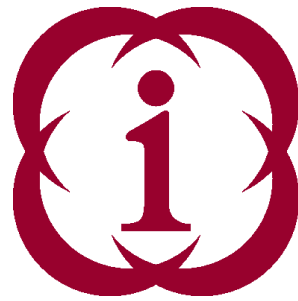


NSE INFOTECH SERVICES LIMITED

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





INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NSE INFOTECH SERVICES LIMITED

Report on the Standalone Financial Statements

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

Management's responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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



Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143 (11) of the Companies Act 2013, we give in the "Annexure A", statement on the matters specified in paragraph 3 & 4 of the order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c) The balance sheet, statement of profit and loss, and cash flow statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 16 to the financial statements.
 - ii. The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the company.

For Gokhale & Sathe
Chartered Accountants
Firm Regn. No. 103264W
Atul Kale
Partner
Membership No.: 109947

Place : Mumbai
Date : April 22, 2016



NSE INFOTECH SERVICES LIMITED
FINANCIAL YEAR ENDED MARCH 31, 2016
ANNEXURE A

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

- i)
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets for the year under audit in the soft (computerized) form.
 - b) We have been informed that the physical verification of fixed assets was carried out by the management during the year, which in our opinion is reasonable having regard to the nature of the assets. We have been informed that no material discrepancy was noted on such verification.
 - c) Since the company doesn't have any immovable property as their asset, this clause is not applicable.
- ii) Considering the nature of the business and services rendered by the company, provisions of clause 3 (ii) of the CARO relating to inventory are not applicable.
- iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Therefore provisions of clause 3 (iii) of the CARO are not applicable.
- iv) During the year, company has not advanced any loan to directors or to any other body corporate. Therefore provisions of Clause 3 (iv) of the CARO are not applicable.
- v) During the year, the company has not accepted any deposits from public.
- vi) Central Government has not prescribed any service rendered by the company under Section 148 (1) of the Companies Act for Maintenance of cost records.
- vii)
 - a) The company is regular in depositing with appropriate authorities undisputed statutory dues including the Provident Fund, Employees state insurance, income tax, sales tax, wealth tax, service tax, duty of excise, value added tax, cess and any other statutory dues applicable to it.
 - b) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess which have not been deposited on account of any dispute except the following::

Sr. No.	Name of the Statute	Nature of the dues	Financial Year	Amount	Forum where dispute is pending
1.	Income Tax Act	Fringe Benefit Tax	2007-08	1,36,143	Income Tax Office-10(1) (4)
2.	Income Tax Act	Income Tax	2011-12	2,84,290	Income Tax Office-10(1)
3.	Finance Acts concerning Service Tax	Service Tax	2006-07 to 2008-09	28,06,967	Additional Commissioner of Service Tax, Worli Mumbai
			2009-10	7,81,711	
			2010-11	2,26,431	



- viii) In our opinion and according to the information and explanation given to us, the company does not have any loan or borrowings from a financial institution or bank or government or debenture holders. Therefore provisions of clause 3 (viii) of the CARO are not applicable.
- ix) During the year, the company has not raised any money by way of initial public offer or further public offer (including debt instrument) nor obtained any term loan. Therefore provisions of clause 3 (ix) of the CARO are not applicable.
- x) According to the information and explanation given to us, no fraud on or by the company, by its officers and employees has been noticed or reported during the course of our audit.
- xi) Since the company's managerial remuneration has been provided with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii) In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Therefore, the provisions of clause 4 (xii) of the CARO are not applicable.
- xiii) In our opinion and according to the information and explanation given to us, transactions with the related parties are in compliance with sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) In our opinion and according to the information and explanation given to us, during the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, the provisions of clause 4 (xiv) of the CARO are not applicable.
- xv) In our opinion and according to the information and explanation given to us, during the year the company has not entered into non-cash transactions with the directors or persons connected with the directors. Therefore, the provisions of clause 4 (xv) of the CARO are not applicable.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Gokhale & Sathe
Chartered Accountants
Firm Regn. No. 103264W

Atul Kale
Partner
Membership No.: 109947

Place : Mumbai
Date : April 22, 2016



NSE INFOTECH SERVICES LIMITED FINANCIAL YEAR ENDED MARCH 31, 2016 ANNEXURE B

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

We have audited the internal financial controls over financial reporting of NSE INFOTECH SERVICES LIMITED (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that,



in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Gokhale & Sathe
Chartered Accountants
Firm Regn. No. 103264W

Atul Kale
Partner
Membership No.: 109947

Place : Mumbai
Date : April 22, 2016

**BALANCE SHEET AS AT 31.03.2016**

PARTICULARS	NOTE NO.	As at 31.03.2016 (₹)	As at 31.03.2015 (₹)
Equity and liabilities			
1 Shareholder's funds			
a Share Capital	2	500,000.00	500,000.00
b Reserves and surplus	3	54,045,121.06	43,151,386.68
		54,545,121.06	43,651,386.68
2 Non-current liabilities			
Long-term provisions	4	27,172,575.00	26,913,703.00
		27,172,575.00	26,913,703.00
3 Current liabilities			
a Other current liabilities	5	22,200,585.80	26,906,099.78
b Short-term provisions	4	58,719,700.00	55,322,172.00
		80,920,285.80	82,228,271.78
TOTAL		162,637,981.86	152,793,361.46
Assets			
1 Non-current assets			
a Fixed assets	6	37,680.99	86,794.99
b Long-term loans and advances	7	235,281.00	360,077.18
c Deferred tax Assets (net)	8	11,556,849.61	11,375,704.44
		11,829,811.60	11,822,576.61
2 Current assets			
a Current investments	9	–	19,347,000.90
b Trade receivable	10	86,625,423.00	14,302,548.00
c Cash and bank balances	11	3,523,761.72	3,647,283.55
d Short-term loans and advances	7	60,658,985.54	103,673,952.40
		150,808,170.26	140,970,784.85
TOTAL		162,637,981.86	152,793,361.46

Summary of significant accounting policies (Note 1)

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

As per our report of even date attached
For GOKHALE & SATHE
Chartered Accountants
Firm Reg. No : 103264W
ATUL KALE
Partner
Membership Number: 109947

For and on behalf of the Board of Directors

CHITRA RAMKRISHNA
Chairperson

RAVI NARAIN
Director

Place : Mumbai
Date : 22ND APRIL, 2016

N. MURALIDARAN
Director



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

PARTICULARS	NOTE NO.	For the year ended 31.03.2016 (₹)	For the year ended 31.03.2015 (₹)
Revenue			
Revenue from operations	12	449,899,228.00	454,226,707.00
Other income	13	19,205,059.70	471,282.21
Total Revenue		469,104,287.70	454,697,989.21
Expenses			
Employee Remuneration & Benefits	14	423,624,510.14	422,442,981.95
Depreciation		49,114.00	72,225.00
Other expenses	15	29,028,074.35	24,572,059.00
Total Expenses		452,701,698.49	447,087,265.95
Profit before tax		16,402,589.21	7,610,723.26
Less : Provision for tax			
Current tax		5,690,000.00	4,102,361.00
MAT credit adjusted		–	(502,361.00)
Deferred tax		(181,145.17)	(4,618,105.70)
Total tax expenses		5,508,854.83	(1,018,105.70)
Profit after tax		10,893,734.38	8,628,828.96
Earnings per equity share (FV ₹ 10 each)	22		
Basic		217.87	172.58
Diluted		217.87	172.58

Summary of significant accounting policies (Note 1)

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

As per our report of even date attached
For GOKHALE & SATHE
Chartered Accountants
Firm Reg. No : 103264W

ATUL KALE
Partner
Membership Number: 109947

Place : Mumbai
Date : 22ND APRIL, 2016

For and on behalf of the Board of Directors

CHITRA RAMKRISHNA
Chairperson

RAVI NARAIN
Director

N. MURALIDARAN
Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

PARTICULARS	2015-16 (₹)	2014-15 (₹)
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	16,402,589.21	7,610,723.26
Add: Adjustments for:		
Depreciation	49,114.00	72,225.00
Dividend Received	–	–
(Profit)/ Loss on Sale of Investment	(10,303,901.70)	–
Operating Profit before working capital change	6,147,801.51	7,682,948.26
<u>Change in Working Capital</u>		
Decrease / (Increase) in Trade Receivable	(72,322,875.00)	5,436,037.65
Decrease / (Increase) in Loans & Advances	(3,863,911.96)	(2,271,947.58)
(Decrease) / Increase in Current Liabilities & Provisions	(1,049,113.98)	(8,736,781.87)
Cash Generated from Operations	(71,088,099.43)	2,110,256.46
Taxes Paid (Including TDS)	41,313,675.00	(5,269,440.00)
Net Cash From Operating Activities – Total (A)	(29,774,424.43)	(3,159,183.54)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	–	(17,250.00)
Sale of Fixed Assets Investment	10,303,901.70	–
Dividend Received	–	–
Investment in Mutual Fund	19,347,000.90	–
Cash flow from investing activity – Total (B)	29,650,902.60	(17,250.00)



PARTICULARS	2015-16 (₹)	2014-15 (₹)
C) CASH FLOW FROM FINANCING ACTIVITY		
Cash Flow from Financing Activity – Total (C)	–	–
Net Increase / (Decrease) In cash & Cash Equivalent	(123,521.83)	(3,176,433.54)
Opening balance of Cash & Cash Equivalent	3,647,283.55	6,823,717.09
Closing balance of Cash & Cash Equivalent	3,523,761.72	3,647,283.55
Net Increase / (Decrease) In cash & Cash Equivalent	(123,521.83)	(3,176,433.54)

Notes to Cash Flow Statement :

1. Cash and cash equivalent represent cash and bank balances.
2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

As per our report of even date attached
For GOKHALE & SATHE
Chartered Accountants
Firm Reg. No : 103264W

ATUL KALE
Partner
Membership Number: 109947

Place : Mumbai
Date : 22ND APRIL, 2016

For and on behalf of the Board of Directors

CHITRA RAMKRISHNA
Chairperson

RAVI NARAIN
Director

N. MURALIDARAN
Director



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

1 Significant Accounting Policies :

a) Basis of Accounting

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

b) Revenue Recognition

(i) Revenue from IT Services is recognized based on the terms agreed with the customers.

(ii) Sales excludes applicable taxes and other levies.

c) Expenditure

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

d) Fixed Assets

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

e) Depreciation

Depreciation on assets is provided based on the estimated useful life of the assets which is not longer than the useful life specified in Part C of Schedule II to the Companies Act, 2013. There has been no revision of the estimated useful life of the asset during the year. The details of the estimated useful life of the assets are as follows:

Assets	Estimated Useful Lives
Office Equipments	4 years

Fixed assets whose aggregate cost is ₹ 5,000 or less are depreciated fully in the year of acquisition.

f) Investments

(i) Long term investments are considered as held till maturity and are valued at cost.

(ii) Short term investments are valued at cost or fair value whichever is lower.

g) Employee Retirement Benefits

(i) **Provident Fund:** The Company 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. Company's contribution to the provident fund for all employees, are charged to revenue. 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.

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



- (iii) **Gratuity:** The Company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India towards which it annually contributes a sum determined by Life Insurance Corporation of India. The company provides for the defined benefit with respect to gratuity liability based on the present value of defined benefit obligation as reduced by the fair value of plan assets as per the actuarial valuation calculation.
- (iv) **Other Long term benefits:** Liability on account of other long term benefits such as Leave encashment is made on the basis of actuarial valuation at the end of the year.
- (v) Short term employee benefits are charged to revenue in the year in which the related service is rendered.

h) **Taxation**

- (i) A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted tax rates.
- (ii) Deferred tax assets are recognised only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

i) **Foreign currency transactions**

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

2 a) **Share Capital**

Authorised

10,000,000 (Previous Year 10,000,000) Equity Shares of ₹ 10 Each.

Issued, Subscribed and Paid-up

50,000 (Previous year 50,000) Equity shares of ₹ 10 each fully paid up.

Total

31.03.2016 (₹)	31.03.2015 (₹)
100,000,000.00	100,000,000.00
500,000.00	500,000.00
500,000.00	500,000.00

b) **Details of shareholders holding more than 5% share in the company**

Holding Company
NSE Strategic Investment Corporation
Limited

31.03.2016		31.03.2015	
No.	% holding	No.	% holding
50,000	100.00%	50,000	100.00%



c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31.03.2016		31.03.2015	
	No.	(₹)	No.	(₹)
At the beginning of the period	50,000	500,000.00	50,000	500,000.00
Add: Issued during the period	-	-	-	-
Less: Share boughtback during the year	-	-	-	-
Outstanding at the end of the period	50,000	500,000.00	50,000	500,000.00

d) The Company has only one class of share referred to as equity share having par value of ₹10/-. Each holder of equity shares is entitled to one vote per share.

e) In the event of liquidation the holder of equity share will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts. However no such amount exist currently. The distribution will be in proportion to the number of equity share held by the share holder.

3 Reserve and surplus

	31.03.2016		31.03.2015	
	(₹)		(₹)	
General Reserves				
As per last balance Sheet	413,834.00		413,834.00	
Add : Transferred from Surplus Balance in the Statement of Profit and Loss	-	413,834.00	-	413,834.00
Surplus/(deficit) in the statement of profit and loss				
Balance as per last financial statements	42,737,552.68		34,108,723.72	
Add : Profit for the year	10,893,734.38		8,628,828.96	
Less : Appropriations	-	53,631,287.06	-	42,737,552.68
Total reserves and surplus	54,045,121.06		43,151,386.68	

4 Provision

	Long – Term		Short – Term	
	31.03.2016 (₹)	31.03.2015 (₹)	31.03.2016 (₹)	31.03.2015 (₹)
Provision for Employee benefits				
Leave encashment	21,292,338.00	21,326,160.00	2,433,932.00	2,492,361.00
Gratuity	5,880,237.00	5,587,543.00	7,626,542.00	7,219,117.00
Salaries & Allowances	–	–	48,659,226.00	45,610,694.00
Total	27,172,575.00	26,913,703.00	58,719,700.00	55,322,172.00

5 Other liabilities

	Long – Term		Short – Term	
	31.03.2016 (₹)	31.03.2015 (₹)	31.03.2016 (₹)	31.03.2015 (₹)
Tax deducted at source – payable	–	–	5,412,850.00	5,034,590.00
Service Tax Payable	–	–	3,288,644.00	12,679,763.00
Advance received from customers	–	–	–	–
Other Payable	–	–	13,499,091.80	9,191,746.78
Total	–	–	22,200,585.80	26,906,099.78

Other Payables includes amount payable to National Stock Exchange India Limited ₹ 30,35,513.00 (Previous Year ₹ 20,38,845.41) and due to Micro, Small & Medium Enterprises ₹ Nil (Previous Year: ₹ Nil) . 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.



Note – 6 : Fixed Assets

Sr. No.	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As on 01.04.2015	Additions	Dedu-ctions	As on 31.03.2016	As on 01.04.2015	For the Year	Dedu-ctions	As on 31.03.2016	As on 31.03.2015
1	OFFICE EQUIPMENT	414,406.99	-	-	414,406.99	327,612.00	49,114.00	-	376,726.00	86,794.99
	GRAND TOTAL	414,406.99	-	-	414,406.99	327,612.00	49,114.00	-	376,726.00	86,794.99
	Previous Year	397,156.99	17,250.00	-	414,406.99	255,387.00	72,225.00	-	327,612.00	86,794.99

7 Loans and Advances

	Long – Term		Short – Term	
	31.03.2016 (₹)	31.03.2015 (₹)	31.03.2016 (₹)	31.03.2015 (₹)
(A) Security deposit				
Secured, considered good	–	–	–	–
Unsecured, considered good	231,281.00	324,914.18	–	–
	231,281.00	324,914.18	–	–
(B) Other advances				
Income Tax paid including TDS (Net of Provisions)	–	–	48,579,954	95,583,629
Fringe Benefit Tax (Net of Provisions)	–	–	4,637.00	4,637.00
Prepaid Expenses	4,000.00	35,163.00	11,509,077.00	7,667,620.00
Other Advances	–	–	565,317.54	418,066.40
	4,000.00	35,163.00	60,658,985.54	103,673,952.40
Total (A+B)	235,281.00	360,077.18	60,658,985.54	103,673,952.40

8 Deferred Tax liabilities / Asset (net)

	31.03.2016 (₹)	31.03.2015 (₹)
a) Deferred Tax liabilities	–	–
b) Deferred Tax Assets :-		
Gratuity unpaid	4,173,594.71	3,957,257.94
Related to depreciation & Other	45,277.40	51,963.54
Leave Encashment	7,337,977.50	7,366,482.96
	11,556,849.61	11,375,704.44
Net Deferred Tax (Asset) (a–b)	(11,556,849.61)	(11,375,704.44)



Note 9 : Current Investments

Sr. No.	Particulars	31.03.2016		31.03.2015	
		Number of Units	NAV as on	As at (₹)	Number of Units
	A) UNQUOTED MUTUAL FUNDS				
1	ICICI Prudential Flexible Income Plan – Growth – Direct	-	-	-	72,330,283
2	IDFC Money Manager – Treasury Plan – Direct – Growth	-	-	-	133,478,032
	TOTAL	-	-	-	205,808.32
					19,347,000.90

10 Trade receivables

	Non-current		Current	
	31.03.2016 (₹)	31.03.2015 (₹)	31.03.2016 (₹)	31.03.2015 (₹)
a) Outstanding for a period of over six months				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
b) Other debts				
Secured, considered good	-	-	-	-
Unsecured, considered good (Including dues from National Securities Clearing Corporation Limited ₹ 1,12,85,147/-, Previous Year ₹ 1,43,02,548 /-and from National Stock Exchange India Limited ₹ 7,53,40,276/-, Previous Year ₹ Nil)	-	-	86,625,423.00	14,302,548.00
Total (a+b)	-	-	86,625,423.00	14,302,548.00

11 Cash and bank balances

	31.03.2016 (₹)	31.03.2015 (₹)
Cash and cash equivalents		
Balances with banks :		
On current accounts	3,523,761.72	3,647,283.55
Total	3,523,761.72	3,647,283.55



	For the year ended 31.03.2016 (₹)	For the year ended 31.03.2015 (₹)
12 Revenue from operations		
Sale of services		
Income From It Services (Net of Taxes)		
Income From Software Maintenance	214,008,544.00	223,413,791.00
Income From Facility Management & Ops	235,890,684.00	230,812,916.00
Total	449,899,228.00	454,226,707.00
13 Other income		
Interest Received On Income Tax Refund	8,704,365.00	196,590.00
Net gain / loss on sale of current Investment	10,303,901.70	–
Income from Short Notice Dues	196,793.00	265,893.00
Miscellaneous Income	–	8,799.21
Total	19,205,059.70	471,282.21
14 Employee Remuneration and benefits		
Salaries & Allowances	379,579,391.00	376,077,920.00
Contribution to Provident and other fund (Refer note 24)	22,710,908.24	27,963,890.00
Staff Welfare Expenses	21,334,210.90	18,401,171.95
Total	423,624,510.14	422,442,981.95
15 Other expenses		
Rent (Net of recoveries from employees)	2,781,789.00	806,716.00
Insurance	979.00	1,646.88
Rates & Taxes	8,190.00	9,190.00
Professional & Consultancy Charges	9,225,157.50	10,750,060.48
Training Expenses	3,971,117.90	5,148,325.38
Loss on Foreign Exchange Fluctuation (net)	–	585.00
<u>Auditors Remuneration</u>		
– Audit Fees	115,000.00	93,750.00
– Out of Pocket Expenses	14,030.00	13,150.00
Other Expenses	12,911,810.95	7,748,635.26
Total	29,028,074.35	24,572,059.00



16 Contingent liability:

On account of Income Tax ₹ 59,71,678/- (previous year ₹ 39,762,731/-), Fringe Benefit Tax ₹ 140,780/- (previous year ₹ 1,40,780/-), Service Tax ₹ 38,15,109/- (previous year ₹ 38,15,109/-).

17 In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business.

18 a) Expenditure in foreign currency:

Particulars	(₹)	
	Current Year	Previous Year
Travelling expenses	626,041.00	-
Recruitment Expenses	Nil	311,920.20

b) Earnings in foreign exchange :

Particulars	(₹)	
	Current Year	Previous Year
Earnings in foreign exchange :	Nil	Nil

19 (i) As on the Balance Sheet date, the amounts due to Small-Scale Industrial undertaking are not outstanding for more than 30 days

(ii) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date, computed on unit wise basis.

20 In the opinion of the management, the company has only one reportable business segment viz. offering "IT related services". This takes into consideration the commonality in the risks and rewards of the services offered, nature of service, type / class of customers for the services, management structure and system of financial reporting. Accordingly, the results of the said segment have been disclosed in the financial statements. Further, the company has no reportable geographical segments and on that basis, no secondary segment information is furnished.



21 In compliance with Accounting Standard 18 – “Related Party Disclosures” issued by the Institute of Chartered Accountants of India, the required disclosures are given in the table below:

a) Names of the related parties and relationship

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	Ultimate Holding Company
2	NSE Strategic Investment Corporation Limited	Holding Company
3	National Securities Clearing Corporation Limited	Subsidiary of Ultimate Holding Company
4	NSE.IT Limited	Fellow Subsidiary of Holding Company
5	NSE.IT (US) Inc.	Subsidiary of Fellow Subsidiary of Holding Company
6	DotEx International Limited	Fellow Subsidiary of Holding Company
7	India Index Services & Products Limited	Fellow Subsidiary of Holding Company
8	Power Exchange India Limited	Associate Company of Holding Company
9	Market Simplified India Limited	Associate Company of Holding Company
10	National Securities Depository Limited	Associate Company of Ultimate Holding Company
11	NSDL e–Governance Infrastructure Ltd.	Associate Company of Holding Company
12	Computer Age Management Services Pvt. Ltd.	Associate Company of Holding Company
13	CAMS Investor Services Pvt. Ltd.	Wholly owned subsidiary of Computer Age
14	BFSI Sector Skill Council of India	Associate Company of Ultimate Holding Company
15	Receivables Exchange of India Limited	Joint Venture of Holding Company
16	NSE Educational Facilities Limited	Fellow Subsidiary of Holding Company

b) Details of transactions with related parties as follows:

Sr. No.	Name of the related party	Nature of transaction	Year ended 31/03/2016	Year ended 31/03/2015
1	National Stock Exchange of India Limited	Income from IT Services (Net)	396,122,595	398,693,248
		Service Tax recoverable on above services	54,440,418	49,278,487
		Advance against Services	50,000,000	35,000,000
		Rent Paid	4,542,357	2,204,419
		Expenses incurred by NSEIL reimbursed	136,986,650	125,046,339
		Closing Balance Debit / (Credit)	72,304,763	(2,030,845)
2	National Securities Clearing Corporation Limited	Income from IT Services (Net)	53,776,633	55,533,459
		Service Tax recoverable on above services	7,532,216	6,863,935
		Closing Balance Debit / (Credit)	11,285,147	14,302,548
3	NSE.IT Limited	Purchases	300,666	130,181
		Closing Balance Debit / (Credit)	(274,406)	–

22 Earning per share

In accordance with Accounting Standard 20 – “Earning per Share” issued by the Institute of Chartered Accountants of India, the required disclosure is given below.

	Year ended 31.03.2016	Year ended 31.03.2015
Net Profit attributable to Shareholders (₹)	10,893,734.38	8,628,828.96
Weighted Average number of equity shares issued (₹)	50000	50000
Basic earnings per share of ₹ 10/- each (in ₹)	217.87	172.58

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.

- 23 In accordance with the Accounting standard 29 “Provisions, Contingent Liabilities and Contingent Assets”, the Company has made provisions for employee related payments. The particulars of these provisions are as under:

Particulars	Performance Pay	Long Term Retention Bonus	Project Incentive	Leave Encashment
FY –2015–16	(₹)	(₹)	(₹)	(₹)
Carrying amount at the beginning of the year	35,121,571	–	–	23,818,521
Amount used during the year	37,205,878	–	–	7,653,696
Amount unused reversed during the year	–	–	–	16,164,825
Provisions made during the year	37,803,281	–	–	7,561,445
Carrying amount at the end of the year	37,803,281	–	–	23,726,270
FY –2014–15	(₹)	(₹)	(₹)	(₹)
Carrying amount at the beginning Previous Year	38,521,163	15,025,417	15,662,410	14,975,251
Amount used during the Previous Year	13,633,532	13,843,892	41,309,000	4,543,698
Amount unused reversed during the Previous Year	24,887,631	1,181,525	(25,646,590)	–
Provisions made during the Previous Year	35,121,571	–	–	13,386,968
Carrying amount at the end of the Previous Year	35,121,571	–	–	23,818,521

Leave encashment includes liability transferred from NSE.IT Limited.



24 Disclosure under Revised Accounting Standard 15 on Employee Benefits:

i) **Defined Contribution Plan:** Company's contribution towards superannuation amounting to ₹ 8,74,781/- (Previous Year : ₹ 6,90,295/-) has been charged to Profit & Loss account.

ii) **Defined Benefit Plan :**

(a) **Provident Fund:** The Company has contributed ₹ 0.76 Crores and ₹ 0.79 Crores towards Provident Fund during the year ended March 31, 2016 and March 31, 2015, respectively. As per Implementation Guidance on AS 15 (Revised 2005) Employee Benefits issued by the Accounting Standard Board (ASB), benefit involving employer established provident funds which require interest short fall to be recompensed are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation based on the below provided assumptions and the liability on account of interest shortfall amounting to ₹ 0.31 Crores has been provided in the books of accounts.

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows :

- | | |
|-------------------------------------|--------------------------|
| i) Approach used | – Deterministic Approach |
| ii) Increase in compensation levels | – 5.00% p.a. |
| iii) Discount Rate | – 7.96% |

(b) **Gratuity:** Company has charged the gratuity expenses to Profit & Loss account based on the actuarial valuation of gratuity liability at the end of the year. The projected unit credit method used to show the position as at March 31, 2015 is as under. Pursuant to the actuarial valuation any amount recoverable from NSE.IT Limited on transfer of employee will be suitably dealt with.

(i) Assumptions:

	Year ended 31.03.2016	Year ended 31.03.2015
Discount Rate	7.96%	8.03%
Rate of Return on Plan Assets	7.96%	8.03%
Salary Escalation	5.00%	5.00%
Attrition Rate	2.00%	2.00%

(ii) Table showing change in benefit obligation:

	Year ended 31.03.2016	Year ended 31.03.2015
Obligation at the beginning of the year	39,198,533	23,423,638
Add: Interest cost	3,147,642	2,180,741
Add: Current Service Cost	4,365,909	2,722,299
Less: Benefits Paid	10,221,039	3,035,348
Add:- Actuarial (gains) / loss on obligations	5,239,271	13,907,203
Obligation at the end of the year	41,730,316	39,198,533

(iii) Tables of Fair value of plan assets:

	Year ended 31.03.2016	Year ended 31.03.2015
Fair Value of plan assets at the beginning of the year	26,391,873	21,670,608
Add: Expected return on plan assets	2,119,267	1,885,343
Add: Contributions	9,297,697	5,523,912
Less: Benefits paid	10,221,039	3,035,348
Add: Actuarial (gain) / loss on Plan Assets	635,739	347,358
Fair Value of plan assets at the end of the year	28,223,537	26,391,873
Total Actuarial Gain/(Loss) to be recognised		

(iv) Actual Return on Plan Assets:

	Year ended 31.03.2016	Year ended 31.03.2015
Expected return on plan assets	2,119,267	1,885,343
Actuarial (gain)/loss on plan assets	635,739	347,358
Actual Return on plan assets	2,755,006	2,232,701

(v) Amount recognised in the balance sheet

	Year ended 31.03.2016	Year ended 31.03.2015
Liability as at the end of the year	(41,730,316)	26,391,873
Fair value of plan assets as at the end of the year	28,223,537	(39,198,533)
Funded Status	(13,506,779)	(12,806,660)
Net (liability) / asset disclosed in the Balance Sheet	(13,506,779)	(12,806,660)

(vi) Expenses recognised in the profit & loss account

	Year ended 31.03.2016	Year ended 31.03.2015
Current Service cost	4,365,909	2,722,299
Interest Cost	3,147,642	2,180,741
Expected return on plan assets	(2,119,267)	(1,885,343)
Actuarial (Gain) or Loss	4,603,532	13,559,845
Expenses recognised in the profit & loss account	9,997,816	16,577,542

(vii) Balance Sheet Reconciliation

	Year ended 31.03.2016	Year ended 31.03.2015
Opening Net Liability	12,806,660	1,753,030
Expense as above	9,997,816	16,577,542
Employers Contribution	(9,297,697)	(5,523,912)
Amount recognised in the Balance Sheet	13,506,779	12,806,660



(viii) Category of Assets

	Year ended 31.03.2016	Year ended 31.03.2015
Insurer Managed Funds	28,223,537	26,391,873
Total	28,223,537	26,391,873

(ix) Experience Adjustment

	Year ended 31.03.2016	Year ended 31.03.2015
On Plan Liability (Gain) / Loss	5,239,271	13,907,203
On Plan asset (Loss) / Gain	635,739	347,358

25 Previous years' figures are regrouped, reclassified and rearranged wherever necessary.

As per our report of even date attached
For GOKHALE & SATHE
Chartered Accountants
Firm Reg. No : 103264W

ATUL KALE
Partner
Membership Number: 109947

Place : Mumbai
Date : 22ND APRIL, 2016

For and on behalf of the Board of Directors

CHITRA RAMKRISHNA
Chairperson

RAVI NARAIN
Director

N. MURALIDARAN
Director