarial assumptions are as follows:

Particulars	31.03.2018	31.03.2017
Discount Rate	6.77-7.87%	6.77-7.90%
Rate of Return on Plan Assets	7.09-7.87%	7.09-7.90%
Salary Escalation	5.00-8.00%	5.00-8.00%
Attrition Rate	3.00-12.00%	2.00-12.00%

(v) Expected contribution to gratuity plan for the year ending March 31, 2019 is ₹ 4.22 Crores.

31 SEGMENT INFORMATION

(a) Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company. The Group has identified the following segments i.e. Trading Services, Clearing Services, Data Feed, Index licensing and strategic investment as reporting segments based on the information reviewed by CODM.

- 1: **Trading services** : This part of the business offers services related to trading in equity, equity derivatives, debt and currency derivatives segments. Revenue includes transaction charges, Listing & book building fees, revenue from data centre charges etc.
- 2: **Clearing Services**: This part of the business offers clearing and settlement of the trades executed in the Capital Markets, Future & Options and Currency Derivative segments.
- 3: **Datafeed Services** : This part of business offers services related to dissemination of price, volume, order book and trade data relating to securities and various indexes to the stock and commodity brokers.
- 4: **Index Licensing Fees**: This part of the business is primary provider of indices and related products and services to various participants in India.
- 5: **Strategic Investments** : This part of business is related to make or hold all strategic investments in the equity shares and / or other securities of various group companies.
- 6: Other segments includes End to End Solution, E-learning Solutions, Web Trading, IT services, IT Process Support charges and Software application development. The results of these operations are included in the "all other segments". This column includes head office and group services.

The above business segments have been identified considering :

- a) the nature of products and services
- b) the differing risks
- c) the internal organisation and management structure, and
- d) the internal financial reporting systems.

The segment information presented is in accordance with the accounting policies adopted for preparing the consolidated financial statements of the Group. Segment revenues, expenses and results include inter-segment transfers. Such transfers are undertaken either at competitive market prices charged to unaffiliated customers for similar goods or at contracted rates. These transfers are eliminated on consolidation.

(b) Segment Revenue :

Segment revenue is measured in the same way as in the statement of profit or loss. Revenue and expenses which relate to the enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as Unallocable. Transactions between segments

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

are eliminated on consolidation. The CODM primarily uses a measure of profit before tax to assess the performance of the operating segments. However, the CODM also receives information about the segment revenue and assets on a quarterly basis.

(₹ in Crores)

Segments	31st March, 2018				31st March 2017			
	Segment Revenue	Inter-segment revenue	Revenue from external customers	Segment Results	Segment Revenue	Inter-segment revenue	Revenue from external customers	Segment Results
Trading Services *	2,132.72	35.96	2,096.76	1,247.87	1,690.50	34.86	1,655.64	817.30
Clearing Services	312.68	120.65	192.03	191.45	267.03	100.05	166.98	143.68
Datafeed Services	76.67	0.44	76.23	50.21	73.37	0.33	73.04	50.30
Index Licensing Services	89.13	11.66	77.47	74.88	80.72	11.44	69.28	72.57
Strategic Investments	115.55	97.33	18.21	106.39	52.04	35.39	16.65	29.41
Other Segments	361.18	212.74	148.43	74.66	229.57	106.91	122.66	15.82
Total	3,087.92	478.78	2,609.14	1,745.46	2,393.23	288.98	2,104.25	1,129.08
RESULT								
Add: Unallocable income (Net of Exp.)				144.76				353.71
Add: Profit on sale of investment in equity instruments in Associates				-				2.06
Add : Contribution to Core Settlement guarantee fund (Core SGF)				-				134.07
Interest income				184.48				178.12
Profit before share of net profits of investments accounted for using equity method and tax				2,074.70				1,797.04
Add: Share of profit (net) of Associates				122.34				111.67
Profit before contribution to Core Settlement Guarantee Fund and tax				2,197.04				1,908.71
Less: Contribution to Core Settlement guarantee fund (Core SGF)				-				(134.07)
Profit before Tax				2,197.04				1,774.64
Less: Tax Expense:								
Current Tax				(681.05)				(516.31)
Deferred Tax				(54.52)				(39.51)
Total Tax Expense				(735.57)				(555.82)
Net profit after tax				1,461.47				1,218.82

* Segment result for trading segment is net of contribution to Core SGF as follows:

Particulars	31.03.2018	31.03.2017
Contribution to Core SGF	-	134.07

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(c) Revenue From External Customers based on geographies

The parent company is domiciled in India. The amount of group revenue from external customers broken down by location of customers.

Particulars	(₹ in Crores)	
	31.03.2018	31.03.2017
India	2,489.94	1,984.48
Outside India	119.20	119.77

(d) Segment Assets :

Segment assets are measured in the same way as in the Balance Sheet. These assets are allocated based on the operations of the segment.

Particulars	(₹ in Crores)	
	31.03.2018	31.03.2017
Segments		
Trading Services	2,278.87	2,191.61
Clearing Services	8,810.87	9,942.00
Datafeed Services	6.36	9.19
Index Licensing Services	19.28	11.56
Strategic Investments	975.11	993.62
Other Segments	177.80	99.45
Total Segment Assets	12,268.29	13,247.43
Unallocable Assets	5,957.78	6,246.88
Total Assets	18,226.07	19,494.31

There are no non current assets situated outside domicile of India.

Investments held by the group are not considered to be segment assets but are managed by the treasury function. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as unallocable. Interest income are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.

* Segment Asset include amount pertaining to Core SGF maintained by NSCCL as follows:

Particulars	31.03.2018	31.03.2017
Contribution to Core SGF	2,421.22	1,684.95

(e) Segment Liabilities

Segment Liabilities are measured in the same way as in the financial statements. These Liabilities are allocated based on the operations of the segment.

Particulars	(₹ in Crores)	
	31.03.2018	31.03.2017
Segments		
Trading Services	1,756.22	2,075.86
Clearing Services	8,812.80	9,954.14
Datafeed Services	11.81	10.84
Index Licensing Services	3.89	5.09
Strategic Investments	1.39	2.03
Other Segments	106.22	71.39
Total Segment Liabilities	10,692.33	12,119.35
Unallocable Liabilities	184.08	165.33
Core Settlement Guarantee Fund	(2,433.63)	(1,975.53)
Total Liabilities	8,442.78	10,309.15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(f) Segment Capital Expenditure

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Segments		
Trading Services	85.76	143.81
Clearing Services	6.91	7.45
Datafeed Services	7.46	0.77
Other Segments	33.25	17.97
Total Segment Capital Expenditure	133.38	170.00
Add: Unallocable Capital Expenditure	-	-
Total Capital Expenditure	133.38	170.00

(g) Segment Depreciation / Amortisation

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Segments		
Trading Services	113.53	110.54
Clearing Services	3.37	2.71
Datafeed Services	0.27	0.11
Index Licensing Services	0.23	0.09
Other Segments	7.00	3.51
Total Segment Depreciation / Amortisation	124.40	116.96
Add: Unallocable Depreciation / Amortisation	1.19	1.18
Total Depreciation / Amortisation	125.59	118.14

32 In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below:

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

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
1	Power Exchange India Limited	Associate Company	Trading Facility in power	30.95%
2	NSDL e-Governance Infrastructure Limited	Associate Company	E-Governance Solutions	25.05%
3	National Securities Depository Limited	Associate Company	Depository Services	25.05% upto 23.02.2017 & 24% w.e.f 24.02.2017
4	Computer Age Management Services Private Limited	Associate Company	Mutual Fund Transfer Agency	44.99%
5	Market Simplified India Limited	Joint Venture Company	Software Industry	30.00%
6	CAMS Investor Services Private Limited	Subsidiary of Associate Company		
7	NSDL Database Management Limited	Subsidiary of Associate Company		
8	BFSI Sector Skill Council of India	Associate Company	Skill Council	49.00%
9	Receivables Exchange of India Limited	Associate Company	Online Platform for financing receivables (TReDS)	30.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Sr.	List of Key Management Personnel
1	Mr. Vikram Limaye - Managing Director (w.e.f. 17-Jul-2017)
2	Mr. J. Ravichandran - CEO - Incharge (from 02-Dec-2016 to 16-Jul-17)
3	Ms. Chitra Ramkrishna - Managing Director & CEO (upto 02-Dec-2016)
4	Mr. Ashok Chawla
5	Mr. Ravi Narain (upto 1-Jun-17)
6	Mr. Abhay Havaladar
7	Mr. Dinesh Kanabar
8	Mr. Naved Masood
9	Mr. T. V. Mohandas Pai
10	Mr. Prakash Parthasarathy
11	Ms. Dharmishta Raval
12	Ms. Sunita Sharma nominee of Life Insurance Corporation of India
13	Ms. Anshula Kant nominee of State Bank Of India

Power Exchange of India Limited		(₹ in Crores)	
Particulars	31.03.2018	31.03.2017	
Nature of Transactions			
Application Development and Maintenance Services	0.60	0.60	
Closing balances (Credit) / Debit	0.04	0.04	
Investment in Preference Share Capital	5.01	5.01	
Investment in Equity Share Capital	15.04	15.04	

NSDL e-Governance Infrastructure Limited		(₹ in Crores)	
Particulars	31.03.2018	31.03.2017	
Nature of Transactions			
Application Development and Maintenance Services	0.86	0.57	
Dividend received	6.51	6.51	
Closing balances (Credit) / Debit	0.38	0.08	
Investment in Equity Share Capital	55.10	35.42	

National Securities Depository Limited (New)		(₹ in Crores)	
Particulars	31.03.2018	31.03.2017	
Nature of Transactions			
Dividend received	2.40	2.50	
STP Charges received	0.06	-	
Application Development and Maintenance Services	0.23	0.29	
DP Validation Charges	1.69	0.62	
Closing balances (Credit) / Debit	0.11	0.11	
Investment in Equity Share Capital	58.92	58.92	

NSDL Database Management Ltd		(₹ in Crores)	
Particulars	31.03.2018	31.03.2017	
Nature of Transactions			
Application Development and Maintenance Services	0.09	-	
Infrastructure Management Services	0.09	0.07	
Closing balances (Credit) / Debit	0.09	0.02	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

BFSI Sector Skill Council of India		
(₹ in Crores)		
Particulars	31.03.2018	31.03.2017
Nature of Transactions		
Amount paid towards Pradhan Mantri Kaushalya Vikas Yojna(PMKVY) centres*	0.20	0.00
Closing balances (Credit) / Debit	-	0.01
Investment in Equity Share Capital	1.00	1.00

Computer Age Management Services Private Limited		
(₹ in Crores)		
Particulars	31.03.2018	31.03.2017
Nature of Transactions		
Dividend Received	43.22	26.85
Sitting Fees Received	0.04	0.03
Reimbursement received for expenses incurred	-	0.44
Amount paid towards Rent	0.24	0.26
Closing balances (Credit) / Debit	(0.09)	(0.26)
Investment in Equity Shares	412.13	412.13

CAMS Investor Services Private Limited		
(₹ in Crores)		
Particulars	31.03.2018	31.03.2017
Nature of Transactions		
KRA fees received / receivable	0.37	0.16
KRA fees Paid / payable*	0.00	0.00
Closing balances (Credit) / Debit	0.03	0.11

Market Simplified India Limited (formerly known at INXS Technologies Limited)		
(₹ in Crores)		
Particulars	31.03.2018	31.03.2017
Nature of Transactions		
License Fees paid/ payable	0.76	0.69
Consultancy Charges paid for software development	-	1.91
Investment in Equity Shares	4.51	4.51
Closing balances (Credit) / Debit	-	(0.05)

Receivables Exchange Of India Limited		
(₹ in Crores)		
Particulars	31.03.2018	31.03.2017
Nature of Transactions		
Reimbursement received towards expenses incurred	0.84	0.52
Sale of assets	0.39	-
Usage charges received	1.41	-
Reimbursement received for expenses on staff on deputation	2.02	1.84
Reimbursement received for space and infrastructure charges	1.28	-
Subscription of Equity Shares	-	7.30
Investment in Equity Share Capital	7.50	7.50
Closing balance included in Other assets	-	2.49
Closing balances (Credit) / Debit	0.63	0.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Key Management Personnel - Mr. Vikram Limaye - Managing Director (w.e.f. 17-Jul-2017) (₹ in Crores)

Particulars	31.03.2018	31.03.2017
Nature of Transactions		
Short-term employee benefits	3.89	-
Post-employment benefits(Refer note 32.2)	0.15	-
Long-term employee benefits(Refer note 32.1)	-	-
Total Remuneration	4.04	-

Key Management Personnel - Ms. Chitra Ramkrishna - Managing Director & CEO (upto 02-Dec-2016) (₹ in Crores)

Particulars	31.03.2018	31.03.2017
Nature of Transactions		
Short-term employee benefits	-	14.65
Post-employment benefits(Refer note 32.2)	-	6.75
Long-term employee benefits(Refer note 32.1)	-	1.58
Total Remuneration	-	22.98

Key Management Personnel - Mr. J. Ravichandran - CEO - Incharge (from 02-Dec-16 to 16-Jul-2017) (₹ in Crores)

Particulars	31.03.2018	31.03.2017
Nature of Transactions		
Short-term employee benefits	1.51	1.66
Post-employment benefits(Refer note 32.2)	0.12	0.12
Long-term employee benefits(Refer note 32.1)	0.18	0.19
Total Remuneration	1.81	1.97

Key Management Personnel (₹ in Crores)

Particulars	31.03.2018	31.03.2017
Nature of Transactions		
Sitting Fees Paid to Directors	3.63	4.32

32.1 includes 50% of the variable pay payable after 3 years subject to certain conditions,

32.2 As the liabilities for define benefit plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

* 0.00 denotes amounts below the rounding off convention

All related parties transaction enter during the year were in ordinary course of business. Outstanding balances as at the year end are unsecured and settlement occurs in cash. There have been no guarantee provided or received for any related parties receivable or payables as of and for the year ended March 31, 2018 and March 31, 2017. The Group has not recorded any impairment of receivables relating to amount owned by related parties except as disclosed in Note 28.

33. CAPITAL AND OTHER COMMITMENTS

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided	29.87	50.71
Network infrastructure charges	53.80	38.00
Other commitments (Primarily in respect of operating expenses and Investor education expenses)	102.17	66.90

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

34 CONTINGENT LIABILITY:.

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
a) Claims against the Group not acknowledged as debts	15.04	21.36

- b) In a complaint filed by a competitor against the Parent Company, the Competition Commission of India directed the Parent Company to pay a penalty. The Parent Company had appealed against the order before the Hon'ble Competition Appellate Tribunal (COMPAT) which rejected the appeal. The Parent Company has appealed against the said order and stay has been granted by the Hon'ble Supreme Court of India. In respect of the same subject matter, a compensation claim has been filed against the Parent Company before the COMPAT by the competitor and the same is being disputed by the Parent Company. Based on the legal advice, the Parent Company is of the view that there are strong grounds that the Hon'ble Supreme Court of India will over turn the decision of the COMPAT. In view of the same no provision has been made in respect of penalty and compensation claimed.

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Penalty amount	55.50	55.50
Compensation claimed	856.99	856.99

- c) A suit has been filed, jointly and severally against the Parent Company and its subsidiary National Securities Clearing Corporation Limited for damages / compensation along with interest thereon and has been disputed by the Parent Company. As per the legal opinion received, the possibility of the claim being awarded against the Parent Company is remote. In view of the same no provision has been made in respect of compensation claimed.

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Damages / compensation claimed	152.57	152.57

- d) On account of disputed demand of:

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Income tax matters	66.25	51.45
Fringe Benefit Tax matters	2.22	2.22
Wealth tax matters	0.09	0.09
Services tax matters	84.33	40.13
Securities Transaction Tax matters (Refer note 7)	6.76	6.76
Sales Tax / VAT	5.79	0.13

- e) Bank guarantees

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Bank guarantees	5.31	1.53

- f) A suit has been filed against the Subsidiary Company by a customer for damages / compensation along with interest thereon and the same has been disputed by the Subsidiary Company. Amount of the damages is not determined at this stage however as per the legal opinion received, the possibility of the claim being awarded against the Subsidiary Company is remote. The company is of the view that the above matters are not likely to have any impact on the financial position of the company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

35 DETAILS UNDER THE MSMED ACT, 2006 FOR DUES TO MICRO AND SMALL, MEDIUM ENTERPRISES

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Outstanding	1.21	0.07

Total outstanding dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Group.

36 LEASE

The Group has taken land on finance lease. The following is the summary of future minimum lease rental payment under finance lease arrangement entered into by the Group.

Lease obligations

(₹ in Crores)

	As at 31.03.2018	As at 31.03.2017
	Minimum lease payments	Minimum lease payments
- Not later than one year	1.20	0.93
- Later than one year and not later than five years	7.35	6.71
- Later than five years	128.42	13.026
Total minimum lease commitments	136.97	137.90
Less: future finance charges	126.15	127.78
Present value of minimum lease premium	10.82	10.12
Other financial liabilities - current	1.20	0.93
Other financial liabilities - non current	9.64	9.19

Lease obligations

(₹ in Crores)

	As at 31.03.2018	As at 31.03.2017
	Present value of minimum lease payments	Present value of minimum lease payments
- Not later than one year	1.20	0.93
- Later than one year and not later than five years	4.19	3.17
- Later than five years	5.43	5.40
Total minimum lease commitments	10.82	9.50

The lease has escalation clause and there is no right to renew or purchase option.

The Group has taken certain premises on operating lease. The following is the summary of future minimum lease rental payment under operating lease arrangement entered into by the Group.

Lease obligations

(₹ in Crores)

	As at 31.03.2018	As at 31.03.2017
	Minimum lease payments	Minimum lease payments
- Not later than one year	9.01	9.56
- Later than one year and not later than five years	3.53	8.60
- Later than five years	-	-
Total minimum lease commitments	12.54	18.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

37 a) In case of National Stock Exchange of India Limited ('NSE' or 'the Company'), On June 20, 2012, Securities Exchange Board of India ('SEBI') notified Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ("the Regulations") to regulate recognition, ownership and governance in stock exchanges and clearing corporations in India. In accordance with Regulation 33 of the Regulations, every recognized stock exchange was required to transfer twenty five percent (25%) of its annual profits every year to a Settlement Guarantee Fund ("SGF") of the recognized clearing corporation(s) which clears and settles trades executed on that stock exchange to guarantee settlement of trades. Subsequently, SEBI in its press release No.66/2012 dated June 21, 2012 made an announcement about expert committee being formed to inter-alia look into the norms for adequacy of the core corpus of the SGF and it's sourcing, including transfer of profits by stock exchanges to SGF in the long run. As a matter of prudence, the Company had recorded the provisional appropriation from reserve at 25% of its annual profit after tax in its financial statements.

On August 27, 2014, SEBI vide its circular no. CIR/MRD/DRMNP/25/2014 issued norms relating to Core Settlement Guarantee Fund ("Core SGF") and contribution requirements by recognised stock exchange to Core SGF maintained by clearing corporations. As per the circular, stock exchange contribution to Core SGF shall be at least 25% of the Minimum Required Contribution ("MRC") determined by clearing corporation. The contribution towards Core SGF is eligible to be adjusted against twenty five percent transfer of profits by stock exchange under the Regulations. Accordingly, the National Stock Exchange of India Limited had recorded a provisional appropriation of ₹ 527.19 crores as at March 31, 2015 (net of ₹170 crores for contribution to MRC of Core SGF for the year ended March 31, 2015) and the same had been disclosed as provision for Core Settlement Guarantee Fund in the Balance Sheet of the Company as on March 31, 2015.

On May 4, 2016, SEBI in its circular no. SEBI/HO/MRD/DRMNP/CIR/2016/54 notified that the provisions made by stock exchange towards the transfer of profits to SGF until March 31, 2015 shall be transferred to the Core SGF maintained by the clearing corporation within one month of the date of issuance of the notification. Further, as per the circular, SEBI was to notify the amounts to be transferred by the stock exchange to the Core SGF maintained by the clearing corporation in respect of the period from April 01, 2015 till the date of amendment of the Regulations by SEBI. Accordingly, the provisional appropriations made out of reserve aggregating to ₹527.19 crores disclosed as provision in the Balance Sheet of the Company as on March 31, 2015 was reversed and an expense of ₹ 527.19 was recorded in the Statement of Profit and Loss for the year ended March 31, 2016. During the year ended March 31, 2016, the National Stock Exchange of India Limited had also recorded an expense of ₹163.33 crores (net of ₹ 71 crores for contribution to MRC of Core SGF for the year ended March 31, 2016) in its Statement of Profit and Loss and payable of ₹ 690.52 crores in balance sheet as of March 31, 2016.

Effective August 29, 2016, SEBI amended Regulation 33 of SECC Regulations, 2012 and the Company was required to contribute only towards the MRC of Core SGF. During the previous year ended March 31, 2017, the National Stock Exchange of India Limited has recorded an expense of ₹ 121.07 crores (pro-rata based on profits till the date of amendment of the Regulation) (net of ₹13 crores for contribution to MRC of Core SGF for the year ended March 31, 2017) in its Statement of Profit and Loss and disclosed ₹284.39 crores as the amount payable to Core SGF as payable in Balance Sheet as of March 31, 2017, which has been paid during the current year ended March 31, 2018. During the current year ended March 31, 2018, as per the SEBI amended Regulation 33 of SECC regulation 2012, the Company was required to contribute a sum of ₹223 crores towards MRC of Core SGF. However, as permitted vide SEBI circular no. CIR/MRD/DRMNP/25/2014 dated August 27, 2014, the same has been adjusted against 25% transfer of profits already made in past years including income generated there from. Accordingly, there were no additional contribution necessary to be made to the MRC of Core SGF during the current year ended March 31, 2018. Further, out of the total amount of ₹1,065.58 crores contributed in the past years in the form of 25% transfer of profits by stock exchange under the SEBI regulations as at March 31, 2018, amount of ₹350.59 crores is lying with Core SGF available for set off against any future contribution to the MRC of Core SGF, if and as required.

Accordingly, the total Core SGF of National Securities Clearing Corporation Limited as at March 31, 2018 is ₹2,414 crores comprising of:

- a) ₹717 crores contributed by NSCCL by appropriating reserves / profits
- b) ₹359 crores received from NSE towards Core SGF,
- c) Members contribution to Core SGF amounting to ₹ 356 crores is utilised out of the amount received from NSE towards 25% of its annual profits
- d) the balance amount of 25% of the Exchange's profits amounting to ₹ 351 crores is credited to Core SGF
- e) ₹31 crores, ₹15, crores and ₹16 crores adjusted towards the incremental requirement of MRC from the interest accrual on the cash contribution by NSCCL, NSE and NSE's contribution on behalf of members, respectively. Additionally, fines and penalties collected by NSCCL amounting to ₹303 crore

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

and amount of ₹267 crores (Net off ₹62 crores adjusted towards incremental requirement of MRC as per SEBI letter reference no. SEBI/HO/MRD/DRMNP/OW/P/2018/4559/1 dated February 12, 2018) being income from investments of Core SGF funds have been credited to Core SGF.

NSCCL's own contribution to Core SGF for the year ended March 31, 2018 amounting to ₹192 crores (March 31, 2017 : ₹37 crores) have been appropriated out of its profits."

- b) In case of its subsidiary namely National Securities Clearing Corporation Limited, during the year ended March 31, 2014, dues amounting to ₹ 83.47 Crores of defaulter member, after netting off available deposits and collaterals in the form of securities available with the company have been partly appropriated from Fines and Penalties amounting to ₹ 59.37 Crores and the balance amount of ₹ 24.10 Crores from the contribution provisionally receivable from Parent Company towards Settlement Guarantee Fund under the Securities Contracts (Regulations) (SECC) Regulations, 2012. This above amount was adjusted against contribution payable to Settlement Guarantee Fund amounts to ₹ 24.10 Crores as of March 31, 2015.

During the year ended March 31, 2017, such dues amounting to ₹ 24.10 crores pertaining to this defaulter member, after netting off available deposits and collaterals in the form of securities available with the subsidiary company have been written off as bad debts.

- c) Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, interlia, has issued norms related to the computation and contribution to the Core Settlement Guarantee Fund by the Clearing Corporation (minimum 50%), Stock Exchange (minimum 25%) and members (maximum 25%), transfer fines and penalties collected by NSCCL to Core SGF and Income from investment made from the amount pertaining to the fund to be credited to the fund. Further SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05, 2016 advised Stock Exchange to transfer 25% of its annual profits to Core SGF.

I Details of Core SGF as on March 31, 2018 are as follows :

(₹ in Crores)

Details of MRC of Core SGF	CM	FO	CD	Debt	Total
NSCCL own contribution	74.00	593.00	47.00	3.00	717.00
Interest Adjusted towards NSCCL's Contribution		31.00			31.00
Contribution by NSE on behalf of Member	37.00	296.00	23.00	-	356.00
Interest Adjusted towards member's Contribution		16.00			16.00
Contribution by NSE	37.00	297.00	24.00	1.00	359.00
		15.00			15.00
Total	148.00	1,248.00	94.00	4.00	1,494.00
Previous Year	148.00	802.00	94.00	4.00	1,048.00

II Details of Core SGF a on March 31, 2017 are as follows :

(₹ in Crores)

Contribution to Corpus of Core SGF	CM	FO	CD	Debt	Other	Total
a NSCCL own contribution	74.00	401.00	47.00	3.00		525.00
b Contribution by NSE on behalf of Member	37.00	200.00	23.00	-	-	260.00
c Contribution by NSE	37.00	201.00	24.00	1.00	258.20	521.20
1 Total (a+b+c+d)	148.00	802.00	94.00	4.00	258.20	1,306.20
2 Penalty (Refer note 37.1)	27.61	157.43	14.19	-	-	199.23
3 Income on Investments (Refer note 37.3)	26.54	123.91	15.54	0.44	13.09	179.51
Grand Total (1+2+3)	202.14	1,083.35	123.73	4.44	271.29	1,684.94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

III Contribution made during the year ended 31st March, 2018

(₹ in Crores)

Contribution during the year	CM	FO	CD	Debt	Other	Total
NSCCL own contribution						
Direct Contribution	-	192.00	-	-	-	192.00
Adjusted from Interest Income (Refer note 37.3)	-	31.00	-	-	-	31.00
Total	-	223.00	-	-	-	223.00
Contribution by NSE on behalf of Member						
Direct Contribution	-	-	-	-	-	-
Contribution adjusted from NSE Other Contribution (Refer note 37.2)	-	96.00	-	-	-	96.00
Adjusted from Interest Income (Refer note 37.3)	-	16.00	-	-	-	16.00
Total	-	112.00	-	-	-	112.00
Contribution by NSE						
Direct Contribution	-	-	-	-	284.40	284.40
Adjusted against NSE's Own and member's contribution	-	-	-	-	(192.00)	(192.00)
Contribution adjusted from NSE Other Contribution (Refer note 37.2)	-	96.00	-	-	-	96.00
Adjusted from Interest Income (Refer note 37.3)	-	15.00	-	-	-	15.00
Total		111.00	-	-	92.40	203.40
Income during the period (Net Off adjustment towards MRC) (Refer note 37.3)						
Penalty	12.01	88.36	3.08	-	-	103.45
Income on Investments	24.35	26.67	9.33	0.24	26.94	87.54

IV Details of Core SGF a on March 31, 2018 are as follows :

Out of the above the details of the Cash contributions and investment of the same are as follows :

I Contribution to Corpus of Core SGF

(₹ in Crores)

	CM	FO	CD	Debt	Other	Total
NSCCL own contribution (a)	74.00	624.00	47.00	3.00	-	748.00
Contribution by NSE on behalf of Member (b)	37.00	312.00	23.00	-	-	372.00
Contribution by NSE (c)	37.00	312.00	24.00	1.00	350.59	724.59
Total (d= (a+b+c))	148.00	1,248.00	94.00	4.00	350.59	1,844.59
Penalty (e) (Refer note 37.1)	39.62	245.80	17.27	-	-	302.68
Income on Investments (f) (After allocation towards MRC) (Refer note 37.3)	50.89	150.59	24.87	0.68	40.03	267.05
Grand Total (d+e+f)	238.51	1,644.38	136.14	4.68	390.62	2,414.32

II Details of Investment

(₹ in Crores)

	CM	FO	CD	Debt	Other	Total
Mutual Funds						-
Fixed Deposit with Banks	181.22	1,353.03	110.13	2.88	364.50	2,011.76
Flexi Fixed Deposits	29.20	202.84	9.86	-	3.07	244.97
Balance in Bank Accounts	8.48	-	7.30	1.46	2.98	20.22
Accrued interest	19.61	88.52	8.84	0.34	20.07	137.38
Grand Total (1+2+3+4+5)	238.51	1,644.38	136.14	4.68	390.62	2,414.32
Previous year	202.14	1,083.35	123.73	4.44	271.29	1,684.95

37.1 Net of applicable corporate tax ₹ 9.38 Crores if any, on cash basis.

37.2 Other contribution is balance amount of transfer from NSE pertain to 25% of NSE's Annual profits as contribution to Core SGF . SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05, 2016 advised Stock Exchange to transfer 25% of its annual profits upto August 2016 to Core SGF and utilise the same for contribution required by Members and NSE.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

37.3 SEBI vide its letter reference no. SEBI/HO/MRD/DRMNP/OW/P/2018/4559/1 dated February 12, 2018 has clarified that "Clearing Corporations may adjust incremental requirement of Minimum Required Corpus (MRC) against the interest accrual on the cash contribution of respective contributors before taking additional contribution from them.

d) SEBI vide circular no. SEBI/HO/MRD/DSA/ CIR / P/2016/125 dated November 28, 2016 has issued norms for set up of a fund and minimum corpus of such fund to guarantee the settlement of trades executed in the stock exchanges in International Financial Service Centre (IFSC). Accordingly, NSE's subsidiary- NSE IFSC Clearing Corporation Limited has contributed ₹6.89 crs towards its Core SGF.

38 a) SEBI vide its circular dated August 10, 2017 has permitted NSE IFSC LTD. in GIFT IFSC to introduce Liquidity Enhancement Scheme to enhance liquidity. Considering, the nascent stage of business, SEBI has granted exemption to comply with the conditions of giving the incentive out of accumulated free reserves of the NSE IFSC LTD. Further, SEBI has advised exchanges to create a reserve specifically to meet Liquidity Enhancement Scheme Incentive and the same would not be included in the networth calculation of the NSE IFSC LTD.

NSE IFSC LTD. has received approval from SEBI for Introduction of Liquidity Enhancement Scheme and the same was launched from November 1, 2017. Based on the condition to create the reserve NSE IFSC LTD. has created a reserve equivalent to ₹5.08 crores for period of six months from November 1, 2017 to April 30, 2018, out of which ₹1.50 crores is spent as incentive paid/payable to the trading members.

b) NSE IFSC LTD. in GIFT IFSC has set aside USD 15,000 (₹0.10 crores) in a separate bank account as amount earmarked for Investor Protection Fund.

39 INTERESTS IN OTHER ENTITIES

(a) Subsidiaries

The Group's subsidiaries are set out below. Share capital consisting solely of equity shares that are held directly by the Group including preference shares held in NSE Strategic Investment Corporation Limited, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of Entity	With effect from	Place of business / country of incorporation	Ownership interest held by the Group		Principal activities
			March 31, 2018	March 31, 2017	
National Securities Clearing Corporation Limited	31-Aug-95	India	100.00	100.00	Clearing and Settlement
NSE Strategic Investment Corporation Limited	31-Jan-13	India	100.00	100.00	Investment entity
NSEIT Limited	29-Oct-99	India	100.00	100.00	IT services
NSEIT (US) Inc.	04-Dec-06	United States of America	100.00	100.00	IT services
India Index Services & Products Limited	02-Aug-06	India	100.00	100.00	Index services
DotEx International Limited	02-Jun-00	India	100.00	100.00	Data vending
NSE Infotech Services Limited	02-Aug-06	India	100.00	100.00	IT services
NSE IFSC Limited	29-Nov-16	India	100.00	100.00	Trading Platform
NSE IFSC Clearing Corporation Limited	02-Dec-16	India	100.00	100.00	Clearing and Settlement
NSE Academy Limited	12-Mar-16	India	100.00	100.00	Financial literacy programmes
NSE Foundation (Section 8 Company)	05-Mar-18	India	100.00	-	CSR activities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(b) Interests in associates and joint ventures

- i. Set out below are the associates and joint ventures of the Group. The entities listed below have share capital consisting solely of equity shares, which are held directly or indirectly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of Entity	Place of business/ country of incorporation	Relationship	Proportion of Interest (%)		Accounting method	Carrying Value		Share of Profit / (Losses) from Associates	
			March 31, 2018	March 31, 2017		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
National Securities Depository Limited	India	Associate	24.00	24.00 (25.05% upto February 23, 2017)	Equity method	135.41	116.97	21.33	24.94
Power Exchange India Limited	India	Associate	30.95	30.95	Equity method	-	-	-	-
NSDL e-Governance Infrastructure Limited	India	Associate	25.05	25.05	Equity method	192.90	166.92	33.82	30.52
Market Simplified India Limited (Refer note 39.3)	India	Associate	30.00	30.00	Equity method	-	2.93	-	-
Computer Age Management Services Private Limited (Refer note 39.2)	India	Associate	44.99	44.99	Equity method	492.83	475.98	68.85	57.18
BFSI Skill Sector Council of India (Refer note 39.1)	India	Associate	49.00	49.00	NA	1.00	1.00	-	-
Receivables Exchange of India Limited	India	Associate	30.00	30.00	Equity method	4.87	6.53	(1.66)	(0.97)
Total						827.00	770.33	122.34	111.67
Less : Non Current Investments Held for Sale									
Computer Age Management Services Private Limited (Refer note 39.2)	India	Associate	7.49	-	Equity method	(82.07)	-	-	-
Total equity accounted investments						744.93	770.33	122.34	111.67

Note 39.1 BFSI Sector Skill Council of India, an associate company incorporated under section 8 of Companies Act, 2013, and has been set up with the aim of enhancing skill development across the BFSI sector leading to greater efficiency, productivity and sustained growth wherein the profits will be applied for promoting its objects.

Note 39.2 The Securities Exchange Board of India (SEBI) in its inspection report, had observed that the Company through its Subsidiary Company, NSE Strategic Investment Corporation Ltd had acquired 44.99% equity stake in Computer Age Management Services Private Limited (CAMS) without prior permission of the SEBI. While the Company has suitably replied to the SEBI's observation, the same is under consideration by SEBI.

During the current year ended March 31, 2018, the Group has signed an agreement to divest 7.49% (i.e., 36,53,400 equity shares) of its equity stake in CAMS, for a consideration of ₹249.13 crores. The completion of such disinvestment is subject to fulfilment of certain terms and conditions. The Group anticipates completion of the sale in financial year ending March 31, 2019 and accordingly, carrying value of investment amounting to ₹82.07 crores in respect of this associate have been reclassified from 'Non-current investment' to 'Assets classified as held for sale'. Such investment has been carried at the lower of carrying amount and fair value less cost to sell as per Indian Accounting Standard (Ind AS) 105 - 'Non-current Assets Held for Sale and Discontinued Operations'. Consequently, upon completion of the above sale, the Company will hold 37.50% equity stake in CAMS.

Note 39.3 During the year, the Group has provided for impairment amounting to ₹ 2.93 crores (Previous Year : ₹4.27 crores) in respect of Market Simplified India Limited, since the company has continuously making losses. The impairment has been debited to the consolidated statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

40 FINANCIAL RISK MANAGEMENT

The Group's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Group's senior management has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has constituted a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Risk Management Committee of the Group is supported by the Treasury department that provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Treasury department activities are designed to:

- protect the Group's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Group's financial investments, while maximising returns.

The Treasury department is responsible to maximise the return on companies internally generated funds.

A MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the Group's credit rating and impair investor confidence.

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Particulars	Notes	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31, 2018					
Trade payables	14, 16	129.46	129.46		129.46
Deposits	16, 24	1,921.22	1,921.22		1,921.22
Obligations under finance lease	16, 34	10.84	1.20	135.77	136.97
Other liabilities	16	5,691.18	5,691.18		5,691.18
As at March 31, 2017					
Trade payables	14, 16	97.47	97.47		97.47
Deposits	16, 24	1,808.52	1,808.52		1,808.52
Obligations under finance lease	16, 34	10.12	0.93	136.97	137.90
Other liabilities	16	7,661.26	7,661.26		7,661.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

B MANAGEMENT OF MARKET RISK

The Group's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- price risk; and
- interest rate risk

The above risks may affect the Group's income or the value of its financial instruments. The objective of the Group's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Group's exposure to, and management of, these risks is explained below.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
1. PRICE RISK		
<p>The Group is mainly exposed to the price risk due to its investment in mutual funds, exchange traded funds and investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments.</p> <p>At 31st March 2018, the exposure to price risk due to investment in mutual funds amounted to ₹ 3,237.65 crores (March 31, 2017: ₹ 2,878.11 crores).</p>	<p>In order to manage its price risk arising from investments in mutual funds, exchange traded funds and investments in equity instruments. The Group diversifies its portfolio in accordance with the limits set by the risk management policies.</p> <p>The Treasury department maintains a list of approved financial instruments. The use of any new investment must be approved by the Chief Financial Officer.</p>	<p>As an estimation of the approximate impact of price risk, with respect to mutual funds, exchange traded funds and investments in equity instruments, the Group has calculated the impact as follows.</p> <p>For mutual funds, a 0.25% increase in prices would have led to approximately an additional ₹ 8.09 crores gain in the Statement of Profit and Loss (2016-17: ₹ 7.20 crores gain). A 0.25% decrease in prices would have led to an equal but opposite effect.</p>
<p>At 31st March 2018, the exposure to price risk due to investment in exchange traded fund amounted to ₹ 378.65 crores (March 31, 2017: ₹ 234.97 crores).</p>		<p>For exchange traded fund, a 10% increase in prices would have led to approximately an additional ₹ 37.86 crores gain in the Statement of Profit and Loss (2016-17: ₹ 23.50 crores gain). A 10% decrease in prices would have led to an equal but opposite effect.</p>
<p>At 31st March 2018, the exposure to price risk due to investment in equity instruments amounted to ₹ 136.84 crores (March 31, 2016: ₹ 129.60 crores).</p>		<p>For equity instruments, a 10% increase in prices would have led to approximately an additional ₹ 13.68 crores gain in the Statement of Profit and Loss (2016-17: ₹ 12.96 crores gain). A 10% decrease in prices would have led to an equal but opposite effect.</p>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
2. INTEREST RATE RISK		
<p>The Company is mainly exposed to the interest rate risk due to its investment in government securities. The interest rate risk arises due to uncertainties about the future market interest rate of these investments.</p> <p>As at 31st March, 2018, the exposure to interest rate risk due to investment in government securities amounted to ₹ 529.17 crores (March 31, 2017: ₹ 296.01 crores).</p>	<p>In order to manage its interest rate risk arising from investments in treasury bills and government securities, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.</p> <p>The Treasury department maintains a list of approved financial instruments. The use of any new investment must be approved by the Chief Financial Officer.</p>	<p>As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 0.25% change in interest rates.</p> <p>A 0.25% increase in interest rates would have led to approximately an additional ₹ 9.29 crores loss in the Statement of Profit and Loss (2016-17: ₹ 5.46 crores gain). A 0.25% decrease in interest rates would have led to an equal but opposite effect.</p>

C MANAGEMENT OF CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse and also on account of member's deposits kept by the Group as collateral which can be utilised in case of member default. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low. Accordingly, our provision for expected credit loss on trade receivables is not material.

Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in commercial papers, government securities, investments in mutual funds and exchange traded funds. The Group has diversified portfolio of investment with various number of counter-parties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Group's Treasury department.

The Group's maximum exposure to credit risk as at March 31, 2018 and March 31, 2017 is the carrying value of each class of financial assets as disclosed in note 4, 5, 6, 9, 10, 11 and 12.

D CAPITAL MANAGEMENT

The Group considers the following components of its Balance Sheet to be managed capital:

Total equity as shown in the balance sheet includes retained profit, other reserves, share capital, share premium.

The Group aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The management monitors the return on capital as well as the level of dividends to shareholders. The Group's goal is to continue to be able to provide return by the Group to shareholders by continuing to distribute dividends in future periods.

Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (regulation) (stock exchanges and clearing corporations) Regulations, 2012, NSE shall have a minimum networth of ₹ 100 crore at all times.

Capital requirement of NSCCL is regulated by Securities And Exchange Board of India (SEBI). As per SEBI notification dated April 02, 2012 Clearing corporation shall be mandated to build up to the prescribed net worth of ₹ 300 crores over a period of three years from the date of notification.

Capital requirement of NSE IFSC Limited is regulated by SEBI. As per SEBI (International Financial Services Centres) Guidelines, 2015, every permitted stock exchange shall have a minimum networth equivalent of ₹ 25 crores initially and it shall enhance its networth to a minimum equivalent of ₹ 100 crores over the period of three years from the date of approval.

Capital requirement of NSE IFSC Clearing Corporation Limited is regulated by SEBI. As per SEBI (International Financial Services Centres) Guidelines, 2015, every permitted clearing corporation shall have a minimum networth equivalent of ₹ 50 crores initially and it shall enhance its networth to a minimum equivalent of ₹ 300 crores over the period of three years from the date of approval.

The parent company and its subsidiaries are in compliance with the said requirement.

40 FAIR VALUE MEASUREMENTS

E - Financial Instruments by category

(₹ in Crores)

Particulars	31-Mar-18			31-Mar-17		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
Equity Instruments	-	136.84	-	-	128.68	-
Preference Shares	-	-	-	-	-	-
Debentures	-	-	854.24	-	-	1,236.45
Taxable Bonds	-	-	113.02	-	-	118.04
Taxfree Bonds	-	-	1,027.56	-	-	922.07
Fixed Deposits	-	-	3,257.10	-	-	3,201.79
Government Securities	-	529.17	-	-	296.01	-
Mutual Funds	3,237.65	-	-	2,878.11	-	-
Exchange Traded Funds	378.65	-	-	234.97	-	-
Trade receivables	-	-	397.68	-	-	314.29
Cash and Cash equivalents	-	-	1,450.66	-	-	971.98
Earmarked Balance for Core SGF	-	-	272.17	-	-	73.47
Balance held for the purpose of meeting short term cash commitments	-	-	4,521.30	-	-	6,882.29
Restricted Balances with banks : in current accounts	-	-	0.10	-	-	323.88
Restricted Balances with banks : fixed deposits	-	-	82.39	-	-	-
Balance in Escrow Account	-	-	-	-	-	6.42
Unbilled revenue	-	-	5.32	-	-	10.92
Security deposits	-	-	7.13	-	-	7.70
Other receivables	-	-	27.08	-	-	31.01
Total financial assets	3,616.30	666.01	12,015.75	3,113.08	424.69	14,100.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

E - Financial Instruments by category

(₹ in Crores)

Particulars	31-Mar-18			31-Mar-17		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial liabilities						
Trade payables	-	-	129.46	-	-	97.47
Deposits	-	-	1,921.22	-	-	1,808.52
Obligations under finance lease	-	-	10.84	-	-	10.12
Other liabilities	-	-	5,691.18	-	-	7,661.26
Total financial liabilities	-	-	7,752.70	-	-	9,577.37

(i) Fair Value hierarchy and valuation technique used to determine fair value :

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in these consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three level prescribed under the accounting standard. An explanation of each level follows below the table.

Financial Assets measured at Fair Value - recurring fair Value measurements at 31.03.2018

(₹ in Crores)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Investments at FVPL					
Mutual Fund	4 & 9	2,771.48	466.17	-	3,237.65
Exchange Traded Funds	4	378.65	-	-	378.65
Financial Investments at FVOCI					
Debt Instrument at FVOCI - Government Securities	4	-	529.17	-	529.17
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd. (NCDEX)	4	-	-	136.51	136.51
Quoted Equity Investments	4	0.33	-	-	0.33
Total Financial Assets		3,150.46	995.34	136.51	4,282.31

Financial Assets measured at Fair Value - recurring fair Value measurements At 31.03.2017

(₹ in Crores)

Particulars	Notes	Level 1	Level 2	Level 3	Total 31-Mar-2017
Financial Assets					
Financial Investments at FVPL					
Mutual Fund	4 & 9	2,460.94	417.16	-	2,878.10
Exchange Traded Funds	4	234.97	-	-	234.97
Preference Shares	4	-	-	-	-
Financial Investments at FVOCI					
Debt Instrument at FVOCI - Government Securities	4	-	296.01	-	296.01
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd.	4	-	-	128.00	128.00
Unquoted Equity Investments - Goods And Service Tax Network	4	-	-	-	-
Quoted Equity Investments	4	0.60	-	-	0.60
Total Financial Assets		2,696.51	713.17	128.00	3,537.68

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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: 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 (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing 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 FIMMDA/FBIL valuation techniques which maximise the use of observable market data 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.

During the previous year ended March 31, 2017, the Company has transferred investment in unquoted equity shares of NCDEX between levels 2 to level 3 as there were no observable market data available as at March 31, 2017.

- 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, 2018.

ii) Valuation technique used to determine fair value :

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments

- The fair value of the remaining financial instruments is determined using discounted cash flow analysis and price to book value multiple as applicable.

(iii) Fair value measurements using significant unobservable inputs (level 3)

- The following table presents the changes in level 3 items for the periods ended 31 March, 2018 and 31 March, 2017:

Particulars	(₹ in Crores)
	Unlisted Equity security
As at 1 April 2016	100.32
Gains (losses) recognised in Other Comprehensive Income	(31.86)
As at 1 April 2017	68.46
Gains (losses) recognised in Other Comprehensive Income	8.51
As at 31 March 2018	76.97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(iv) Valuation inputs and relationships to fair value :

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted

Particulars	Fair Value	Significant Unobservable inputs*	Fair Value
	31/03/18		31/03/18
Unquoted Equity Shares - NCDEX	136.51	P/B Multiple	5.0x
		Business Risk Discount	60%
		Resultant P/B multiple	2.0x
		Liquidity Discount	30%
		Applicable P/B Multiple	1.4x
		P/B multiple based on latest available transactions	2.4x
		Average P/B multiple arrived at	1.9x
		Book value as on 31.03.2018 (₹ In Crores)	479.00
		Equity valuation of NCDEX (₹ In Crores)	910.20
		Valuation of 15% stake (₹ In Crores)	136.51

* There were no significant inter relationship between unobservable inputs that materially affect fair value

(v) Valuation processes :

The finance department of the group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the reporting periods.

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

(₹ in Crores)

	Notes	31/03/18		31/03/17	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
Debentures	4 & 9	854.24	853.49	1,236.45	1,246.02
Taxable Bonds	4 & 9	113.02	116.43	118.04	123.33
Taxfree Bonds	4 & 9	1,027.57	1,051.13	922.07	952.19
Fixed Deposits	5, 6 & 12	3,339.49	3,341.66	3,201.79	3,203.53
Total Financial Assets		5,334.32	5,362.72	5,478.35	5,525.07
Financial Liabilities					
Obligations under Finance Lease	15 & 16	10.84	12.65	10.12	12.49
Total Financial Liabilities		-	-	-	-

- The carrying amounts of trade receivables, trade payables, deposits, other receivables, cash and cash equivalent including other current bank balances and other liabilities including settlement obligation payable, deposits, creditors for capital expenditure, etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

- The fair value of debentures, taxable bonds, taxfree bonds, 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. For details of the key assumptions used and the impact of the changes to these assumptions, see above note 40 (i).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

41 In the opinion of the Board, current assets and advances are approximately of the value stated and to be realised in the ordinary course of business.

42 i) Gross amount required to be spent by the Group on Corporate Social Responsibility activities for the year ended March 31, 2018 is ₹32.38 crores. (Previous year: ₹30.39 Crores)

ii) Amount spent during the years towards Primary Education, Elder Care, etc : (₹ in Crores)

Particulars	31.03.2018		
	In cash	Yet to be paid in cash	Total
(i) Construction / acquiring of any asset		-	-
(ii) Contribution to NSE Foundation towards CSR [Refer note 42(iii)]	82.56	-	82.56
(iii) On purposes other than (i) & (ii) above [Refer note 42(ii)]	22.78	-	22.78

ia) excludes ₹ NIL (previous year ₹ 0.20 crores) on capacity building of personnel and implementing agencies etc., which is in excess of 5 % of total CSR expenditure.

iii) Amount transferred from/(to) Retained Earnings to/(from) CSR Reserve (₹ in Crores)

Particulars	31.03.2018	31.03.2017
Amount transferred from/(to) Retained Earnings to/(from) CSR Reserve	(72.06)	72.06

During the current year ended March 31, 2018, the group was required to spend an amount of ₹32.38 crores being 2% of average profit of last 3 financial years (of the parent and subsidiaries). In this regard, an amount of ₹22.78 crores has been spent by the Group and the balance amount of ₹10.49 crores was contributed to NSE Foundation (Section 8 company of the group) towards contribution for CSR activities.

Additionally the Group has also contributed amount of ₹ 72.06 crores from the CSR Reserve created in previous year ended March, 31 2017 to NSE Foundation (Section 8 company of the group) towards contribution for CSR activities. Accordingly, CSR reserve created during previous year has been credited to Retained Earning. [Refer note 13(b)]

43 Disclosure relating to Specified Bank Notes* (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016. (Amount in ₹)

Description	Specified Bank Notes (SBNs)	Others denominated Notes	Total
Closing cash in hand as on 08.11.2016	1,73,000	65,271	2,38,271
(+) Permitted receipts	24,500	16,63,702	16,88,202
(-) Permitted Payments	-	15,75,531	15,75,531
(-) Amount deposited in Banks	1,70,000	-	1,70,000
Amount exchanged with bank	27,500	27,500	-
Closing cash in hand as on 30.12.2016	-	1,80,942	1,80,942

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

44 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

(₹ in Crores)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company								
National Stock Exchange of India Limited								
31st March, 2018	67.35%	4,950.25	85.08%	1,243.43	93.96%	-8.24	85.03%	1,235.19
31st March, 2017	69.32%	4,997.66	82.58%	1,006.50	76.44%	(20.14)	82.72%	986.36
Subsidiaries (group's share)								
National Securities Clearing Corporation Limited								
31st March, 2018	7.50%	551.26	6.07%	88.73	2.62%	-0.23	6.09%	88.50
31st March, 2017	9.57%	690.00	6.66%	81.17	1.51%	(0.40)	6.77%	80.77
India Index Services & Products Limited								
31st March, 2018	3.20%	235.45	4.09%	59.76	0.00%	-	4.11%	59.76
31st March, 2017	2.85%	205.43	3.99%	48.66	0.00%	-	4.08%	48.66
DotEx International Limited								
31st March, 2018	2.23%	164.01	3.28%	48.00	0.11%	-0.01	3.30%	47.99
31st March, 2017	2.06%	148.33	3.48%	42.40	0.02%	(0.01)	3.56%	42.39
NSE Infotech Services Limited								
31st March, 2018	0.08%	5.77	-4.08%	-59.64	11.06%	-0.97	-4.17%	-60.61
31st March, 2017	-0.16%	(11.61)	-3.89%	-47.45	6.93%	(1.83)	-4.13%	(49.28)
NSEIT Limited								
31st March, 2018	1.62%	119.26	-2.34%	-34.20	-4.68%	0.41	-2.33%	-33.79
31st March, 2017	1.26%	91.10	-1.61%	-19.64	-0.67%	0.18	-1.63%	(19.46)
NSE Academy Limited								
31st March, 2018	0.03%	2.36	0.26%	3.87	0.00%	-	0.27%	3.87
31st March, 2017	0.05%	3.57	0.22%	2.69	0.00%	-	0.23%	2.69
NSE Strategic Investment Corporation Limited								
31st March, 2018	4.48%	329.14	0.73%	10.64	0.00%	-	0.73%	10.64
31st March, 2017	3.35%	241.20	-0.21%	-2.52	0.00%	-	-0.21%	(2.52)
NSE IFSC Limited								
31st March, 2018	0.41%	30.14	-0.91%	-13.36	0.68%	(0.06)	-0.92%	-13.42
31st March, 2017	0.29%	21.23	-0.25%	-3.02	2.82%	(0.74)	-0.32%	(3.76)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
NSE IFSC Clearing Corporation Limited								
31st March, 2018	0.70%	51.62	-0.59%	-8.63	-3.76%	0.33	-0.57%	-8.30
31st March, 2017	0.67%	48.54	-0.07%	-0.83	6.29%	(1.66)	-0.21%	(2.49)
NSE Foundation								
31st March, 2018	1.12%	82.51	-0.01%	-0.09	0.00%	-	-0.01%	-0.09
Foreign Subsidiaries								
NSE.IT (US) Inc.								
31st March, 2018	0.01%	0.79	0.04%	0.62	0.00%	-	0.04%	0.62
31st March, 2017	0.05%	3.84	-0.07%	-0.81	0.00%	-	-0.07%	(0.81)
Associates (Investment as per equity method)								
National Securities Depository Limited								
31st March, 2018	1.84%	135.40	1.46%	21.33	0.00%	-	1.47%	21.33
31st March, 2017	1.62%	116.97	2.05%	24.94	1.02%	(0.27)	2.07%	24.67
NSDL e-Governance Infrastructure Limited								
31st March, 2018	2.62%	192.90	2.31%	33.82	0.00%	-	2.33%	33.82
31st March, 2017	2.32%	166.92	2.50%	30.52	1.25%	(0.33)	2.53%	30.19
Computer Age Management Services Private Limited								
31st March, 2018	6.71%	492.83	4.71%	68.85	0.00%	-	4.74%	68.85
31st March, 2017	6.60%	475.98	4.69%	57.18	4.39%	(1.16)	4.70%	56.03
Receivables Exchange Of India Limited								
31st March, 2018	0.07%	4.87	-0.11%	-1.66	0.00%	-	-0.11%	-1.66
31st March, 2017	0.09%	6.53	-0.08%	-0.97	0.00%	-	-0.08%	(0.97)
BFSI Skill Sector Council of India								
31st March, 2018	0.01%	1.00	0.00%	-	0.00%	-	0.00%	-
31st March, 2017	0.01%	1.00	0.00%	-	0.00%	-	0.00%	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Crores)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Joint Venture (Investment as per equity method)								
Market Simplified India Limited								
31st March, 2018	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31st March, 2017	0.04%	2.93	0.00%	-	0.00%	-	0.00%	-
Adjustment arising out of consolidation								
31st March, 2018	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31st March, 2017	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total								
31st March, 2018	100.00%	7,349.56	100.00%	1,461.47	100.00%	(8.77)	100.00%	1,452.70
31st March, 2017	100.00%	7,209.62	100.00%	1,218.82	100.00%	(26.35)	100.00%	1,192.47

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

45 In case of the Parent Company, SEBI had directed the Company to carry out an investigation including forensic examination by an independent external agency in respect of Colocation facility.

In this regard, SEBI has directed that, pending completion of investigation to the satisfaction of SEBI, all revenues emanating from colocation facility including the transaction charges on the trades executed through colocation facility be placed in a separate bank account. Accordingly, as of March 31, 2018, an amount of ₹1,197.26 crores was transferred to a separate bank account and the same along with income earned thereon remains invested in mutual funds. These mutual fund investments have been shown under restricted/earmarked investments as a part of current investments in the balance sheet. The Company had filed consent application with SEBI on July 20, 2017, SEBI vide its letter dated February 26, 2018 returned the same to the Company. The management is of the view that pending conclusion of this matter with SEBI, a reliable estimate of the obligation in respect of this matter cannot be presently made and therefore no provision / adjustment to this effect has been made in the financial results as at and for the year ended March 31, 2018. (Refer Note 25.1 and 25.2)

46 The Group's pending litigations comprise of claims against the Group and proceedings pending with Statutory and Tax Authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, whenever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial position (Refer Note no. 34 for details on contingent liabilities)

47 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(₹ in Crores)

As at 31.03.2018	Effects of offsetting on the balance			Related amount not offset		
	Gross Amount	Gross Amt Set off in the balance sheet	Net Amount presented in Balance sheet	Amounts subject to master netting arrangements	Financial Instrument collateral*	Net Amount
Financial Assets						
Trade Receivables	310.28	-	310.28	-	(1,026.45)	(716.16)
31.03.2017						
Financial Assets						
Trade Receivables	255.37	-	255.37	-	(1,034.23)	(778.86)

*The collateral includes deposits from trading members.

48 OTHER EVENTS AFTER THE REPORTING PERIOD

(i) Dividend:

The Board of Directors have recommended the payment of final dividend of ₹ 7.75 per fully paid equity shares (FV ₹ 1 each) (March 31, 2017 : ₹ 12.25/- per fully paid equity share (FV ₹ 1 each). This proposed dividend is subject to approval of shareholders in the ensuing general meeting and if approved would result in cash outflow of approximately ₹ 462.49 Crores including Corporate Dividend Tax of ₹ 78.86 crores.

49 In accordance with the relevant provisions of the Companies Act, 2013, the group has long term contracts for which there were no material foreseeable losses. The Group did not have any derivative contracts as at March 31, 2018.

50 For the year ended March 31, 2018 and March 31, 2017, the Group is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of the Companies Act, 2013.

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm's Registration no : 304026E / E-300009

For and on behalf of the Board of Directors

Sumit Seth

Partner

Membership No.: 105869

Ashok Chawla

Chairman

[DIN:00056133]

Dinesh Kanabar

Director

[DIN:00003252]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date : May 4, 2018

Yatrik Vin

Chief Financial Officer

S. Madhavan

Company Secretary

FORM AOC - 1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A" Subsidiary		(₹ in Crores)									
Name of Subsidiary	National Securities Clearing Corporation Limited	NSE Strategic Investment Corporation Limited	NSE IFSC Limited	Dotex International Limited (Note 1)	India Index Services & Products Limited (Note 1)	NSEIT Ltd (Note 1)	NSE Academy Limited (Note 1)	NSE Infotech Services Ltd (Note 1)	NSEIT (US) Inc. (Note 2)	NSE IFSC Clearing Corporation Limited (Note 3)	NSE Foundation (Note 4)
The date since when subsidiary was acquired	31-Aug-95	31-Jan-13	29-Nov-16	02-Jun-00	02-Aug-06	29-Oct-99	12-Mar-16	02-Aug-06	04-Dec-06	02-Dec-16	05-Mar-18
Reporting date	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018
Share Capital	45.00	825.99	50.00	9.00	1.30	10.00	0.25	0.05	5.34	70.00	0.05
Reserves and Surplus	576.26	216.22	-19.86	155.01	234.15	119.06	2.11	5.72	-4.55	-18.38	82.46
Total Assets	9,491.97	1,044.57	51.43	194.20	246.81	164.23	4.66	30.04	4.87	75.35	82.59
Total Liabilities	9,491.97	1,044.57	51.43	194.20	246.81	164.23	4.66	30.04	4.87	75.35	82.59
Investments	2,811.37	279.77	-	141.45	224.69	15.15	2.61	5.81	-	-	-
Turnover	372.55	115.58	0.24	110.43	104.97	188.89	11.86	61.71	4.71	-	82.57
Profit before Taxation	251.32	106.43	-15.93	54.06	90.72	27.87	2.45	1.48	0.64	-8.94	82.47
Provision for Taxation	92.48	0.74	-	15.80	25.70	10.43	0.92	0.78	0.02	-	-
Profit after Taxation	158.84	105.68	-15.93	38.26	65.02	17.44	1.53	0.70	0.62	-8.94	82.47
Proposed Dividend	36.00	16.52	-	1.89	32.50	1.00	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Notes:-

- Dotex International Limited, India Index Services & Products Limited, NSEIT Ltd, Nse Infotech Services Ltd, and NSE Academy Limited are wholly owned subsidiaries of NSE Strategic Investment Corporation Limited.
- NSEIT (US) INC is a wholly owned subsidiary of NSEIT LTD. The reporting currency of the company is USD. The financial information of NSEIT (US) INC. have been translated into INR at the closing rate at March 31, 2018 of 1 USD = ₹ 65.0441
- NSE IFSC Clearing Corporation Limited is a wholly owned subsidiary of National Securities Clearing Corporation Limited.
- NSE Foundation is incorporated under Section 8 of Companies Act, 2013.

Part "B" Associates/Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Crores)

Name of Associates/Joint Ventures	National Securities Depository Limited	Computer Age Management Services Private Limited	Nsdl E-Governance Infrastructure Limited	Market Simplified India Limited	Power Exchange India Limited	Receivables Exchange India Limited	BFSI Skill Sector Council of India
Latest audited Balance Sheet Date	March 31,2017	March 31,2017	March 31,2018	March 31,2016	March 31,2017	March 31,2017	March 31,2017
Date on which the Associate or Joint Venture was associated or acquired	15-Feb-10	07-Jan-14	15-Feb-10	30-Nov-11	20-Feb-08	25-Feb-16	16-Sep-11
Share of Associate held by the group at the above mentioned reporting date							
Number of Equity Shares	96,00,000.00	2,19,38,400.00	1,00,18,000.00	45,05,175.00	1,50,00,030.00	75,00,000.00	1,00,00,000.00
Amount of Investment in Associates	58.92	412.13	55.10	4.51	15.04	7.50	1.00
Extend of Holding %	24.00%	44.99%	25.05%	30.00%	30.95%	30.00%	49.00%
Description of how there is significant influence	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
Reason why the associate is not consolidated	NA	NA	NA	NA	NA	NA	NA
Networth attributable to Shareholding as per latest audited Balance Sheet	111.60	162.61	142.82	8.87	-6.26	6.64	3.90
Profit/Loss for the year							
i. Considered in Consolidation	21.33	68.85	33.82	-	-	-1.66	-
ii. Not considered in Consolidation	-	-	-	-	-	-	Note 2

Notes:-

- The group has significant influence through holding more than 20.00% of the equity shares in the investee company in terms of Indian Accounting Standard (Ind AS) 28, Investments in Associates and Joint Ventures.
- BFSI Sector Skill Council of India is a company incorporated under section 8 of Companies Act, 2013, and has set up with the aim of enhancing skill development across the BFSI sector leading to greater efficiency, productivity and sustained growth wherein the profits will be applied for promoting its objects. Therefore the same is not considered while consolidation.

For and on behalf of the Board of Directors

Ashok Chawla
Chairman
[DIN:00056133]

Dinesh Kanabar
Director
[DIN:00003252]

Vikram Limaye
Managing Director & CEO
[DIN:00488534]

Place : Mumbai
Date : May 4, 2018

Yatrik Vin
Chief Financial Officer

S. Madhavan
Company Secretary



INDEPENDENT AUDITORS' REPORT

To the Members of
National Stock Exchange of India Limited

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of National Stock Exchange of India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

2. 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 standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including 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 thereunder.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 March 31, 2018, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 to be included in the Auditors' Report in accordance with Rule 11 of the

Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Notes 30, 39 and 40 to the Standalone Ind AS financial statements.
- ii. The Company has long term contract for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2018 – Refer Note 45 to the Standalone Ind AS financial statements.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018 – Refer Note 46 to the Standalone Ind AS financial statements.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 34 to the Standalone Ind AS financial statements.

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm Registration Number: 304026E / E- 300009

Sumit Seth

Partner

Membership Number 105869

Place: Mumbai

Date: May 4, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of National Stock Exchange of India Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2018.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 2 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, service tax, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, duty of customs, duty of excises, goods and services tax which have not been deposited on account of any dispute. The particulars of dues of income tax, wealth tax, security transaction tax and service tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Sr. No	Name of the Statute	Nature of the Dues	Period to which amount relates (Financial year)	Amount (₹ in Crores)	Forum where dispute is Pending
1.	Income Tax Act, 1961	Income Tax	1995-1996	0.08	High Court, Mumbai
			1999-2000	0.34	High Court, Mumbai
			2007-2008	0.002	Income Tax Appellate Tribunal, Mumbai
			2012-2013	2.14	Commissioner of Income Tax (Appeal)
2.	Wealth Tax Act, 1957	Wealth Tax	2000-2001	0.11	Income Tax Appellate Tribunal, Mumbai - Wealth Tax Bench
3.	Finance (No.2) Act, 2004-Chapter VII	Securities Transaction Tax	2006-2007	1.57	High Court Mumbai
			2007-2008	0.97	High Court, Mumbai
			2008-2009	0.48	High Court, Mumbai
4.	Chapter V of Finance Act, 1994	Service Tax	2004-2005 to 2008-2009	28.10	Commissioner of Service tax, Mumbai
			2010-2011	0.001	Commissioner of Central Excise (Appeal), Mumbai
			2011-2012	0.001	Commissioner of Central Excise (Appeal), Mumbai
			2008-2009 to 2011-2012	11.09	Commissioner of Service tax, Mumbai
			April 2012 to June 2012	0.55	Commissioner of Service tax, Mumbai
5.	The Competition Act, 2002	Penalty	2007-2008 to 2009-2010	55.50	Supreme Court of India

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him to which Section 192 of the Act applies. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm Registration Number: 304026E / E- 300009

Sumit Seth

Partner

Membership Number 105869

Place: Mumbai

Date: May 4, 2018

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of National Stock Exchange of India Limited on the standalone Ind AS financial statements for the year ended March 31, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of National Stock Exchange of India Limited ("the Company") as of March 31, 2018 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

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

Auditors' Responsibility

3. 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. 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

7. 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

8. 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, 2018, 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 Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm Registration Number: 304026E / E- 300009

Sumit Seth

Partner

Membership Number 105869

Place: Mumbai

Date: May 4, 2018

BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Notes	(₹ in Crores)	
		As at 31.03.2018	As at 31.03.2017
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	502.45	473.33
Capital work-in-progress	2	22.55	74.77
Other intangible assets	3	36.40	36.56
Intangible assets under development	3	20.04	26.82
Investment in subsidiaries, associates and joint ventures	4	941.67	916.67
Financial assets			
- Investments	4	3,039.41	2,650.90
- Other financial assets			
Non-current bank balances	5 (a)	58.70	32.64
Others	5 (b)	6.46	15.63
Income tax assets (net)	17	250.05	291.39
Other non-current assets	6	14.48	15.84
Total non-current assets		4,892.21	4,534.55
Current assets			
Financial assets			
- Investments	7	2,246.55	2,349.84
- Trade receivables	8	328.28	266.52
- Cash and cash equivalents	9	44.81	94.60
- Bank balances other than cash and cash equivalents	10	179.73	693.90
- Other financial assets	5	42.97	104.03
Other current assets	6	66.36	39.90
Total current assets		2,908.70	3,548.79
TOTAL ASSETS		7,800.91	8,083.34
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11a	49.50	49.50
Other equity	11b	5,921.26	5,890.14
TOTAL EQUITY		5,970.76	5,939.64
LIABILITIES			
Non-current liabilities			
Other financial liabilities	13	9.64	9.19
Provisions	14	11.03	14.13
Deferred tax liabilities (net)	15(c)	44.91	40.09
Other non-current liabilities	18	5.39	5.39
Total non-current liabilities		70.97	68.80
Current liabilities			
Financial liabilities			
Deposits	19	1,139.08	1,115.68
Trade payables	12		
Total Outstanding dues of micro enterprises and small enterprises		1.20	0.07
Total Outstanding dues of creditors other than micro enterprises and small enterprises		129.40	90.89
Other financial liabilities	13	125.21	133.53
		1,394.89	1,340.17
Provisions	14	41.43	40.69
Income tax liabilities (net)	16	12.38	12.38
Other current liabilities	18	310.48	681.66
Total current liabilities		1,759.18	2,074.90
TOTAL LIABILITIES		1,830.15	2,143.70
TOTAL EQUITY AND LIABILITIES		7,800.91	8,083.34

Summary of significant accounting policies

Notes referred above form an integral part of the Balance sheet

This is the Balance sheet referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm's Registration no : 304026E / E-300009

Sumit Seth

Partner

Membership No.: 105869

Place : Mumbai

Date : May 4, 2018

For and on behalf of the Board of Directors

Ashok Chawla

Chairman

[DIN:00056133]

Yatrik Vin

Chief Financial Officer

Dinesh Kanabar

Director

[DIN:00003252]

S. Madhavan

Company Secretary

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2018	For the year ended 31.03.2017
INCOME			
Revenue from operations	20	2,132.72	1,690.50
Other income	21	459.51	627.91
Total income		2,592.23	2,318.41
EXPENSES			
Employee benefits expense	22	109.24	107.47
Clearing & settlement charges		120.65	100.05
Depreciation and amortisation expense	2, 3	114.70	111.70
Other expenses	23	541.42	442.20
Total expenses (excluding contribution to Core Settlement Guarantee Fund)		886.01	761.42
Profit before contribution to Core SGF and tax		1,706.22	1,556.99
Less : Contribution to Core Settlement guarantee fund (Core SGF)	36	-	(134.07)
Profit before tax		1,706.22	1,422.92
Less: Income tax expense			
Current tax	15	533.15	376.27
Deferred tax	15	11.26	13.72
Total tax expenses		544.41	389.99
Profit for the year (A)		1,161.81	1,032.93
Other comprehensive income			
Items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	11b	(22.78)	12.62
Income tax relating to items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	11b	7.96	(4.37)
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	11b	(0.13)	(7.35)
Changes in fair value of FVOCI equity instruments	11b	8.24	(31.68)
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	11b	0.04	2.54
Changes in fair value of FVOCI equity instruments	11b	(1.57)	8.10
Total other comprehensive income / (loss) for the year, net of taxes (B)		(8.24)	(20.14)
Total comprehensive income /(loss) for the year (A)+(B)		1,153.57	1,012.79
Earnings per equity share (Face value of ₹ 1 each)			
- Basic and Diluted (₹)	24	23.47	20.87
Before contribution to Core Settlement Guarantee Fund			
- Basic and Diluted (₹)	24	23.47	22.64
Summary of significant accounting policies			
Notes referred above form an integral part of the Statement of Profit & loss			

This is the Statement of Profit & loss referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm's Registration no : 304026E / E-300009

For and on behalf of the Board of Directors

Sumit Seth
Partner
Membership No.: 105869

Ashok Chawla
Chairman
[DIN:00056133]

Dinesh Kanabar
Director
[DIN:00003252]

Vikram Limaye
Managing Director & CEO
[DIN:00488534]

Place : Mumbai
Date : May 4, 2018

Yatrik Vin
Chief Financial Officer

S. Madhavan
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(A) EQUITY SHARE CAPITAL

(₹ in Crores)

Balance as at 01.04.2016	45.00
Issue of bonus shares (Refer Note 11(b)(3))	4.50
Balance as at 31.03.2017	49.50
changes in equity share capital during the year	0.00
Balance as at 31.03.2018	49.50

(B) OTHER EQUITY

(₹ in Crores)

Particulars	Reserves and Surplus				Other Reserves				Total
	Securities premium reserve	Retained earnings	CSR Reserve	Other reserves	Total Reserves and Surplus	FVOCI equity instruments	FVOCI debt instruments	Total other reserves	
Balance at the April 1, 2016	40.00	5,551.69	-	11.50	5,603.19	80.52	(7.98)	72.54	5,675.73
Profit for the year	-	1,032.93	-	-	1,032.93	-	-	-	1,032.93
Transfer to CSR Reserve [Refer note 33(c)]	-	(53.43)	53.43	-	-	-	-	-	-
Other Comprehensive Income	-	(4.81)	-	-	(4.81)	(23.58)	8.25	(15.33)	(20.14)
Transaction with owners in their capacity as owners									
Issue of Bonus shares	(4.50)	-	-	-	(4.50)	-	-	-	(4.50)
Dividend paid (including dividend distribution tax)	-	(793.88)	-	-	(793.88)	-	-	-	(793.88)
Balance as at 31.03.2017	35.50	5,732.50	53.43	11.50	5,832.93	56.94	0.27	57.21	5,890.14
Profit for the year	-	1,161.81	-	-	1,161.81	-	-	-	1,161.81
Transfer from CSR Reserve [Refer note 33(c)]	-	53.43	(53.43)	-	-	-	-	-	-
Other Comprehensive Income	-	(0.09)	-	-	(0.09)	6.67	(14.82)	(8.15)	(8.24)
Transaction with owners in their capacity as owners									
Dividend paid (including dividend distribution tax)	-	(1,122.45)	-	-	(1,122.45)	-	-	-	(1,122.45)
Balance as at 31.03.2018	35.50	5,825.20	-	11.50	5,872.20	63.61	(14.55)	49.06	5,921.26

This is the statement of changes in equity referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

For and on behalf of the Board of Directors

Chartered Accountants

Firm's Registration no : 304026E / E-300009

Sumit Seth

Partner

Membership No.: 105869

Place : Mumbai

Date : May 4, 2018

Ashok Chawla

Chairman

[DIN:00056133]

Yatrik Vin

Chief Financial Officer

Dinesh Kanabar

Director

[DIN:00003252]

S. Madhavan

Company Secretary

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Crores)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
A) CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	1,706.22	1,422.92
Adjustments for		
Depreciation and amortisation expense	114.70	111.70
Interest income from financial assets at amortised cost	(94.69)	(99.18)
Interest income from financial assets designated at fair value through other comprehensive income	(38.52)	(42.47)
Income on Investments	(79.84)	(110.83)
Dividend income	(123.10)	(162.95)
Rent income	(4.72)	(6.55)
Net fair value gain on financial assets mandatorily measured at fair value through profit or loss	(91.06)	(107.13)
Net gain on sale of financial assets measured at fair value through other comprehensive income	(1.96)	(26.90)
Net gain on sale of investments mandatorily measured at fair value through profit or loss	(79.84)	(165.88)
Net gain on sale of investment in associate (i.e. National Securities Depository Limited)	-	(7.42)
Profit on sale of property, plant and equipment	(12.66)	(0.20)
Doubtful debts written off	-	0.52
Change In operating assets and liabilities		
(Increase)/Decrease in trade receivables	(61.76)	(42.09)
Increase/(Decrease) in trade payables	39.64	24.15
(Increase)/Decrease in other financial assets	29.68	(19.94)
(Increase)/Decrease in other assets	(24.17)	(13.04)
Increase/(Decrease) in other financial liabilities	18.37	9.35
Increase/(Decrease) in provisions	(2.49)	(6.37)
Refund /(Proceeds) of deposits from trading member / applicant	23.40	17.23
Increase/(Decrease) in other liabilities	(371.18)	(291.16)
CASH GENERATED FROM OPERATIONS	946.01	483.76
Income taxes paid	(491.81)	(398.96)
NET CASH INFLOW FROM OPERATING ACTIVITIES - TOTAL (A)	454.21	84.80
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(119.50)	(123.29)
Proceeds from rent income	4.72	6.55
Proceeds from property, plant and equipment	20.33	0.53
Payment for investment in subsidiaries and associates	(25.00)	(25.00)
Proceeds from investment in subsidiaries and associates	-	9.99
Proceeds from sale of investments	13,951.80	12,748.32
Payment for purchase of investments	(14,107.04)	(13,115.19)
Proceeds from fixed deposits / bank balances other than cash & cash equivalents	1,200.01	1,166.12
Payment for Investment in Fixed Deposits	(711.90)	(470.83)
Interest received others	211.64	281.27
Interest received on Fixed Deposits	70.29	111.61
Dividend received	123.10	162.95
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES - TOTAL (B)	618.45	753.03

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

Particulars	(₹ in Crores)	
	For the year ended 31.03.2018	For the year ended 31.03.2017
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid (including dividend distribution tax)	(1,122.45)	(793.88)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES - TOTAL (C)	(1,122.45)	(793.88)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	(49.79)	43.95
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	94.60	50.65
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	44.81	94.60
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	(49.79)	43.95
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents comprise of the following		
Cash and cash equivalents	44.81	94.60
Balances per statement of cash flows	44.81	94.60

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm's Registration no : 304026E / E-300009

For and on behalf of the Board of Directors

Sumit Seth
Partner
Membership No.: 105869

Ashok Chawla
Chairman
[DIN:00056133]

Dinesh Kanabar
Director
[DIN:00003252]

Vikram Limaye
Managing Director & CEO
[DIN:00488534]

Place : Mumbai
Date : May 4, 2018

Yatrik Vin
Chief Financial Officer

S. Madhavan
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

Background

The National Stock Exchange of India Limited ("NSE" or "the Company") established in 1992 is the first demutualized electronic exchange in India. NSE was the first exchange in the country to provide a modern, fully automated screen-based electronic trading system which offered easy trading facility to the investors spread across the country. NSE offers trading in equity, equity derivatives, debt and currency derivatives segments.

Note 1: SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements ("financial statements"). These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act, 2013 and Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Companies Act 2013 (the Act).

The financial statements for the year ended March 31, 2018 has been approved by the Board of directors of the Company in their meeting held on May 4, 2018

(i) Historical cost convention

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

- certain financial assets and liabilities that are measured at fair value, and
- defined benefit plans - plan assets are measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

(b) Foreign currency translation and transactions

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, incentives, indirect taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue is recognised in the period when the service is provided as per arrangements/agreements with the customers. The sources of revenue are:

- (i) Transaction charges – revenue is recognised on transactions in accordance with the Company's fee scales as and when the transaction occurs.
- (ii) Subscription and other fees – revenue is recognised on a straight-line basis over the period to which the fee relates.
- (iii) Book building fees – revenue is recognised at the time of completion of book building process.
- (iv) Others – all other revenue is recognised in the period in which the service is provided.

In respect of members who have been declared as defaulters by the Company, all amounts (dues) remaining to be recovered from such defaulters, net of available security and insurance cover available if any, till the date of being declared as defaulters are written off as bad debts. All subsequent recoveries are accounted on receipt.

Penal charges in respect of shortages due from the respective member is recognised in profit and loss as part of revenue from operations to the extent such charges are recoverable in the period of declaration of default.

Insurance claims are accounted on accrual basis when the claims become due and receivable.

(d) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to statement of profit and loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity. The dividend distribution tax paid by the subsidiaries for which the set off has been availed by the Parent company has been recognized in equity.

(e) Leases

As a lessee

Leases of property, plant and equipment and land where the Company, as lessee, has substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(f) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked / restricted for specific purposes.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(i) Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised under other income. Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the statement of profit and loss under other income in the period in which it arises. Interest or dividend income, if any from these financial assets is separately included in other income.

Equity investments (other than Investments in subsidiaries, associates and joint venture)

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income in the statement of profit and loss.

Equity Investments (in subsidiaries, associates and joint venture)

Investments in subsidiaries, associates and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The accounting policy on impairment of non-financial assets is disclosed in Note f above. On disposal of investments in subsidiaries,

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) De-recognition of financial assets

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Purchase and sale of investment are accounted at trade date.

(v) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be reliably measured.

(j) Financial liabilities

(i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(ii) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

(iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(iv) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(k) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(l) Property, plant and equipment (including Capital Work In Progress)

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

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

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Building	60 years
Furniture and fixture	5 to 10 years
Office equipment	4 to 5 years
Electrical equipment	10 years
Computer systems office automation	3 years
Computer systems – others	4 years
Telecommunication systems	4 years
Trading systems	4 years

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

The useful lives for computer systems office automation, computer systems – others, computer software, telecommunication systems, trading systems and clearing & settlement systems have been determined based on technical evaluation done by the management's expert which are lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted on a prospective basis if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.

Fixed assets whose aggregate cost is ₹ 5,000 or less are depreciated fully in the year of acquisition.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(m) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is accounted as investment property. Investment property is measured initially at its cost, including related transaction costs.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years.

(n) Intangible assets

Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Computer software is amortised over a period of 4 years.

(o) Trade and other payables

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

(p) Provisions

Provisions for legal claims and discounts/incentives are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

At the end of each reporting period, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at a future date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(q) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not disclosed in case the possibility of an outflow of resources embodying economic benefits is remote.

(r) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet since the company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity, and
- (b) Defined contribution plans such as provident fund and superannuation.

Gratuity obligations

The Company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to yields on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iv) Defined contribution plans

Provident fund

The Company has established 'National Stock Exchange of India Limited Employee Provident Fund Trust' to which both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary, respectively. Such contribution to the provident fund for all employees, are charged to the profit and loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is provided for by the Company.

Superannuation

Superannuation benefits for employees designated as chief managers and above are covered by Company policies with the Life Insurance Corporation of India. Company's contribution payable for the year is charged to profit and loss. There are no other obligations other than the annual contribution payable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(v) Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

SEBI has laid down certain norms in terms of the compensation policy for the key management personnel which are as under :

- A. The variable pay component will not exceed one third of the total pay.
- B. 50% of the variable pay will be paid on a deferred basis after three years.

(s) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Dividends

Provision is made for the amount of any dividend declared including dividend distribution tax, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(u) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(v) Core Settlement Guarantee Fund

The Company contributes to Settlement Guarantee Fund/ Core Settlement Guarantee Fund in accordance with Securities Exchange Board of India ('SEBI') (Stock Exchanges and Clearing Corporations) Regulation 2012. The Company contributes 25% of its annual profits and also contributes amounts pertaining to Minimum Required Contribution to the Core Settlement Guarantee Fund maintained by National Securities Clearing Corporation Limited (subsidiary of the Company), which is determined as per SEBI guidelines. The contribution to Settlement Guarantee Fund/ Core Settlement Guarantee Fund is recorded as an expense and such amounts are separately disclosed as other current liability in balance sheet. Effective August 29, 2016, SEBI has amended Regulation 33 of SECC Regulations, 2012 and the Company is now required to contribute only towards the MRC of Core SGF. (Refer Note 36)

(w) Rounding of amounts

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

(x) Reclassification

Previous year figures have been reclassified / regrouped wherever necessary.

(y) Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgments are:

Estimation of fair value of unlisted securities Note 27

Estimation of useful life of intangible assets Note 3

Estimation of defined benefit obligation Note 25

Estimation of contingent liabilities refer Note 30

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

(z) Recent Accounting Pronouncements

(i) Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

A new five steps process must be applied before revenue can be recognised.

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The new standard is mandatory for financial years commencing on or after 1 April 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company is in the process of assessing the detailed impact of Ind AS 115. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements.

(ii) Other Updates

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration. The amendment clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force on April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not expected to be material.

Other Amendments - Amendments to Ind AS 40 Investment Property, Amendment to Ind AS 12 Income Taxes, Amendments to Ind AS 28, Investment in Associates and Joint Ventures and Ind AS 112 Disclosure of Interest in Other Entities are not applicable to the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

Note 2 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Freehold land	Leasehold land	Owned building*	Office equipments	Electrical equipment & installations	Furniture & Fixtures	Trading systems	Computer systems office automation	Computer systems others	Tele-communication systems	Total	Capital work in progress
Year ended 31 March 2017												
Gross carrying amount	35.50	107.61	173.61	68.57	102.85	42.02	190.72	14.11	192.40	164.90	1,092.29	14.43
Opening as at 01.04.2016	-	-	-	3.11	0.99	5.88	10.04	3.89	21.52	21.43	66.86	127.20
Additions	-	-	-	(0.07)	(0.01)	(0.13)	-	(0.52)	(0.21)	(0.66)	(1.60)	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	(66.86)
Closing gross carrying amount	35.50	107.61	173.61	71.61	103.83	47.77	200.76	17.48	213.71	185.67	1,157.55	74.77
Accumulated depreciation												
Accumulated depreciation as at 01.04.2016	-	26.42	34.59	49.31	34.24	24.76	171.86	12.11	115.16	125.34	593.79	-
Depreciation charge during the year	-	1.30	2.91	7.67	8.09	3.92	10.52	2.39	35.26	19.66	91.72	-
Disposals	-	-	-	(0.04)	-	(0.13)	-	(0.53)	(0.21)	(0.38)	(1.29)	-
Closing accumulated depreciation	-	27.72	37.50	56.94	42.33	28.55	182.38	13.97	150.21	144.62	684.22	-
Net carrying amount as at 31.03.2017	35.50	79.89	136.11	14.67	61.50	19.22	18.38	3.51	63.50	41.05	473.33	74.77
Year ended 31 March 2018												
Gross carrying amount	35.50	107.61	173.61	71.61	103.83	47.77	200.76	17.48	213.71	185.67	1,157.55	74.77
Opening as at 01.04.2017	-	-	13.10	15.91	11.52	10.20	12.05	6.03	27.79	35.63	132.23	80.01
Additions	(3.30)	-	(3.11)	(2.60)	(4.45)	(1.54)	(43.08)	(0.51)	(23.45)	(22.13)	(104.17)	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	(132.23)
Closing gross carrying amount	32.20	107.61	183.60	84.92	110.90	56.43	169.73	23.00	218.05	199.17	1,185.61	22.55
Accumulated depreciation												
Opening as at 01.04.2017	-	27.72	37.50	56.94	42.33	28.55	182.38	13.97	150.21	144.62	684.22	-
Depreciation charge during the period	-	1.29	3.09	8.51	8.55	4.51	10.47	2.84	34.01	22.18	95.45	-
Disposals	-	-	(0.83)	(2.56)	(3.65)	(1.26)	(43.08)	(0.51)	(22.71)	(21.91)	(96.51)	-
Closing accumulated depreciation	-	29.01	39.76	62.89	47.23	31.80	149.77	16.30	161.51	144.89	683.16	-
Net carrying amount as at 31.03.2018	32.20	78.60	143.84	22.03	63.67	24.63	19.96	6.70	56.54	54.28	502.45	22.55

* Includes investment property for which cost and fair value details are as follows:

Particulars	31.03.2018	31.03.2017
Net carrying amount of investment property	4.41	4.87
Fair value of investment property	63.84	53.03
Depreciation	0.10	0.11
Rental income	4.72	6.55

Note 2.1: Capital and other Contractual commitment Refer note 29

Note 2.2: Estimation of fair value

The Company obtains independent valuations for its investment property. The best evidence of fair value is current prices in an active market for similar property.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 3 : INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Computer software	Computer software under development	Total
Opening as at 01.04.2016	197.10	23.11	220.21
Additions	13.95	17.66	31.61
Deductions	(0.36)	-	(0.36)
Transfers	-	(13.95)	(13.95)
Closing gross carrying amount	210.69	26.82	237.51
Accumulated amortisation			
Accumulated amortisation as at 01.04.2016	154.51	-	154.51
Amortisation for the year	19.98	-	19.98
Deductions	(0.36)	-	(0.36)
Closing accumulated amortisation	174.13	-	174.13
Net carrying amount as at 31.03.2017	36.56	26.82	63.38
Gross carrying amount			
Opening as at 01.04.2017	210.69	26.82	237.51
Additions	25.48	24.09	49.57
Deductions	(10.53)	(5.39)	(15.92)
Transfers	-	(25.48)	(25.48)
Closing gross carrying amount	225.64	20.04	245.68
Accumulated amortisation			
Opening as at 01.04.2017	174.13	-	174.13
Amortisation for the year	19.25	-	19.25
Deductions	(4.14)	-	(4.14)
Closing accumulated amortisation	189.24	-	189.24
Net carrying amount as at 31.03.2018	36.40	20.04	56.44

Note : 3.1 Capital and other Contractual commitment Refer note 29

Note : 3.2 Significant estimate: Useful life of intangible assets under development. As at 31 March 2018, the net carrying amount of this software was ₹ 36.40 crores (31 March 2017: ₹ 36.56 crores). The Group estimates the useful life of the software to be 4 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 4 years, depending on technical innovations and competitor actions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 4 : NON-CURRENT INVESTMENTS

Particulars	31.03.2018		31.03.2017	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
I Investment in equity instruments (fully paid up)				
A) Unquoted equity instruments at cost				
(i) In subsidiary companies				
National Securities Clearing Corporation Limited	4,50,00,000	5.64	4,50,00,000	5.64
NSE Strategic Investment Corporation Limited	41,30,21,703	413.14	41,30,21,703	413.14
NSE International Financial Service Centre Limited	5,00,00,000	50.00	2,50,00,000	25.00
NSE Foundation (Section 8 Company) [* ₹ 1 (Previous year: Nil)] (Refer note 4.1)	38,000	*	-	-
(ii) In associate companies				
National Securities Depository Limited	96,00,000	58.92	96,00,000	58.92
BFSI Sector Skill Council Of India (Section 8 Company)	1,00,00,000	1.00	1,00,00,000	1.00
Total equity instruments		528.70		503.70
II Investments in preference shares (fully paid up)				
A) Unquoted preference shares at cost				
In subsidiary company				
6% Non-Cumulative Compulsorily Convertible Preference Shares of NSICL	41,29,71,703	412.97	41,29,71,703	412.97
Total preference shares		412.97		412.97
Total Investment in subsidiaries and associates		941.67		916.67
III Investment in equity instruments (fully paid up)				
A) Quoted equity instruments at FVOCI				
In Companies other than subsidiaries				
Multi Commodity Exchange of India Limited	5,000	0.33	5,000	0.60
Total quoted equity instruments at FVOCI		0.33		0.60
B) Unquoted equity instruments				
In other companies at FVOCI				
National Commodity & Derivative Exchange Limited	76,01,377	136.51	76,01,377	128.00
Total unquoted equity instruments		136.51		128.00
IV Investment in exchange traded funds				
Quoted exchange traded funds at FVPL				
CPSE ETF	1,52,57,095	42.74	2,54,70,000	71.85
SBI-ETF Nifty 50	41,89,000	42.70	24,13,000	22.33
ICICI Prudential Nifty iWIN ETF	60,06,000	62.65	23,26,000	21.75
Kotak Mahindra MF - Kotak Banking ETF	17,13,828	42.46	6,45,000	14.05
R Shares Nifty Bees	7,15,858	75.11	4,47,500	41.99
R Shares Bank Bees	3,92,285	96.72	2,37,000	51.40
Total exchange traded funds		362.38		223.37

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2018		31.03.2017	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
V Investment in bonds				
Quoted bonds at amortised cost				
(i) Tax free bonds				
7.28% National Highways Authority of India	1,100	119.93	950	102.01
7.35% National Bank For Agricultural & Rural Development	5,00,000	52.01	5,00,000	52.10
7.19% Indian Railway Finance Corporation Limited	450	48.20	450	48.21
8.46% Rural Electrification Corporation Limited	400	48.19	200	23.61
8.63% National Housing Bank	80,000	48.07	60,000	36.06
7.64% National Bank For Agricultural & Rural Development	4,00,000	42.25	4,00,000	42.35
8.67% National Hydroelectric Power Corporation Limited	3,00,000	38.97	3,00,000	39.21
6.89% National Housing Bank	350	36.05	350	36.23
8.46% National Housing Bank - Series V	300	33.95	300	34.12
8.67% Power Finance Corporation Limited	2,50,000	31.18	2,50,000	31.38
7.35% National Highways Authority Of India	2,50,000	30.13	-	-
8.46% Rural Electrification Corporation Limited	2,50,000	27.76	2,50,000	27.89
6.86% India Infrastructure Finance Company Limited	2,50,000	24.64	2,50,000	24.57
7.51% Housing & Urban Development Corporation Limited	2,50,000	25.94	2,50,000	25.99
8.63% NTPC Limited	200	23.66	200	23.89
8.46% India Infrastructure Finance Company Limited	200	22.85	200	22.98
8.20% Housing & Urban Development Corporation Limited	2,00,000	22.57	2,00,000	22.78
7.39% Housing & Urban Development Corporation Limited	2,00,000	21.95	2,00,000	22.03
7.15% NTPC Limited	200	21.14	200	21.16
7.35% Indian Railway Finance Corporation Ltd 2031	1,50,000	17.51	-	-
8.48% India Infrastructure Finance Company Limited	150	17.04	150	17.13
8.35% Indian Railway Finance Corporation Limited	150	16.21	150	16.21
7.18 % Indian Railway Finance Corporation Ltd - Tranche 1 - Series 1	1,50,000	15.50	1,50,000	15.50
8.41% NTPC Limited	1,29,162	14.53	1,29,162	14.72
8.20% Power Finance Corporation Limited - Tranche 1 - Series 1	1,35,436	14.37	1,35,436	14.44
8.66% India Infrastructure Finance Company Limited	1,00,000	11.84	1,00,000	11.89
8.40% Indian Railway Finance Corporation Limited	1,00,000	11.76	1,00,000	11.82
7.27% Power Finance Corporation Limited	1,00,000	11.15	1,00,000	11.19
7.19% Housing & Urban Development Corporation Limited	1,00,000	10.09	1,00,000	10.09
7.43% Rural Electrification Corporation Limited	1,00,000	10.75	1,00,000	10.76
7.34% Indian Railway Finance Corporation Limited	1,00,000	10.49	1,00,000	10.50
7.21% Rural Electrification Corporation Limited	100	10.44	100	10.48
7.07% Housing & Urban Development Corporation Limited	100	10.35	100	10.35
7.19% India Infrastructure Finance Company Limited	1,00,000	10.34	1,00,000	10.25
7% Housing & Urban Development Corporation Limited	100	10.34	100	10.33
7.36% India Infrastructure Finance Company Limited	1,00,000	10.32	1,00,000	10.33
7.93 % Rural Electrification Corporation Limited - Tranche 1 - Series 1	61,238	6.85	61,238	6.93
8.68% National Housing Bank	10,000	5.96	10,000	6.01
8.66% NTPC Limited	50,000	6.20	50,000	6.24
8.46% Power Finance Corporation Limited	50	6.13	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2018		31.03.2017	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
8.54% Power Finance Corporation Limited	50,000	5.93	50,000	5.99
7.40% India Infrastructure Finance Company Limited	50,000	5.48	50,000	5.50
8.09% - Power Finance Corporation Limited - Series 80 A	500	5.44	500	5.52
8.20% National Highways Authority of India - Tranche 1 - Series 1	37,086	3.86	37,086	3.86
8.00 % Indian Railway Finance Corporation Limited - Tranche 1 - Series 1	32,626	3.38	32,626	3.38
Total tax free bonds		981.70		875.98
(ii) Taxable bonds				
8.80% Power Grid Corporation of India Limited	500	50.49	500	50.54
8.39% Power Finance Corporation Limited	250	24.90	250	24.87
8.82% Rural Electrification Corporation Limited - Sr 114	150	16.37	150	16.39
8.70% Power Grid Corporation of India Limited	50	5.47	50	5.50
8.40% Power Grid Corporation of India Limited	50	5.31	50	5.31
11.25% Power Finance Corporation Limited	-	-	100	10.69
Total taxable bonds		102.54		113.30
Total bonds		1,084.24		989.28
VI Investment in debentures				
Quoted at amortised cost				
7.95% HDFC Limited	50	52.50	50	52.56
7.65% Bajaj Finance Limited	300	30.31	300	30.31
0% HDB Financial Services Limited	250	28.32	250	26.23
7.7435% Bajaj Finance Limited	250	26.91	-	-
8.48% HDB Financial Services Limited	250	26.81	250	26.77
7.70% HDB Financial Services Limited	250	26.65	-	-
7.90% Tata Sons Limited	250	26.55	250	25.12
7.52% HDB Financial Services Limited	250	26.38	-	-
7.35% Tata Sons Limited	250	26.08	-	-
7.59% Kotak Mahindra Investments Limited	250	25.79	-	-
7.80% HDFC Limited	25	25.74	25	25.74
8.79% Bajaj Finance Limited	250	25.60	250	25.84
9.25% Tata Sons Limited	250	25.54	250	26.13
9.44% LIC Housing Finance	150	16.04	-	-
8.25% Bajaj Finance Limited	100	10.58	100	10.63
7.90% Bajaj Finance Limited	100	10.43	100	10.44
8.97% Tata Sons Limited	50	5.47	-	-
9.47% Bajaj Finance Limited	50	5.34	-	-
8.97% LIC Housing Finance	50	5.27	-	-
8.72% LIC Housing Finance	50	5.21	50	5.25
8.80% Kotak Mahindra Prime Limited	-	-	450	47.86
8.71% Can Fin Homes Limited	-	-	350	36.98
9.90% Tata Sons Limited	-	-	250	26.74
8.74% Infrastructure Leasing & Financial Services Limited	-	-	2,50,000	26.40

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2018		31.03.2017	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
8.70% IL&FS Financial Services Limited	-	-	2,50,000	26.09
8.58% Infrastructure Leasing & Financial Services Limited	-	-	2,50,000	25.72
8.90% IL&FS Financial Services Limited	-	-	2,50,000	25.07
8.77% ICICI Home Finance Company Limited	-	-	500	25.05
0% Infrastructure Leasing & Financial Services Limited	-	-	1,50,000	17.69
8.80% Kotak Mahindra Prime Limited	-	-	150	15.96
8.80% Can Fin Homes Limited	-	-	100	10.66
8.71% HDB Financial Services Limited	-	-	100	10.55
8.41% Can Fin Homes Limited	-	-	100	10.44
8.90% HDB Financial Services Limited	-	-	100	10.30
9.05% Fullerton India Credit Company Limited - Series 33-A	-	-	50	5.41
10.25% Mahindra & Mahindra Financial Services Limited	-	-	50	5.35
8.45% Can Fin Homes Limited	-	-	50	5.20
Total debentures		431.52		596.50
VII Investment in government securities				
Quoted investment in government securities at FVOCI				
7.61% Government of India		154.64		159.86
8.97% Government of India		140.93		-
8.60% Government of India		76.95		50.65
8.15% Government of India		68.90		16.45
6.97% Government of India		58.23		-
6.79% Government of India		24.23		-
8.67% Maharashtra SDL		5.27		5.59
9.20% Government of India		-		63.46
Total government securities		529.15		296.01
VIII Mutual Funds				
Quoted investments in mutual funds at FVPL				
Fixed Maturity Plans				
Reliance Fixed Horizon Fund XXXIII Series 3 – 1215 Days – Direct - Growth	2,50,00,000	26.88	2,50,00,000	25.19
Reliance Fixed Horizon Fund - XXXIII - Series 4 - 1208 Days	2,50,00,000	26.86	2,50,00,000	25.16
Reliance Fixed Horizon Fund - XXXIII - Series 6 - 1201 Days - Direct - Growth	2,50,00,000	26.78	2,50,00,000	25.06
Kotak FMP Series 199 - 1147 Days	2,00,00,000	21.52	2,00,00,000	20.15
Reliance Fixed Horizon Fund XXXII Series 9 - 1285 Days	2,00,00,000	21.51	2,00,00,000	20.13
Birla Sun Life Fixed Term Plan - Series OI (1120 Days)	2,00,00,000	21.49	2,00,00,000	20.12
Kotak FMP Series 202 - 1144 Days - Direct - Growth	2,00,00,000	21.39	2,00,00,000	20.03
Reliance Fixed Horizon Fund - XXXIII - Series 7 - 1197 Days - Direct - Growth	2,00,00,000	21.39	2,00,00,000	20.02
Reliance Fixed Horizon Fund XXXIII Series 1 - 1222 Days	2,00,00,000	21.51	2,00,00,000	20.15
ICICI Prudential Fixed Maturity Plan - Series 80 - 1253 Days Plan J	1,50,00,000	16.14	1,50,00,000	15.12

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2018		31.03.2017	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
DHFL Pramerica Fixed Duration Fund Series AE	1,50,000	16.11	1,50,000	15.08
Kotak FMP Series 200 - 1158 Days	1,50,00,000	16.11	1,50,00,000	15.09
DSP Blackrock FMP Series 204 - 37M - Direct - Growth	1,50,00,000	16.09	1,50,00,000	15.10
ICICI Prudential Fixed Maturity Plan - Series 80 - 1187 Days Plan G - Direct-Growth	1,50,00,000	16.08	1,50,00,000	15.05
IDFC Fixed Maturity Plan - Series 131 - 1139 Days - Direct - Growth	1,50,00,000	16.06	1,50,00,000	15.02
Birla Sun Life Fixed Term Plan - Series Oh - 1120 Days	1,00,00,000	10.77	1,00,00,000	10.09
IDFC Fixed Maturity Plan - Series 129 - 1147 Days	1,00,00,000	10.77	1,00,00,000	10.08
ICICI Prudential Fixed Maturity Plan - Series 80 - 1233 Days Plan O - 29-Jul-2020	1,00,00,000	10.74	-	-
Birla Sun Life Fixed Term Plan - Series Oe - 1153 Days	1,00,00,000	10.74	1,00,00,000	10.06
UTI-FTIF-XXVI-VI (1146 Days)	1,00,00,000	10.73	1,00,00,000	10.05
ICICI Prudential Fixed Maturity Plan - Series 80 - 1227 Days Plan Q	1,00,00,000	10.73	1,00,00,000	10.06
ICICI Prudential Fixed Maturity Plan - Series 80 - 1231 Days Plan P	1,00,00,000	10.74	1,00,00,000	10.06
Birla Sun Life Fixed Term Plan - Series Og - 1146 Days	1,00,00,000	10.73	1,00,00,000	10.05
DSP Blackrock FMP Series 205 - 37M - Direct - Growth	1,00,00,000	10.72	1,00,00,000	10.06
Birla Sun Life Fixed Term Plan - Series OK (1135 Days) - Direct - Growth	1,00,00,000	10.71	1,00,00,000	10.03
Invesco India Fixed Maturity Plan – Series 29 - Plan B (1150 Days) - Direct - Growth	1,00,00,000	10.71	1,00,00,000	10.03
ICICI Prudential Fixed Maturity Plan - Series 80 - 1225 Days Plan T - Direct - Growth	1,00,00,000	10.69	1,00,00,000	10.02
UTI Fixed Term Income Fund Series XXVI-VIII (1154 Days) - Direct - Growth	1,00,00,000	10.68	1,00,00,000	10.01
Reliance Fixed Horizon Fund Xxxiv Series 7 - 1105 Days - Direct - Growth	1,00,00,000	10.47	-	-
HDFC FMP 1430D - Series 38 - Direct - Growth	1,00,00,000	10.32	-	-
ICICI Prudential Fixed Maturity Plan - Series 80 - 1233 Days Plan O	-	-	1,00,00,000	10.07
Balanced Funds				
HDFC Prudence Fund - Direct - Growth	93,270	4.74	-	-
L&T India Prudence Fund - Direct - Growth	14,48,145	3.90	-	-
ICICI Prudential Balanced Fund - Direct Growth	3,65,422	4.85	-	-
Aditya Birla Sunlife Balanced 95 Fund - Direct - Growth	50,075	3.90	-	-
SBI Magnum Balanced Fund - Direct - Growth	3,02,971	3.90	-	-
HDFC Balanced Fund - Direct - Growth	2,56,209	3.91	-	-
Tata Balanced Fund - Direct - Growth	1,86,744	3.91	-	-
		495.28		417.14
Total Investment other than in subsidiaries and associates		3039.41		2,650.90
Total non-current investments		3,981.08		3,567.58
Aggregate book value - quoted investments		2,902.90		2,552.90
Aggregate market value of quoted investments		2,939.78		2,563.85
Aggregate amount of unquoted investments		1,078.18		1,044.67

4.1 During the year ended March 31, 2018, the Company has written down the value of its investment in equity shares of NSE Foundation amounting to ₹ 0.04 crores, since, it has been set up to carry out CSR activities for the Company and will not have profits which can be distributed to the Company. The loss has been debited to the Statement of profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 5 : OTHER FINANCIAL ASSETS

(₹ in Crores)

Particulars	Non-current	Current	Non-current	Current
	31.03.2018	31.03.2018	31.03.2017	31.03.2017
Non-current bank balances				
Fixed deposits with maturity for more than 12 months	3.97	-	10.32	-
Earmarked fixed deposits with maturity for more than 12 months (Refer note 5.1)	54.73	-	22.32	-
Total (a)	58.70	-	32.64	-
Others				
Security deposit for utilities and premises	2.55	-	2.35	-
Interest accrued on Bank deposits	3.91	5.10	13.28	36.28
Receivable from related parties (refer note no.28)	-	11.20	-	42.93
Other receivables	-	26.67	-	24.82
Total (b)	6.46	42.97	15.63	104.03

5.1 Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members , investor services fund and other restricted deposits.

Note 6 : OTHER ASSETS

(₹ in Crores)

Particulars	Non-current	Current	Non-current	Current
	31.03.2018	31.03.2018	31.03.2017	31.03.2017
Capital advances	1.11	-	0.18	-
Other Advances recoverable	-	7.92	-	5.53
Balances with statutory authorities	-	32.07	-	10.84
Prepaid expenses	2.78	26.37	5.07	23.53
Securities Transaction Tax paid (Refer note 6.1)	10.59	-	10.59	-
	14.48	66.36	15.84	39.90

6.1 Securities Transaction Tax ("STT") paid represents amounts recovered by tax authorities towards STT, interest and penalty thereon recoverable from few members and ad-hoc STT, interest and penalty thereon which is disputed by the Company. The Company has recovered an amount of ₹ 5.39 crores against the STT paid to tax authorities from the respective members and which is held as deposit and disclosed under other non current liabilities. (refer note no. 18). The contingent liability of ₹ 6.76 Crores net of recoveries from members amounting to ₹ 5.39 Crores has been disclosed under contingent liability (Refer note: 30 (v))

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 7 : CURRENT INVESTMENTS

Particulars	31.03.2018		31.03.2017	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
I				
A) Current portion of long term investments				
Investment in bonds				
Quoted bonds at amortised cost				
Taxable bonds				
11.25% Power Finance Corporation Limited	100	10.48	-	-
0% National Bank For Agricultural & Rural Development	-	-	2,500	4.74
Total taxable bonds		10.48		4.74
B) Investment in debentures				
(i) Quoted debentures at amortised cost				
8.80% Kotak Mahindra Prime Limited	450	47.88	-	-
8.71% Can Fin Homes Limited	350	36.98	-	-
8.90% IL&FS Financial Services Limited	2,50,000	25.07	-	-
8.77% ICICI Home Finance Company Limited	500	25.05	-	-
8.90% Sundaram Finance Limited	250	26.74	-	-
8.75% Tata Capital Limited	250	26.45	-	-
8.74% Infrastructure Leasing & Financial Services Limited	2,50,000	26.40	-	-
8.58% Tata Motors Finance Limited	250	26.40	-	-
9.90% Tata Sons Limited	250	26.23	-	-
8.70% IL&FS Financial Services Limited	2,50,000	26.08	-	-
8.58% Infrastructure Leasing & Financial Services Limited	2,50,000	25.71	-	-
0% Infrastructure Leasing & Financial Services Limited	1,50,000	19.30	-	-
8.80% Kotak Mahindra Prime Limited	150	15.96	-	-
8.80% Can Fin Homes Limited	100	10.66	-	-
8.71% HDB Financial Services Limited	100	10.54	-	-
8.41% Can Fin Homes Limited	100	10.39	-	-
8.90% HDB Financial Services Limited	100	10.18	-	-
9.05% Fullerton India Credit Company Limited- Series 33-A	50	5.41	-	-
10.25% Mahindra & Mahindra Financial Services Limited	50	5.28	-	-
8.58% Sundaram Finance Limited	50	5.41	-	-
9% Shriram Transport Finance Company Limited	50	5.42	-	-
8.45% Can Fin Homes Limited	50	5.17	-	-
8.95% L&T Infrastructure Finance Company Limited	-	-	300	79.85
9.10% Tata Motors Finance Limited	-	-	600	62.38
9.35% Piramal Enterprises Limited	-	-	500	53.31
8.90% Tata Cleantech Capital Limited	-	-	500	53.06
8.75% Mahindra & Mahindra Financial Services Limited	-	-	400	42.34
9% Tata Capital Financial Services Limited	-	-	350	37.68
9.15% Piramal Enterprises Limited	-	-	250	27.06
9.15% Tata Cleantech Capital Limited	-	-	250	26.98
8.8075% Mahindra & Mahindra Financial Services Limited	-	-	250	26.87
8.70% Kotak Mahindra Investment Limited	-	-	250	26.36
9.65% IL&FS Financial Services Limited	-	-	2,50,000	26.28

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 7 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2018		31.03.2017	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
8.90% Kotak Mahindra Investment Limited	-	-	250	26.23
8.80% ICICI Home Finance	-	-	500	25.87
8.33% ICICI Home Finance Company Limited	-	-	500	25.83
9.74% Dewan Housing Finance Limited	-	-	200	21.96
10.95% Dewan Housing Finance Limited	-	-	200	21.71
8.7808% Kotak Mahindra Prime Limited	-	-	150	15.91
8.74% Infrastructure Leasing & Financial Services Limited	-	-	1,00,000	10.57
0% Dewan Housing Finance Limited	-	-	40	5.41
9.65% Sundaram Finance Limited	-	-	50	5.32
9% Fullerton India Credit Company Limited	-	-	50	5.31
8.75% Mahindra & Mahindra Financial Services Limited	-	-	50	5.29
9.60% Dewan Housing Finance Limited	-	-	50	5.21
Total quoted debentures		422.72		636.78
B) Investment in mutual funds				
Unquoted Investments in mutual funds at FVPL				
UTI Treasury Advantage Fund - Dir - Growth - Colocation (Refer note 7.1)	9,37,102	226.17	-	-
Tata Ultra Short Term Fund - Direct - Growth - Colocation (Refer note 7.1)	6,93,147	184.17	-	-
DSP Blackrock Ultra Short Term Fund - Dir - Growth - Colocation (Refer note 7.1)	13,67,64,789	174.28	-	-
LIC MF Savings Plus Fund - Direct - Growth - Colocation (Refer note 7.1)	6,08,74,471	168.12	-	-
Reliance Money Manager Fund - Direct - Growth - Colocation (Refer note 7.1)	5,58,037	136.01	-	-
Aditya Birla Sun Life Savings Fund - Direct - Growth - Colocation (Refer note 7.1)	32,82,008	112.88	-	-
Invesco India Ultra Short Term Fund - Direct - Growth - Colocation (Refer note 7.1)	3,57,392	87.37	-	-
IDFC Ultra Short Term Fund - Dir - Growth - Colocation - Lien Mark (Refer note 7.1)	2,56,33,104	63.56	-	-
Axis Treasury Advantage Fund - Growth - Direct Plan	5,78,120	114.52	-	-
HDFC Floating Rate Income Fund - STP - Direct - Growth	5,45,65,681	165.78	5,80,02,154	164.49
Sundaram Ultra Short Term - Direct Plan - Growth	-	-	-	-
ICICI Prudential Flexible Income Plan - Growth - Direct	34,66,957	116.11	34,66,957	108.37
L&T Ultra Short Term Fund - Direct - Growth	7,83,59,243	225.93	7,83,59,243	210.80
ICICI Prudential Liquid - Direct Plan - Growth	3,24,711	8.35	10,44,263	25.14
HDFC Liquid Fund - Direct - Growth	6,672	2.28	3,041	0.98
Birla Sun Life Floating Rate Fund - LTP - Direct - Growth Lien Marked	1,91,195	4.12	1,57,986	3.17
UTI Floating Rate Fund - Stp - Direct - Growth Lien Marked	5,048	1.47	10,127	2.75
SBI SHDF - Ultra Short Term - Direct - Growth Lien Marked	6,434	1.45	12,391	2.61
UTI Treasury Advantage Fund - Direct - Growth - Lien Marked	2,954	0.71	-	-
SBI Treasury Advantage Fund - Direct - Growth	-	-	10,42,361	192.55
LIC MF Savings Plus Fund - Direct - Growth	-	-	7,38,75,122	190.24
UTI Treasury Advantage Fund - Direct - Growth	-	-	8,06,453	181.89

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 7 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2018		31.03.2017	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
DSP Blackrock Ultra Short Term Fund - Direct - Growth	-	-	14,58,23,969	173.64
Birla Sun Life Floating Rate Fund - LTP - Direct - Growth	-	-	61,54,843	123.50
Invesco India Ultra Short Term Fund - Direct - Growth	-	-	5,47,863	125.27
DHFL Pramerica Short Term FRF - Direct - Growth	-	-	5,32,77,022	96.81
Reliance Money Manager Fund - Growth - Direct	-	-	2,44,814	55.73
IDFC Money Manager - Treasury Plan - Direct - Growth	-	-	96,91,048	25.38
Axis Banking Debt Fund - Direct - Growth	-	-	99,451	15.00
Kotak Treasury Advantage Fund - Direct - Growth	-	-	37,93,756	10.00
HSBC Cash fund - Direct - Growth	1,15,976	20.06	-	-
		1,813.35		1,708.31
Total current investments		2,246.55		2,349.84
Aggregate book value of quoted investments		433.20		641.53
Aggregate market value of quoted investments		433.96		644.51
Aggregate book value of unquoted investments		1,813.35		1,708.31

7.1 This represents investment made from amounts transferred in a separate bank account towards transaction charges and colocation services based on SEBI directives after taking Board's approval. These investments amounting to ₹ 1,117.21 crores as of March 31, 2018 have been earmarked / restricted pursuant to the SEBI directive in the colocation matter (Refer also Note 40).

Note 8 : TRADE RECEIVABLES

(₹ in Crores)

Particulars	Current	Current
	31.03.2018	31.03.2017
Outstanding for a period of over six months from the date they are due for payment		
Secured, considered good (Refer note 8.1)	3.69	4.74
Unsecured, considered good	14.48	8.71
	18.17	13.45
Other receivables		
Secured, considered good (Refer note 8.1)	308.57	250.63
Unsecured, considered good	1.54	2.44
Doubtful	0.04	0.04
	310.15	253.11
Less : Allowance for doubtful debts	0.04	0.04
	310.11	253.07
Total	328.28	266.52

8.1 Trade receivables are secured against deposits received from members (Refer note: 19)

Note 9 : CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	Current	Current
	31.03.2018	31.03.2017
Balances with banks : in current accounts	44.80	94.59
Cash on hand	0.01	0.01
Total	44.81	94.60

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 10 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	Current	Current
	31.03.2018	31.03.2017
Fixed Deposits		
- with original maturity for more than 3 months but less than 12 months	-	10.10
- with maturity of less than 12 months at the balance sheet date	5.94	217.97
Earmarked Fixed Deposits (Refer note 10.1)		
- with original maturity for more than 3 months but less than 12 months	15.40	37.00
- with maturity of less than 12 months at the balance sheet date	158.39	108.44
Restricted Balances with banks : in current accounts (Refer note 10.2)	-	320.39
Total	179.73	693.90

10.1 Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.

10.2 This represents amounts transferred in a separate bank account towards transaction charges and colocation services based on SEBI directives which have been subsequently invested in mutual funds. (Refer Note 40 & 7.1)

Note 11 a : EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	Current	Current
	31.03.2018	31.03.2017
Authorised		
50,00,00,000 Equity Shares of ₹ 1 each. (Previous year : 50,00,00,000 equity shares of ₹ 1 each)	50.00	50.00
Issued, subscribed and paid-up		
49,50,00,000 equity shares of ₹ 1 each, fully paid up (Previous year : 49,50,00,000 equity shares of ₹ 1 each, fully paid up)	49.50	49.50
Total	49.50	49.50

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. They entitle the holder to participate in dividends. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

A reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period

Name of the Company	As at 31.03.2018		As at 31.03.2017	
	(Numbers in Crores)	(₹ in Crores)	(Numbers in Crores)	(₹ in Crores)
At the beginning of the year Face value of ₹ 1 each (Previous year : ₹ 10 each)	49.50	49.50	4.50	45.00
Add: Bonus Shares Issued during the year [Note 3 of 11 (b)]	-	-	0.45	4.50
	49.50	49.50	4.95	49.50
Sub-division of equity shares of ₹10 each, into equity shares having a face value of ₹ 1 [Note 3 of 11 (b)]	-	-	49.50	-
At the end of the year	49.50	49.50	49.50	49.50

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Details of shareholders holding more than 5% share in the Company

Name of the Company	As at 31.03.2018		As at 31.03.2017	
	No.	% holding	No.	% holding
Life Insurance Corporation of India	6,19,13,500	12.51%	6,19,13,500	12.51%
State Bank of India	2,57,12,500	5.19%	2,57,12,500	5.19%

Note 11 b : OTHER EQUITY

(₹ in Crores)

Particulars	Reserves and Surplus					Other Reserves			Total
	Securities premium reserve	Retained earnings *	CSR Reserve	Other reserves	Total Reserves and Surplus	FVOCI equity instruments	FVOCI debt instruments	Total other reserves	
Balance at the April 1, 2016	40.00	5,551.69	-	11.50	5,603.19	80.52	(7.98)	72.54	5,675.73
Profit for the year	-	1,032.93	-	-	1,032.93	-	-	-	1,032.93
Transfer to CSR Reserve	-	(53.43)	53.43	-	-	-	-	-	-
Issue of Bonus shares (Refer Note 3 below)	(4.50)	-	-	-	(4.50)	-	-	-	(4.50)
Dividend paid (including dividend distribution tax) (Note 1 below)	-	(793.88)	-	-	(793.88)	-	-	-	(793.88)
Items of Other Comprehensive Income									
Remeasurements of post-employment benefit obligations, net of tax	-	(4.81)	-	-	(4.81)	-	-	-	(4.81)
Changes in fair value of FVOCI equity instruments, net of tax	-	-	-	-	-	(23.58)	-	(23.58)	(23.58)
Changes in fair value of FVOCI debt instruments, net of tax	-	-	-	-	-	-	8.25	8.25	8.25
Balance as at 31.03.2017	35.50	5,732.50	53.43	11.50	5,832.93	56.94	0.27	57.21	5,890.14
Profit for the year	-	1,161.81	-	-	1,161.81	-	-	-	1,161.81
Transfer from CSR Reserve	-	53.43	(53.43)	-	-	-	-	-	-
Dividend paid (including dividend distribution tax) (Refer Note 2 below)	-	(1,122.45)	-	-	(1,122.45)	-	-	-	(1,122.45)
Items of Other Comprehensive Income									
Remeasurements of post-employment benefit obligations, net of tax	-	(0.09)	-	-	(0.09)	-	-	-	(0.09)
Changes in fair value of FVOCI equity instruments, net of tax	-	-	-	-	-	6.67	-	6.67	6.67
Changes in fair value of FVOCI debt instruments, net of tax	-	-	-	-	-	-	(14.82)	(14.82)	(14.82)
Balance as at 31.03.2018	35.50	5,825.20	-	11.50	5,872.20	63.61	(14.55)	49.06	5,921.26

	31.03.2018	31.03.2017
*Includes General Reserves	3,690.00	3,690.00

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

CSR Reserves:

During the previous year ended March 31, 2017, the company had created CSR Reserve to undertake CSR activities and transferred unspent amount of ₹ 53.43 crores from Retained earnings to CSR Reserve. Further, during the current year ended March 31, 2018, the Company is required to spend an amount of ₹ 23.83 crores being 2% of average profit of last 3 financial years. In this regard, an amount of ₹ 22.78 crores has been spent by the Company. Accordingly, the balance amount of ₹ 1.06 crores along with the previous years unspent amount of ₹ 53.43 crores lying in the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

CSR reserve has been contributed to NSE Foundation. Accordingly, CSR reserve created during previous year has been utilised in the current year and has been credited to Retained Earnings. [Refer note 33(c)].

Other Reserves:

The Company has in the past created Other Reserves for investor compensation activities and staff welfare activities.

FVOCI equity investments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Debt Instruments through Other Comprehensive Income:

The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in debt instruments through other comprehensive income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.

Note 1 : The Board of Directors, in their meeting on May 12, 2016, proposed a dividend of ₹ 73/- per equity share which has been approved by the shareholders at the Annual General Meeting held on September 16, 2016 and on October 4, 2016 declared an interim dividend of ₹79.50 (795%) per equity share of ₹10/- each of the Company. The total dividend paid during the year ended March 31, 2017 amounts to ₹ 686.25 crores excluding dividend distribution tax ₹ 107.63 crores.

Note 2 : The Board of Directors, in their meeting held on May 5, 2017, proposed a dividend of ₹ 12.25/- per equity share which has been approved by the shareholders at the Annual General Meeting held on August 4, 2017 and on November 3, 2017 declared an interim dividend of ₹ 7 per equity share of ₹ 1/- each of the Company. The total dividend paid during the year ended March 31, 2018 amounts to ₹ 952.88 crores excluding dividend distribution tax ₹ 169.57 crores.

Note 3 : The Board of directors of the company in their meeting held on October 4, 2016 recommended issue of Bonus equity shares in the proportion of 1 (one) bonus share of ₹10/- (Rupees Ten each) for every existing 10 (Ten) fully paid up equity shares of ₹10 each, which was approved by the shareholders in the general meeting held on November 10, 2016. The record date for issue of bonus shares was November 23, 2016. The board of directors also recommended the sub-division of equity shares of ₹10 each, into equity shares having a face value of ₹1 each. The same was approved by the shareholders in the general meeting held on November 10, 2016, approved by SEBI on November 27, 2016 and has been notified in the gazette on December 10, 2016. The record date for sub division of equity shares was December 13, 2016.

Note 12 : TRADE PAYABLES

(₹ in Crores)

Particulars	Current	Current
	31.03.2018	31.03.2017
Trade payables	82.34	67.19
Trade payables to MSME (Refer Note 31)	1.20	0.07
Trade payables to related parties (Refer note 28)	47.06	23.70
Total	130.60	90.96

Note 13 : OTHER FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Non-current	Current	Non-current	Current
Deposits - Premises	-	5.30	-	5.24
Creditors for capital expenditure	-	15.02	-	41.26
Defaulters fund pending claims	-	83.01	-	76.27
Obligations under finance lease (Refer Note 35)	9.64	1.20	9.19	0.93
Other liabilities	-	20.68	-	9.83
Total	9.64	125.21	9.19	133.53

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 14 : PROVISIONS

(₹ in Crores)

Name of the Company	As at 31.03.2018		As at 31.03.2017	
	Non-current	Current	Non-current	Current
Employee benefits obligation				
Provision for gratuity	3.91	2.39	7.40	2.22
Provision for variable pay and other allowances	7.12	26.73	6.73	25.57
Provision for leave encashment	-	12.31	-	12.90
	11.03	41.43	14.13	40.69

Note 15 : INCOME TAXES

(A) Income tax expense

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Income tax expense		
Current Tax		
Current tax expense		533.00
Adjustment for current tax of prior year		0.15
Total Current Tax		533.15
Deferred Tax		
Decrease (increase) in deferred tax assets		(3.07)
Increase in deferred tax liabilities		14.33
Total deferred tax expense (benefit)		11.26
Total Income tax expenses*		544.41

Tax expenses exclude deferred tax asset/(liability) on OCI

*This excludes deferred tax benefit on other comprehensive income of ₹ 6.43 crores for the year ended March 31, 2018 (Previous Year : ₹ 6.27 Crores)

(B) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Profit before income tax expense	1,706.22	1,422.92
Tax rate (%)	34.608%	34.608%
Tax at the Indian Tax Rate of 34.608%	590.49	492.44
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
Dividend income	(42.60)	(56.39)
Interest on tax free bonds	(22.88)	(17.27)
Expenditure related to exempt income	7.71	7.31
Net (gain)/loss on financial assets mandatorily measured at fair value through profit or loss	(0.36)	(20.36)
Profit on sale of investments taxed at other than statutory rate	(2.56)	(17.47)
Specific Tax deductions	(1.46)	(1.39)
Others	16.07	3.12
Income Tax Expense	544.41	389.99

The applicable Indian statutory tax rate for year ended March 31, 2018 is 34.608% (Previous year : 34.608%).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(C) Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

Particulars	(₹ in Crores)	
	31.03.2018	31.03.2017
Deferred income tax assets		
Provision for leave encashment	2.29	2.27
Financial Assets at Fair Value through OCI	20.27	12.31
Others	18.41	15.32
Total deferred tax assets	40.97	29.90
Deferred income tax liabilities		
Property, plant and equipment and investment property	14.41	24.09
Financial Assets at Fair Value through OCI	26.17	24.60
Financial Assets at Fair Value through profit and Loss	42.52	19.12
Others	2.78	2.18
Total deferred tax liabilities	85.88	69.99
Net Deferred tax liabilities	44.91	40.09

(D) Deferred tax assets

Movements in deferred tax assets

Particulars	(₹ in Crores)				
	Provision for Leave Encashment	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	Others	Total
At 1 April 2016	4.40	-	4.21	12.38	20.99
Charged/(credited)					-
- to profit or loss	(2.13)	-	-	0.40	(1.73)
- to other comprehensive income	-	-	8.10	2.54	10.64
At 31 March 2017	2.27	-	12.31	15.32	29.90
Charged/(credited)					
- to profit or loss	0.02	-	-	3.05	3.07
- to other comprehensive income	-	-	7.96	0.04	8.00
At 31 March 2018	2.29	-	20.27	18.41	40.97

Note : Deferred tax asset on indexation benefit of investment in subsidiaries of ₹ 6.08 crores for the year ended March 31, 2018 (March 31, 2017 : ₹ 6.74 crores) not provided as the company does not have any intention to sell investments in subsidiaries in near future.

(E) Movements in deferred tax liabilities

Particulars	(₹ in Crores)				
	Property, Plant and Equipment	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	Others	Total
At 1 April 2016	30.16	2.44	20.23	0.82	53.65
Charged/(credited)					
- to profit or loss	(6.07)	16.68	-	1.36	11.97
- to other comprehensive income	-	-	4.37	-	4.37
At 31 March 2017	24.09	19.12	24.60	2.18	69.99
Charged/(credited)					
- to profit or loss	(9.68)	23.40	-	0.61	14.33
- to other comprehensive income	-	-	1.57	(0.01)	1.56
At 31 March 2018	14.41	42.52	26.17	2.78	85.88

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 16 : INCOME TAX LIABILITIES (NET) - CURRENT

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Wealth tax (net of advances)	0.29	0.29
Income tax (net of advances)	12.09	12.09
Total	12.38	12.38

Note 17 : INCOME TAX ASSETS (NET) - NON-CURRENT

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Income tax paid including TDS (Net of provisions)	247.82	289.16
Wealth tax (net of provisions)	0.02	0.02
Fringe benefit tax (net of provisions)	2.21	2.21
Total	250.05	291.39

Note 18 : OTHER LIABILITIES

(₹ in Crores)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Non-current	Current	Non-current	Current
Deposit - STT (Refer note 6)	5.39	-	5.39	-
Securities Transaction Tax payable	-	163.72	-	267.68
Statutory dues payable	-	73.52	-	36.66
Contribution payable to Core SGF (Refer note 36)	-	-	-	284.39
Advance from customers	-	19.94	-	20.64
Income received in advance	-	22.65	-	43.32
Others	-	30.65	-	28.97
Total	5.39	310.48	5.39	681.66

Note 19 : DEPOSITS - CURRENT

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Deposits from trading members	1,020.88	1,034.23
Deposits from applicants for membership	0.57	0.82
Deposits from mutual fund distributors	4.28	3.21
Deposits towards equipments	26.56	21.32
Deposit - listing & book building	86.79	56.10
Total	1,139.08	1,115.68

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 20 : REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	For the year ended 31.03.2018		For the year ended 31.03.2017	
Operating revenues				
Revenue from services :				
<u>Trading services</u>				
Transaction charges (Refer note 20.1)	1,745.45		1,335.30	
<u>Listing services</u>				
Listing fees	67.28		63.43	
Book building Fees	30.02	1,842.75	13.83	1,412.56
Other operating revenues				
<u>Listing services</u>				
Processing fees		32.86		21.97
<u>Colocation charges (Refer note 20.2)</u>		103.56		80.36
<u>Others</u>				
Registration & test enrolment fees	9.40		10.99	
Income on investments (Refer note 20.3)	79.84		110.83	
Others	64.31	153.55	53.79	175.61
Total		2,132.72		1,690.50

20.1 Includes revenue from Transaction charges amounting to ₹ 717.90 crores (Previous year : ₹ 325.25) kept in separate bank account based on SEBI directive which have been subsequently invested in mutual funds. (Refer Note 40 & 7.1)

20.2 Pertains to revenue from Colocation services amounting to ₹ 103.56 crores (Previous year : ₹ 50.26) kept in separate bank account based on SEBI directive which have been subsequently invested in mutual funds. (Refer Note 40 & 7.1)

20.3 Represents income generated from sources of funds related to operating activity of the Company.

Note 21 : OTHER INCOME

(₹ in Crores)

Particulars	For the year ended 31.03.2018		For the year ended 31.03.2017	
Dividend income				
- from equity investments designated at FVOCI	0.27		1.90	
- from subsidiary companies	119.91		157.50	
- from other investments	2.92	123.10	3.55	162.95
Interest income from financial assets at amortised cost		94.69		99.18
Interest income from financial assets designated at FVOCI		38.52		42.47
Rental income		14.66		14.04
Miscellaneous income		2.93		1.68
		273.90		320.32
Other gains/(losses)				
Net gain/(loss) on financial assets mandatorily measured at Fair Value through Profit or Loss	91.06		107.13	
Net gain on sale of financial assets measured at FVOCI (Refer note 21.1)	1.96		26.90	
Net gain on sale of investment in associate (i.e. National Securities Depository Limited)	-		7.42	
Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	79.84		165.88	
Net foreign exchange gains	0.09		0.06	
Net gain on disposal of property, plant and equipment	12.66	185.61	0.20	307.59
Total other income		459.51		627.91

21.1 This includes amount of ₹ 1.93 crores reclassified from other comprehensive income on account of sale of investments for the year ended March 31, 2018 (March 31, 2017 : ₹10.02 crores)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 22 : EMPLOYEE BENEFITS EXPENSES

(₹ in Crores)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Salaries, wages and bonus	97.18	95.10
Contribution to provident and other fund (Refer note 25)	4.23	4.36
Gratuity (Refer note 25)	2.09	1.83
Staff welfare expenses	5.74	6.18
Total	109.24	107.47

Note 23 : OTHER EXPENSES

(₹ in Crores)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Repairs & maintenance		
- To computers, trading & telecommunication systems	122.89	120.53
- To buildings	4.44	3.13
- To others	11.68	8.49
SEBI regulatory fees	26.73	26.34
License fees for index	11.37	9.66
IT management and consultancy charges	36.80	31.59
Software expenses	30.63	43.80
Web trading related expenses	16.13	16.65
Network infrastructure management charges	-	5.36
Lease line charges	15.59	9.37
Water and electricity charges	26.58	19.41
Rates and taxes	6.45	7.80
Directors' sitting fees	0.72	1.18
Legal and professional fees	30.54	29.04
Advertisement and publicity	13.69	31.43
Travel and conveyance	8.34	8.34
Corporate Social Responsibility expenditure [Refer note 33(c)]	77.27	8.33
Contribution to Investor protection fund trust (Refer note 23.1)	4.98	5.60
Investor education expenses	17.97	2.19
Payment to auditors (Refer note below)	0.84	0.97
Other expenses	77.78	53.01
Total	541.42	442.20

Note :

Payment to auditors

As auditors :

Audit fees	0.47	0.36
Tax audit fee	-	0.11
Limited review	0.16	0.16
In other capacities		
Taxation matters	-	0.18
Certification matters	-	0.07
Other services	0.21	0.09
Total	0.84	0.97

23.1 It represents contribution to National Stock Exchange Investor Protection fund trust formed as required under SEBI regulation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 24 : EARNINGS PER SHARE

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Profit attributable to the equity holders of the company used in calculating basic earnings per share and diluted earnings per share		
Profit for the year	1,161.81	1,032.93
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (No. in Crores) (Refer note 24.1)	49.50	49.50
Earnings per equity share (basic and diluted)	23.47	20.87
Profit before contribution to Core Settlement Guarantee Fund and tax	1,706.22	1,556.99
Income Tax effects on above	(544.41)	(436.39)
Profit before contribution to Core Settlement Guarantee Fund and after tax	1,161.82	1,120.60
Earnings per equity share (basic and diluted)	23.47	22.64

24.1 The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same.

25 Disclosure under Indian Accounting Standard 19 (Ind AS 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

i) Defined contribution plan

The Company's contribution towards superannuation fund during the year ended March 31, 2018 amounting to ₹ 1.25 Crore (31.03.2017: ₹ 1.81 Crore) has been charged to Statement of Profit & Loss (Reimbursement of cost charged to subsidiaries was - 31.03.2018: ₹ 0.19 crore, 31.03.2017: ₹ 0.36 crore).

ii) Defined benefit plan :

(a) Provident fund:

The Company has established National Stock Exchange of India Limited Employee Provident Fund Trust to which both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively. The Company's contribution to the provident fund for all employees is charged to Statement of Profit and Loss. In case of any liability arising due to short fall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. The actuary has provided an actuarial valuation and indicated that the interest shortfall liability as of and for the year ended March 31, 2018 and March 31, 2017 is NIL. The Company has contributed ₹ 3.25 Crore and ₹ 3.53 Crore towards Provident Fund during the year ended March 31, 2018 and year ended March 31, 2017, respectively. The contribution of ₹ 0.85 Crore during the year ended March 31, 2018 and ₹ 0.62 Crore during the year ended March 31, 2017 was reimbursed by the subsidiaries.

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
a. Approach used	Deterministic	Deterministic
b. Increase in compensation levels	8.00%	8.00%
c. Discount Rate	7.68%	7.09%
d. Attrition Rate	12.00%	12.00%
e. Weighted Average Yield	8.90%	9.14%
f. Weighted Average YTM	8.85%	9.27%
g. Reinvestment Period on Maturity	5 years	5 years
h. Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
i. Total PF assets as on date of valuation (₹ in Crores)	64.61	59.17

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(b) Gratuity:

The Company provides for gratuity for employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity, The amount of Gratuity is payable on retirement/termination of the employee's last drawn basic salary per month multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contribution to recognised funds with Life Insurance Corporation of India (LIC).

A Balance Sheet

(i) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the years are as follows: (₹ in Crores)

Particulars	31.03.2018		
	Present Value of Obligation	Fair Value of Plan Assets	Total
At the beginning of the year	20.67	(11.05)	9.62
Current service Cost	1.89	-	1.89
Interest cost / (income)	1.47	(0.78)	0.69
Expenses recognised in the Statement of Profit & Loss *	3.36	(0.78)	2.58
Remeasurements			
Expected return on plan assets	-	(0.05)	(0.05)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(0.64)	-	(0.64)
Actuarial (gains)/losses on obligations - due to experience	1.15	-	1.15
Net (income)/expense for the year recognized in OCI #	0.51	(0.05)	0.46
Employer Contributions	-	(3.93)	(3.93)
Liability transferred out	(2.43)	-	(2.43)
Benefits paid	(0.89)	0.89	-
At the end of the year	21.22	(14.92)	6.30

*Includes ₹0.49 Crores charged to the subsidiaries and ₹ Nil charged from the subsidiary.

Includes ₹ 0.33 Crores charged to the subsidiaries.

(₹ in Crores)

Particulars	31.03.2017		
	Present Value of Obligation	Fair Value of Plan Assets	Total
At the beginning of the year	18.21	(13.20)	5.01
Current service Cost	1.50	-	1.50
Interest cost / (income)	1.45	(1.05)	0.40
Expenses recognised in the Statement of Profit & Loss *	2.95	(1.05)	1.90
Remeasurements			
Expected return on plan assets	-	(0.02)	(0.02)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	2.47	-	2.47
Actuarial (gains)/losses on obligations - due to change in financial assumptions	3.66	-	3.66
Actuarial (gains)/losses on obligations - due to experience	2.00	-	2.00
Net (income)/expense for the year recognized in OCI #	8.13	(0.02)	8.11
Employer Contributions	-	(4.78)	(4.78)
Liability transferred out	(0.62)	-	(0.62)
Benefits paid	(8.00)	8.00	-
At the end of the year	20.67	(11.05)	9.62

*Includes ₹ 0.17 Crores charged to the subsidiaries and ₹ 0.10 crores charged from subsidiary.

Includes ₹ 0.76 Crores charged to the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(ii) The net liability disclosed above relates to funded plans are as follows: (₹ in Crores)

Particulars	31.03.2018	31.03.2017
Fair value of plan assets as at the end of the year	14.92	11.05
Liability as at the end of the year	(21.22)	(20.67)
Net (liability) / asset	(6.30)	(9.62)

(iii) Significant actuarial assumptions are as follows: (₹ in Crores)

Particulars	31.03.2018	31.03.2017
Discount rate	7.68%	7.09%
Rate of return on plan assets	7.68%	7.09%
Salary escalation	8.00%	8.00%
Attrition rate	12.00%	12.00%

(iv) Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is: (₹ in Crores)

Particulars	31.03.2018	31.03.2017
Projected benefit obligation on current assumptions	21.22	20.67
Delta effect of +1% change in rate of discounting	(1.00)	(1.07)
Delta effect of -1% change in rate of discounting	1.11	1.20
Delta effect of +1% change in salary increase	1.09	1.18
Delta effect of -1% change in salary increase	(1.00)	(1.07)
Delta effect of +1% change in employee turnover	(0.05)	(0.09)
Delta effect of -1% change in employee turnover	0.05	0.10

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(v) The expected maturity analysis of undiscounted gratuity defined benefits is as follows: (₹ in Crores)

Particulars	31.03.2018	31.03.2017
1st Following Year	2.87	2.48
2nd Following Year	2.49	2.42
3rd Following Year	3.16	2.70
4th Following Year	5.09	3.14
5th Following Year	3.51	4.77
Sum of Years 6 to 10	15.36	14.76

(vi) Expected contribution to gratuity plan for the year ending March 31, 2019 are ₹ 2.39 Crore

26 Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company. The Company operates only in one Business Segment i.e. facilitating trading in securities and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments". The Company while presenting the consolidated financial statements has disclosed the segment information to the extent applicable as required under Indian Accounting Standard 108 "Operating Segments".

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

27 (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.

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At 31 Mar, 2018 (₹ in Crores)

Particulars	Notes	Level 1	Level 2	Level 3	Total 31-Mar-2018
Financial Assets					
Financial Investments at FVPL					
Mutual Fund - Growth Plan	4, 7	1,813.35	-	-	1,813.35
Mutual Fund - Fixed Maturity Plan	4	-	495.28	-	495.28
Exchange Traded Funds	4	362.38	-	-	362.38
Financial Investments at FVOCI					
Debt Instrument at FVOCI - Government Securities	4	-	529.15	-	529.15
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd.	4	-	-	136.51	136.51
Quoted Equity Investments - MCX Limited	4	0.33	-	-	0.33
Total Financial Assets		2,176.06	1,024.44	136.51	3,337.00

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At 31 March, 2017 (₹ in Crores)

Particulars	Notes	Level 1	Level 2	Level 3	Total 31-Mar-2017
Financial Assets					
Financial Investments at FVPL					
Mutual Fund - Growth Plan	7	1,708.31	-	-	1,708.31
Mutual Fund - Fixed Maturity Plan	4	-	417.14	-	417.14
Exchange Traded Funds	4	223.37	-	-	223.37
Financial Investments at FVOCI					
Debt Instrument at FVOCI - Government Securities	4	-	296.01	-	296.01
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd.	4	-	-	128.00	128.00
Quoted Equity Investments - MCX Limited	4	0.60	-	-	0.60
Total Financial Assets		1,932.28	713.15	128.00	2,773.43

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 in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing 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 FIMMDA / FBIL valuation techniques which maximise the use of observable market data) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

- 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.

During the previous year ended March 31, 2017, the Company has transferred investment in unquoted equity shares of NCDEX between level 2 to level 3 as there were no observable market data available as at March 31, 2017.

- 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, 2018.

ii) Valuation technique used to determine fair value :

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments

- The fair value of the remaining financial instruments is determined using discounted cash flow analysis and price to book value multiple as applicable.

(iii) Fair value measurements using significant unobservable inputs (level 3)

- The following table presents the changes in level 3 items for the periods ended 31 March, 2018 and 31 March, 2017

(₹ in Crores)

Particulars	Unlisted Equity security
As at 1 April 2016	100.32
Gains (losses) recognised in Other Comprehensive Income	(31.86)
As at 1 April 2017	68.46
Gains (losses) recognised in Other Comprehensive Income	8.51
As at 31 March 2018	76.97

(iv) Valuation inputs and relationships to fair value :

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted

Particulars	Fair Value	Fair Value	Significant Unobservable inputs*	Fair Value	Fair Value
	31-Mar-18	31-Mar-17		31-Mar-18	31-Mar-17
Unquoted Equity Shares - NCDEX	136.51	128.00	P/B Multiple	5.0x	5.0x
			Business Risk Discount	60%	60%
			Resultant P/B multiple	2.0x	2.0x
			Liquidity Discount	30%	30%
			Applicable P/B Multiple	1.4x	1.4x
			P/B multiple based on latest available transactions	2.4x	2.4x
			Average P/B multiple arrived at	1.9x	1.9x
			Book value as on 31.03.2018 (₹ In Crores)	479.00	449.20
			Equity valuation of NCDEX (₹ In Crores)	910.20	853.50
			Valuation of 15% stake (₹ In Crores)	136.53	128.00

* There were no significant inter relationship between unobservable inputs that materially affect fair value

(v) Valuation processes :

The finance department of the group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the reporting periods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

(₹ in Crores)

Particulars	31-Mar-18		31-Mar-17	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Debentures	854.24	853.49	1,233.28	1,242.84
Taxable Bonds	113.02	116.43	118.04	123.33
Taxfree Bonds	981.70	1,003.85	875.98	905.05
Fixed Deposits	247.45	246.56	455.71	458.15
Security Deposit	2.55	2.55	2.35	2.35
Total Financial Assets	2,198.96	2,222.88	2,685.36	2,731.72
Financial Liabilities				
Obligations under Finance Lease	10.84	12.65	10.12	12.49
Total Financial Liabilities	10.84	12.65	10.12	12.49

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

The fair value of finance lease obligation, debentures, taxable bonds, taxfree bonds, fixed deposits 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.

- 28** In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below:

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

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
1	National Securities Clearing Corporation Limited	Subsidiary Company	Clearing and Settlement	100%
2	NSE Strategic Investment Corporation Limited	Subsidiary Company	Investment Entity	100%
3	NSE IFSC Limited	Subsidiary Company (w.e.f 29.11.2016)	Trading Facility	100%
4	NSE IFSC Clearing Corporation Limited	Subsidiary's Subsidiary Company (w.e.f 02.12.2016)	Clearing and Settlement	100%
5	NSEIT Limited	Subsidiary's Subsidiary Company	IT Services	100%
6	DotEx International Limited	Subsidiary's Subsidiary Company	Data Vending	100%
7	India Index Services & Products Limited	Subsidiary's Subsidiary Company	Index Services	100%
8	NSE Infotech Services Limited	Subsidiary's Subsidiary Company	IT Services	100%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
9	NSE.IT (US) Inc.*	Subsidiary's Subsidiary's Subsidiary Company	IT Services	100%
10	NSE Academy Limited	Subsidiary's Subsidiary Company (w.e.f. 12.03.2016)	Financial Literacy Programme	100%
11	NSE Foundation	Subsidiary Company (w.e.f. 05.03.2018)	CSR Activities	76%
12	National Securities Depository Limited	Associate Company	Depository Services	25.05% upto 23.02.2017 & 24% w.e.f. 24.02.2017
13	BFSI Sector Skill Council of India	Associate Company	Skill Council	49%
14	Power Exchange India Limited	Subsidiary's Associate	Trading Facility in power	30.95%
15	NSDL e-Governance Infrastructure Limited	Subsidiary's Associate	E-Governance Solutions	25.05%
16	Market Simplified India Limited	Subsidiary's Associate	Software Industry	30%
17	Computer Age Management Services Private Limited	Subsidiary's Associate	Mutual Fund Transfer Agency	44.99%
18	Receivables Exchange Of India Limited	Subsidiary's Associate (w.e.f. 29.06.2016) Subsidiary's Joint Venture (25.02.2016 to 28.06.2016)	Online Platform for financing receivables (TReDS)	50% from 25.02.2016 to 28.06.2016 and 30% w.e.f. 29.06.2016
19	Mr. Vikram Limaye - Managing Director (w.e.f. 17-Jul-2017)	Key Management Personnel		
20	Mr. J. Ravichandran - CEO - Incharge (from 02-Dec-2016 to 16-Jul-17)	Key Management Personnel		
21	Ms. Chitra Ramkrishna - Managing Director & CEO (upto 02-Dec-2016)	Key Management Personnel		
22	Mr. Ashok Chawla (w.e.f. 28-Mar-2016)	Key Management Personnel		
23	Mr. Ravi Narain (upto 1-Jun-17)	Key Management Personnel		
24	Mr. Abhay Havaldar	Key Management Personnel		
25	Mr. Dinesh Kanabar	Key Management Personnel		
26	Mr. Naved Masood	Key Management Personnel		
27	Mr. T. V. Mohandas Pai	Key Management Personnel		
28	Mr. Prakash Parthasarathy	Key Management Personnel		
29	Ms. Dharmishta Raval	Key Management Personnel		
30	Ms. Sunita Sharma nominee of Life Insurance Corporation of India	Key Management Personnel		
31	Ms. Anshula Kant nominee of State Bank Of India	Key Management Personnel		

* The principal place of business of NSEIT (US) Inc is located in US.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

(₹ in Crores)

Name of Related party	Nature of Transactions	Year ended 31.03.2018	Year ended 31.03.2017
National Securities Clearing Corporation Ltd.	Usage charges received	18.85	17.83
	Space and Infrastructure usage charges received	5.51	4.95
	Reimbursement received for expenses on staff on deputation	1.51	11.91
	Reimbursement received for other expenses incurred	40.02	47.95
	Reimbursement paid for IPO Expenses	-	0.15
	Reimbursement paid for CAMS Charges	0.81	0.14
	Dividend received	72.00	157.50
	Clearing and Settlement charges paid	141.70	114.45
	Contribution to NSCCL Core SGF expenses	-	134.07
	Contribution to NSCCL Core SGF liability (Closing Balance)	-	(284.39)
	Closing balance (Credit)/Debit	(8.96)	31.54
	Investment in Equity Share Capital	5.64	5.64
NSE IFSC Limited	Reimbursement received for expenses on staff on deputation	1.37	0.19
	Subscription of Equity share capital	25.00	25.00
	Deposit received / paid	0.03	-
	Reimbursement received for other expenses incurred	0.67	2.89
	Purchase of assets	1.52	0.57
	Investment in Equity Share Capital	50.00	25.00
	Closing balance (Credit)/Debit	7.67	3.54
NSE IFSC Clearing Corporation Limited	Reimbursement received for expenses on staff on deputation	0.84	0.25
	Reimbursement received for other expenses incurred	0.10	0.20
	Closing balance (Credit)/Debit	1.24	0.43
NSEIT Ltd. (Formerly known as NSE.IT Limited)	Reimbursement received for other expenses incurred	0.01	0.20
	Software Development Charges paid	0.15	1.88
	Software Expenses	-	0.44
	Repairs and maintenance – Computer trading , Telecommunication systems	36.66	30.49
	Reimbursement paid for IPO Expenses	0.10	-
	STP Charges Received	0.01	0.04
	Test expenses paid	6.85	4.34
	Empanelment charges received	0.09	0.09
	IT management and consultancy charges paid	4.93	5.86
Closing balance (Credit)/Debit	(22.41)	(8.33)	
DotEx International Ltd.	Space and Infrastructure usage charges received	1.29	0.85
	Reimbursement received for expenses on staff on deputation	3.81	2.57
	Reimbursement for expenses incurred	0.45	0.43
	Reimbursement paid for IPO Expenses	-	0.05
	Empanelment charges received	0.06	0.06
	Amount received towards revenue sharing on account of info feed services	22.55	21.09
	Recovery towards web trading facility provided to members	1.82	1.29
	Web trading related expenses	18.97	19.05
Closing balance (Credit)/Debit	0.40	0.01	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Crores)

Name of Related party	Nature of Transactions	Year ended 31.03.2018	Year ended 31.03.2017
India Index Services & Products Ltd.	License fees paid	12.73	11.04
	Usage Charges received	0.87	0.86
	Space and Infrastructure usage charges received	1.71	0.79
	Reimbursement received for expenses on staff on deputation	3.27	2.45
	Reimbursement paid for IPO Expenses	-	0.03
	Reimbursement received for other expenses incurred	0.49	1.56
	Closing balance (Credit)/Debit	(0.13)	0.70
NSE Infotech Services Ltd.	IT management and consultancy charges paid	34.13	29.76
	Repairs and maintenance – Computer trading , Telecommunication systems	26.15	20.68
	Rent received	0.54	0.53
	Reimbursement received for expenses incurred	1.29	0.59
	Reimbursement paid for IPO Expenses	-	0.05
	Reimbursement paid for expenses incurred	-	0.70
	Closing balance (Credit)/Debit	(15.46)	(15.11)
NSE Strategic Investment Corporation Limited	Space and Infrastructure usage charges received	0.24	0.22
	Dividend Received	47.91	-
	Reimbursement received for expenses on staff on deputation	1.34	1.68
	Reimbursement received for expenses incurred	1.47	1.30
	Reimbursement paid for IPO Expenses	-	0.02
	Closing balance (Credit)/Debit	1.09	1.71
	Deposit received	-	0.03
	Investment in Preference Share Capital	412.97	412.97
Investment in Equity Share Capital	413.13	413.13	
NSE Academy Limited (formerly known as NSE Education Facilities Limited)	Assets transferred on slump sale	-	0.57
	Reimbursement received for expenses on staff on deputation	2.48	2.21
	Receivable towards income	-	1.44
	Sharing of Expenses	0.48	-
	Reimbursement received for expenses incurred	0.77	3.05
	Space and Infrastructure usage charges received	0.88	0.67
	Closing balance (Credit)/Debit	0.14	2.50
NSE Foundation	Investment in Equity Share Capital	0.04	-
	Reimbursement for expenses incurred	0.01	-
	Contribution towards CSR	54.49	-
	Closing balance (Credit)/Debit	0.01	-
National Securities Depository Limited	Dividend received	2.40	2.50
	Other Charges Received	0.06	-
	DP Validation Charges	1.69	0.62
	Closing balance (Credit)/Debit	0.01	0.01
	Investment in Equity Share Capital	58.92	58.92

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Crores)

Name of Related party	Nature of Transactions	Year ended 31.03.2018	Year ended 31.03.2017
BFSI Sector Skill Council of India	Amount paid towards PMKVY centres	0.20	0.00
	Investment in Equity Share Capital	1.00	1.00
	Closing balance (Credit)/Debit	-	0.01
Market Simplified India Limited	Consultancy Charges paid for software development	-	1.91
	Closing balance (Credit)/Debit	-	-
Receivables Exchange Of India Limited	Reimbursement received for expenses incurred	0.17	0.52
	Sale of assets	0.39	-
	Usage charges received	1.41	-
	Reimbursement received for space and infrastructure charges	1.28	-
	Reimbursement received for expenses on staff on deputation	2.02	1.84
	Closing balance (Credit)/Debit	0.63	2.49
Mr. Vikram Limaye (w.e.f. 17-Jul-17)	Short-term employee benefits	3.89	-
	Post-employment benefits (Refer note 28.2)	0.15	-
	Long-term employee benefits	-	-
	Total Remuneration	4.04	-
Ms. Chitra Ramkrishna - Managing Director & CEO (Upto 02-Dec-16)	Short-term employee benefits	-	14.65
	Post-employment benefits (Refer note 28.2)	-	6.75
	Long-term employee benefits (Refer note 28.1)	-	1.58
	Total Remuneration	-	22.98
Mr. J. Ravichandran - CEO - Incharge (from 02-Dec-16 to 16-Jul-17)	Short-term employee benefits	1.51	1.66
	Post-employment benefits (Refer note 28.2)	0.12	0.12
	Long-term employee benefits (Refer note 28.1)	0.18	0.19
	Total Remuneration	1.81	1.97
Key Management Personnel	Sitting Fees Paid to Directors	3.63	4.32

28.1 includes 50% of the variable pay payable after 3 years subject to certain conditions,

28.2 As the liabilities for defined benefit plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

All related parties transaction enter during the year were in ordinary course of business. Outstanding balances as at the year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related parties receivables or payables as of March 31, 2018 and March 31, 2017. The Company has not recorded any impairment of receivables relating to amount owed by related parties.

29. CAPITAL AND OTHER COMMITMENTS

(₹ in Crores)

Particulars	31.03.2018	31.03.2017
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided	16.49	19.73
Network Infrastructure Charges	53.80	38.00
Other Commitments (Primarily in respect of operating expenses)	90.51	46.95

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

30 CONTINGENT LIABILITY:

- (i) Claims against the company not acknowledged as debts amounts to : ₹ 7.29 Crores (March 31, 2017 : ₹ 8.71 Crores).
- (ii) (a) In a complaint filed by a competitor against the Company, the Competition Commission of India directed the Company to pay a penalty of ₹ 55.50 crores (March 31, 2017 : ₹ 55.50 crores). The Company had appealed against the order before the Hon'ble Competition Appellate Tribunal (COMPAT) which rejected the appeal. The Company has appealed against the said order and stay has been granted by the Hon'ble Supreme Court of India. In respect of the same subject matter, a compensation claim has been filed against the Company amounting to ₹ 856.99 crores (March 31, 2017 : ₹ 856.99 crores) before the COMPAT by the competitor and the same is being disputed by the Company. Based on the legal advice, the Company is of the view that there are strong grounds that the Hon'ble Supreme Court of India will over turn the decision of the COMPAT. In view of the same no provision has been made in respect of penalty and compensation claimed.
- (b) A suit has been filed, jointly and severally against the Company and National Securities Clearing Corporation Limited for damages / compensation amounting to ₹ 152.57 crores (March 31, 2016 : ₹ 152.57 crores and April 1, 2015 : ₹ 152.57 crores) along with interest thereon and has been disputed by the Company. As per the legal opinion received, the possibility of the claim being awarded against the Company is remote. In view of the same no provision has been made in respect of damages / compensation claimed.
- Accordingly, based on the legal opinion received, the company is of the view that the above matters are not likely to have any impact on the financial position of the company.
- (iii) On account of disputed demand of Income Tax: ₹ 47.55 Crores (March 31, 2017: ₹ 41.32 Crores), disputed demand of Fringe Benefit Tax: ₹ 2.21 Crores (March 31, 2017 : ₹ 2.21 Crores) and disputed demand of Wealth Tax: ₹ 0.09 Crores (March 31, 2017 : ₹ 0.09 Crores). Wealth Tax liability includes ₹ 0.02 Crores (March 31, 2017 : ₹ 0.02 Crores) on account of Tax Department appeals pending disposal before the Bombay High Court. On account of disputed demand of Service Tax: ₹ 39.75 crores (March 31, 2017 : ₹ 39.75 crores) alongwith interest and penalty thereon.
- (iv) On account of Bank guaranties ₹ 1 crore (March 31, 2017 : ₹1.00 crore.)
- (v) On account of disputed demand of Securities Transaction Tax : ₹ 6.76 Crores (March 31, 2017 : ₹ 6.76 Crores)

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

Traded payable includes ₹ 1.20 Crores (March 31, 2017: ₹ 0.07 Crores) due to Micro, Small & Medium Enterprises. Total outstanding dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

32 In the opinion of the Board, current assets and advances are approximately of the value stated and to be realised in the ordinary course of business.

33 a) Gross amount required to be spent by the Company on Corporate Social Responsibility activities during the financial year ended March 31, 2018 is ₹ 23.83 crores. (Previous year: ₹ 22.08 Crores)

b) Amount spent during the year towards Primary Education, Elder Care, etc : (₹ in Crores)

Particulars	31.03.2018 In cash	31.03.2017 In cash
(i) Construction / acquiring of any asset	-	-
(ii) Contribution to NSE Foundation towards CSR [Refer note 33(c)]	54.49	-
(iii) On purposes other than (i) & (ii) above (Refer note 33b.1)	22.78	8.13

b.1) Excludes ₹ Nil (previous year ₹ 0.20 crores) on capacity building of personnel and implementing agencies etc., which is in excess of 5 % of total CSR expenditure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

c) Amount transferred from/(to) Retained Earnings to / (from) CSR Reserve (₹ in Crores)

Particulars	31.03.2018	31.03.2017
Amount transferred from Retained Earnings to CSR Reserve	(53.43)	53.43

During the previous year ended March 31, 2017, the company had created CSR Reserve to undertake CSR activities and transferred unspent amount of ₹ 53.43 crores from Retained earnings to CSR Reserve. Further, during the current year ended March 31, 2018, the Company is required to spend an amount of ₹23.83 crores being 2% of average profit of last 3 financial years. In this regard, an amount of ₹ 22.78 crores has been spent by the Company. Accordingly, the balance amount of ₹ 1.06 crores along with the previous years unspent amount of ₹ 53.43 crores lying in the CSR reserve has been contributed to NSE Foundation. Accordingly, CSR reserve created during previous year has been utilised in the current year and has been credited to Retained Earnings. [Refer note 11 (b)].

34 Disclosure relating to Specified Bank Notes* (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016. (Amount in ₹)

Description	Specified Bank Notes (SBNs)	Others denominated Notes	Total
Closing cash in hand as on 08.11.2016	89,500.00	29,997.00	1,19,497.00
(+) Permitted receipts	24,500.00	11,91,643.00	12,16,143.00
(-) Permitted Payments	-	11,11,346.00	11,11,346.00
(-) Amount deposited in Banks	1,05,500.00	-	1,05,500.00
Amount exchanged with bank	8,500.00	8,500.00	-
Closing cash in hand as on 30.12.2016	-	1,18,794.00	1,18,794.00

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

35 LEASE

The Company has taken land on finance lease. The following is the summary of future minimum lease rental payment under finance lease arrangement entered into by the Company. (₹ in Crores)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Obligations under finance lease				
- Not later than one year	1.20	1.20	0.93	0.93
- Later than one year and not later than five years	7.35	4.19	5.80	3.17
- Later than five years	128.42	5.43	132.10	5.40
Total minimum lease commitments	136.97	10.82	138.83	9.50
Less: future finance charges	126.15	-	129.33	-
Present value of minimum lease premium	10.82	-	9.50	-
Other financial liabilities - current	1.20	-	0.93	-
Other financial liabilities - non current	9.62	10.82	8.57	9.50

The lease has escalation clause and there is no right to renew or purchase option.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

36 On June 20, 2012, Securities Exchange Board of India ("SEBI") notified Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ("the Regulations") to regulate recognition, ownership and governance in stock exchanges and clearing corporations in India. In accordance with Regulation 33 of the Regulations, every recognized stock exchange was required to transfer twenty five percent (25%) of its annual profits every year to a Settlement Guarantee Fund ("SGF") of the recognized clearing corporation(s) which clears and settles trades executed on that stock exchange to guarantee settlement of trades. Subsequently, SEBI in its press release No.66/2012 dated June 21, 2012 made an announcement about expert committee being formed to inter-alia look into the norms for adequacy of the core corpus of the SGF and its sourcing, including transfer of profits by stock exchanges to SGF in the long run. As a matter of prudence, the Company had recorded the provisional appropriation from reserve at 25% of its annual profit after tax in its financial statements.

On August 27, 2014, SEBI vide its circular no. CIR/MRD/DRMNP/25/2014 issued norms relating to Core Settlement Guarantee Fund ("Core SGF") and contribution requirements by recognised stock exchange to Core SGF maintained by clearing corporations. As per the circular, stock exchange contribution to Core SGF shall be at least 25% of the Minimum Required Contribution ("MRC") determined by clearing corporation. The contribution towards Core SGF is eligible to be adjusted against twenty five percent transfer of profits by stock exchange under the Regulations. Accordingly, the Company had recorded a provisional appropriation of ₹ 527.19 crores as at March 31, 2015 (net of ₹ 170 crores for contribution to MRC of Core SGF for the year ended March 31, 2015) and the same had been disclosed as provision for Core Settlement Guarantee Fund in the Balance Sheet of the Company as on April 1, 2015.

On May 4, 2016, SEBI in its circular no. SEBI/HO/MRD/DRMNP/CIR/2016/54 notified that the provisions made by stock exchange towards the transfer of profits to SGF until March 31, 2015 shall be transferred to the Core SGF maintained by the clearing corporation within one month of the date of issuance of the notification. Further, as per the circular, SEBI will notify the amounts to be transferred by the stock exchange to the Core SGF maintained by the clearing corporation in respect of the period from April 01, 2015 till the date of amendment of the Regulations by SEBI. Accordingly, the provisional appropriations made out of reserve aggregating to ₹ 527.19 crores disclosed as provision in the Balance Sheet of the Company as on March 31, 2015 was reversed and an expense of ₹ 527.19 crores was recorded in the Statement of Profit and Loss for the year ended March 31, 2016. During the year ended March 31, 2016, the Company had also recorded an expense of ₹ 163.33 crores (net of ₹ 71 crores for contribution to MRC of Core SGF for the year ended March 31, 2016) in its Statement of Profit and Loss and other current liability of ₹ 690.52 crores in its balance sheet as of March 31, 2016.

Effective August 29, 2016, SEBI amended Regulation 33 of SECC Regulations, 2012 and the Company was required to contribute only towards the MRC of Core SGF. During the previous year ended March 31, 2017, the Company has recorded an expense of ₹ 121.07 crores (pro-rata based on profits till the date of amendment of the Regulation) (net of ₹ 13 crores for contribution to MRC of Core SGF for the year ended March 31, 2017) in its Statement of Profit and Loss and disclosed ₹ 284.39 crores as the amount payable to Core SGF as other current liability in its Balance Sheet as of March 31, 2017, which has been paid during the year. During the year ended March 31, 2018, as per the SEBI amended Regulation 33 of SECC regulation 2012, the Company was required to contribute a sum of ₹ 223 crores towards MRC of Core SGF. However, as permitted vide SEBI circular no. CIR/MRD/DRMNP/25/2014 dated August 27, 2014, the same has been adjusted against 25% transfer of profits already made in past years including income generated there from. Accordingly, there were no additional contribution necessary to be made to the MRC of Core SGF during the current year ended March 31, 2018. Further, Out of the total amount of ₹ 1065.58 crores contributed in past years in the form of 25% transfer of profits by stock exchange under the SEBI regulations, as at March 31, 2018, an amount of ₹ 350.59 crores is lying with NSCCL Core SGF available for set off against any future contribution to the MRC of Core SGF, if and as required.

37 OTHER EVENTS AFTER THE REPORTING PERIOD

Dividend:

The Board of Directors have recommended the payment of final dividend of ₹ 7.75 per fully paid equity shares (FV ₹ 1 each) (March 31, 2017 : ₹ 12.25/- per fully paid equity share (FV ₹ 1 each). This proposed dividend is subject to approval of shareholders in the ensuing general meeting and if approved would result in cash outflow of approximately ₹ 462.49 Crores including Corporate Dividend Tax of ₹ 78.86 crores.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

- 38** NSE Academy Limited incorporated on March 12, 2016 as a wholly owned subsidiary of NSE Strategic Investment Corporation Limited acquired on July 1, 2016 the education business of the ultimate holding company National Stock Exchange of India Limited on a Slump sales basis for a total consideration of ₹ 0.57 crores. Details of Assets and Liabilities sold are as under :

	(₹ in Crores)
Assets	
Trade receivables	1.17
Cash & Bank balances	0.76
Property, Plant and Equipment	0.10
Total Assets (A)	2.03
Liabilities	
Other Current Liabilities (B)	1.46
Net Assets (A-B)	0.57

- 39** The Company's pending litigations comprise of claims against the Company and proceedings pending with Statutory and Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position (Refer note no. 30 for details on contingent liabilities).
- 40** SEBI had directed the Company to carry out an investigation including forensic examination by an independent external agency in respect of NSE's Colocation facility.

In this regard, SEBI has directed that, pending completion of investigation to the satisfaction of SEBI, all revenues emanating from colocation facility including the transaction charges on the trades executed through colocation facility be placed in a separate bank account. Accordingly, as of March 31, 2018, earmarked an amount of ₹ 1197.26 crores was transferred to a separate bank account and the same along with income earned thereon remains invested in mutual funds. These mutual fund investments have been shown as restricted investments as a part of current investments (Refer note 7.1). The Company had filed consent application with SEBI on July 20, 2017, SEBI vide its letter dated February 26, 2018 returned the same to the Company. The management is of the view that pending conclusion of this matter with SEBI, a reliable estimate of the obligation in respect of this matter cannot be presently made and therefore no provision / adjustment to this effect has been made in the financial statements as of and for the year ended March 31, 2018. (Refer also note 20.1 & 20.2)

41 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(₹ in Crores)

As at 31.03.2018	Effects of offsetting on the balance			Related amount not offset		
	Gross Amount	Gross Amt Set off in the balance sheet	Net Amount presented in Balance sheet	Amounts subject to master netting arrangements	Financial Instrument collateral	Net Amount
Financial Assets						
Trade Receivables	312.26	-	312.26	-	1,020.88	(708.61)
31.03.2017						
Financial Assets						
Trade Receivables	255.37	-	255.37	-	1,034.23	(778.87)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

42 FAIR VALUE MEASUREMENTS

Financial Instruments by category

(₹ in Crores)

Particulars	31-Mar-18			31-Mar-17		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
Equity Instruments	-	136.84	-	-	128.60	-
Debentures	-	-	854.24	-	-	1,233.28
Taxable Bonds	-	-	113.02	-	-	118.04
Taxfree Bonds	-	-	981.70	-	-	875.98
Fixed Deposits	-	-	247.45	-	-	455.71
Government Securities	-	529.15	-	-	296.01	-
Mutual Funds	2,308.63	-	-	2,125.45	-	-
Exchange Traded Funds	362.38	-	-	223.37	-	-
Trade receivables	-	-	328.28	-	-	266.52
Cash and Cash equivalents	-	-	44.81	-	-	94.60
Bank balances other than cash and cash equivalents	-	-	-	-	-	320.39
Security deposits	-	-	2.55	-	-	2.35
Other receivables	-	-	37.87	-	-	67.76
Total financial assets	2,671.01	665.99	2,609.93	2,348.82	424.61	3,434.62
Financial liabilities						
Obligations under Finance Lease	-	-	10.84	-	-	10.12
Deposits	-	-	1,139.08	-	-	1,115.68
Trade payables	-	-	130.60	-	-	90.96
Other liabilities	-	-	124.01	-	-	132.60
Total financial liabilities	-	-	1,404.53	-	-	1,349.36

43 FINANCIAL RISK MANAGEMENT

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The Risk Management Committee of the Company is supported by the Treasury department that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Treasury department activities are designed to:

- protect the Company's financial results and 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 internally generated funds.

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 unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our 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 year ended 31st March, 2018 and 31st March, 2017. This was the result of cash delivery from the business. Cash flow from operating activities provides the funds to service the financing of financial 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 operating entities, 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 term deposits and other highly marketable debt investments including the government securities with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

(₹ in Crores)				
Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31, 2018				
Trade payables	130.60	130.60	-	130.60
Deposits	1,144.38	1,144.38	-	1,144.38
Obligation under finance lease	10.84	1.20	135.77	136.97
Other liabilities	118.72	118.72	-	118.72
As at March 31, 2017				
Trade payables	90.96	90.96	-	90.96
Deposits	1,120.92	1,120.92	-	1,120.92
Obligation under finance lease	10.12	0.93	137.90	138.83
Other liabilities	127.36	127.36	-	127.36

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The above risks may affect the Company's income or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of, these risks is explained below.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
1. PRICE RISK		
<p>The Company is mainly exposed to the price risk due to its investment in mutual funds, exchange traded funds and investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments.</p> <p>At 31st March 2018, the exposure to price risk due to investment in mutual funds amounted to ₹ 2308.60 crores (March 31, 2017: ₹ 2125.47 crores).</p> <p>At 31st March 2018, the exposure to price risk due to investment in exchange traded fund amounted to ₹ 362.38 crores (March 31, 2017: ₹ 223.37 crores).</p> <p>At 31st March 2018, the exposure to price risk due to investment in equity instruments amounted to ₹ 136.84 crores (March 31, 2017: ₹ 128.60 crores).</p>	<p>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.</p> <p>The Treasury department maintains a list of approved financial instruments. The use of any new investment must be approved by the Chief Financial Officer.</p>	<p>As an estimation of the approximate impact of price risk, with respect to mutual funds, exchange traded funds and investments in equity instruments, the Company has calculated the impact as follows.</p> <p>For mutual funds, a 0.25% increase in prices would have led to approximately an additional ₹ 5.77 crores gain in the Statement of Profit and Loss (2016-17: ₹ 5.31 crores gain). A 0.25% decrease in prices would have led to an equal but opposite effect.</p> <p>For exchange traded fund, a 10% increase in prices would have led to approximately an additional ₹ 36.24 crores gain in the Statement of Profit and Loss (2016-17: ₹ 22.34 crores gain). A 10% decrease in prices would have led to an equal but opposite effect.</p> <p>For equity instruments, a 10% increase in prices would have led to approximately an additional ₹ 13.68 crores gain in the Statement of Profit and Loss (2016-17: ₹ 12.86 crores gain). A 10% decrease in prices would have led to an equal but opposite effect.</p>

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
2. INTEREST RATE RISK		
<p>The Company is mainly exposed to the interest rate risk due to its investment in government securities measured at FVOCI. The interest rate risk arises due to uncertainties about the future market interest rate of these investments.</p> <p>As at 31st March, 2018, the exposure to interest rate risk due to investment in government securities amounted to ₹ 529.16 crores (March 31, 2017: ₹ 296.01 crores).</p>	<p>In order to manage its interest rate risk arising from investments in treasury bills and government securities, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.</p> <p>The Treasury department maintains a list of approved financial instruments. The use of any new investment must be approved by the Chief Financial Officer.</p>	<p>As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 0.25% change in interest rates.</p> <p>A 0.25% increase in interest rates would have led to approximately an additional ₹ 9.29 crores loss in the Statement of Profit and Loss (2016-17: ₹ 5.46 crores loss). A 0.25% decrease in interest rates would have led to an equal but opposite effect.</p>

C MANAGEMENT OF CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse and also on account of member's deposits kept by the company as collatrel which can be utilised in case of member default. All trade receivables are reviewed and assessed for default on a quarterly basis. Based on historical experience of collecting receivables, supported by the level of default, our assessment of credit risk is low. Accordingly, our provision for expected credit loss on trade receivable is not material.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in commercial papers, government securities, investments in mutual funds and exchange traded funds. The Company has diversified portfolio of investment with various number of counter-parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Treasury department.

The Company's maximum exposure to credit risk as at March 31, 2018 and 2017 is the carrying value of each class of financial assets as disclosed in note 4, 5, 7, 8, 9 and 10.

44 CAPITAL MANAGEMENT

The Company considers the following components of its Balance Sheet to be managed capital:

Total equity (as shown in the balance sheet, including retained profit, other reserves, share capital, share premium).

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. Company is not subject to financial covenants in any of its significant financing agreements.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods. Refer note 37 & 11 (b) for the final and interim dividends declared and paid.

Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the Company shall have a minimum networth of ₹ 100 crores at all times. The Company is in compliance with this requirement.

45 In accordance with the relevant provisions of the Companies Act, 2013, the Company has long term contracts as of March 31, 2018 and March 31, 2017 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2018 and March 31, 2017.

46 For the year ended March 31, 2018 and March 31, 2017, the Company is not required to transfer any amount into the Investor Education & Protection Fund as required under section 125 of the Companies Act, 2013.

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm's Registration no : 304026E / E-300009

For and on behalf of the Board of Directors

Sumit Seth

Partner

Membership No.: 105869

Ashok Chawla

Chairman

[DIN:00056133]

Dinesh Kanabar

Director

[DIN:00003252]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date : May 4, 2018

Yatrik Vin

Chief Financial Officer

S. Madhavan

Company Secretary



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