

Independent Auditor's Report

To The Members of

National Securities Depository Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of NATIONAL SECURITIES DEPOSITORY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the 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 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 prescribed 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 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 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 thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give 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 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, 2015, 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 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, and the 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 prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st



Independent Auditor's Report

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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 21(a) of the financial statements);
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117364W)

Sd/-

(Abhijit A. Damle)
(Partner)
(Membership No. 102912)

Place : Mumbai
Date : April 29, 2016

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 National Securities Depository Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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, to the best of our information and according to the explanations given to us, 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



Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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 Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117364W)

Sd/-

(Abhijit A. Damle)
(Partner)
(Membership No. 102912)

Place : Mumbai
Date : April 29, 2016

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed and other relevant records provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013
- (c) Details of dues of Service Tax which have not been deposited as on 31st March, 2015 on account of dispute are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lakh)
Finance Act, 1994	Service Tax	Commissioner of Service Tax	2004-05 to 2009-10	3,261.69

- (d) Other than the above, there are no cases of non-deposit of dues in respect of Income Tax, Sales Tax, Value Added Tax, Customs Duty, Excise Duty and Cess consequent to a dispute.
- (viii) The Company has not taken loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular (OR has generally been regular) in depositing undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related



Annexure "B" to the Independent Auditor's Report

parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117364W)

Sd/-

(Abhijit A. Damle)
(Partner)
(Membership No. 102912)

Place : Mumbai
Date : April 29, 2016

Financial Statements



Balance Sheet as at March 31st, 2016

(₹ in Lakh)

Particulars	Note No.	As at 31st March, 2016		As at 31st March, 2015	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	3	4,000.00		4,000.00	
Reserves and surplus	4	37,706.55		30,710.85	
			41,706.55		34,710.85
Non-current liabilities					
Other long-term liabilities	5		2,762.00		2,793.80
Current liabilities					
Trade payables	6				
(i) Total outstanding dues to micro enterprises and small enterprises		7.41		18.54	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		425.98		547.44	
Other current liabilities	7	4,102.66		6,224.72	
Short-term provisions	8	1,871.68	6,407.73	2,142.70	8,933.40
Total			50,876.28		46,438.05
ASSETS					
Non Current Assets					
Fixed assets:					
Tangible assets:	9				
Tangible assets		1,084.66		1,182.42	
Intangible assets		127.50	1,212.16	231.89	1,414.31
Non-current investments	10	35,818.55		31,878.16	
Deferred tax asset	11	490.50		530.92	
Long-term loans and advances	12	726.87		706.53	
Other non-current assets	16	302.18	37,338.10	252.45	33,368.06
Current assets					
Current investments	13	6,446.50		7,666.57	
Trade receivables	14	1,924.19		1,123.82	
Cash and Bank balances	15	1,323.14		1,690.06	
Short-term loans and advances	12	1,454.22		173.14	
Other current assets	16	1,177.97	12,326.02	1,002.09	11,655.68
Total			50,876.28		46,438.05
See accompanying notes forming part of the financial statements 1 to 31					

In terms of our report attached.
For **Deloitte Haskins & Sells**
Chartered Accountants

Sd/-
Abhijit A. Damle
Partner

Place : Mumbai
Date : April 29, 2016

For and on behalf of the Board of Directors

Sd/-
G. V. Nageswara Rao
Managing Director & CEO
DIN:00799504

Sd/-
C. M. Vasudev
Chairman
DIN:00143885

Sd/-
P. P. Vora
Director
DIN: 00003192

Sd/-
Sudha Balakrishnan
Chief Financial Officer

Sd/-
Deepak Shenoy
Company Secretary

Statement of Profit and Loss

for the year ended 31st March 2016

(₹ in Lakh)

Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
INCOME			
Revenue from operations	17	13,749.71	12,363.59
Other income	18	3,056.65	2,885.71
Total revenue		16,806.36	15,249.30
EXPENSES			
Employee benefits expense	19	2,844.76	3,131.06
Depreciation and amortization expense	9	252.23	206.58
Contribution to Investor Protection Fund	29	290.95	1,513.73
Other expenses	20	4,752.37	4,342.96
Total expenses		8,140.31	9,194.33
Profit before exceptional item		8,666.05	6,054.97
Exceptional Items	29	3,130.28	-
Profit before tax		11,796.33	6,054.97
Tax expense			
Current tax		3,556.64	1,581.00
Deferred tax		40.42	75.69
		3,597.06	1,656.69
Profit after Tax		8,199.27	4,398.28
Basic and diluted earnings per equity share of ₹ 10 each	28	20.50	11.00
See accompanying notes forming part of the financial statements 1 to 31			

In terms of our report attached.
For **Deloitte Haskins & Sells**
Chartered Accountants

Sd/-
Abhijit A. Damle
Partner

Place : Mumbai
Date : April 29, 2016

For and on behalf of the Board of Directors

Sd/-
G. V. Nageswara Rao
Managing Director & CEO
DIN:00799504

Sd/-
C. M. Vasudev
Chairman
DIN:00143885

Sd/-
P. P. Vora
Director
DIN: 00003192

Sd/-
Sudha Balakrishnan
Chief Financial Officer

Sd/-
Deepak Shenoy
Company Secretary



Cash Flow Statement for the year ended March 31, 2016

(₹ in Lakh)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
A. Cash flow from operating activities		
Profit before Tax	11,796.33	6,054.97
Adjustments for :		
Add -		
Loss on fixed assets sold/written off	-	80.39
Depreciation and amortization expense	252.23	206.58
Provision for compensated absences	-	147.26
Provision for diminution in value of non-current investments	27.15	8.73
Provision for doubtful trade receivables	177.74	30.30
Bad Debts Written off	151.94	249.59
Provision for investor awareness	384.00	-
Contribution to Investor Protection Fund	290.95	-
Less-		
Dividend income from current Investments	(288.22)	(305.16)
Exceptional Item - Write back of Investor Protection Fund	(3,130.28)	-
Interest Income	(2,407.19)	(2,393.85)
Profit on sale of current investments	(175.16)	(8.71)
Operating profit before working capital changes	7,079.49	4,070.10
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets-		
Long-term loans and advance	(6.53)	11.81
Trade receivables	(1,130.05)	119.04
Short-term loans and advance	(1,281.08)	4.41
Other current assets	(55.02)	2.71
Adjustments for increase / (decrease) in operating liabilities-		
Trade payables	(132.59)	176.44
Other current liabilities	416.65	1,825.61
Other long-term liabilities	(31.80)	(94.20)
Short-term provisions	(8.69)	-
Cash generated from operations	4,850.38	6,115.92
Net income tax paid	(3,448.97)	(1,512.90)
Net cash from operating activities (A)	1,401.41	4,603.02

Cash Flow Statement for the year ended March 31, 2016

(₹ in Lakh)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advance	(434.02)	(357.18)
Proceeds from sale of fixed assets	-	2.67
Bank balances not considered as cash and cash equivalent		
- Placed	-	-
- Matured	-	1,000.00
Purchase of current investments	(288.23)	(5,805.16)
Redemption of current investments	-	1,015.75
Redemption of non-current investments	6,414.42	1,497.86
Purchase of non-current investments	(8,698.50)	(2,589.22)
Dividend received from current investments	288.22	305.16
Interest received	2,236.60	2,395.36
Net cash (used in) investing activities (B)	(481.51)	(2,534.76)
C. Cash flow from financing activities		
Dividend paid	(1,000.00)	(1,000.00)
Dividend distribution tax paid	(203.57)	(169.95)
Net cash (used in) financing activities (C)	(1,203.57)	(1,169.95)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(283.67)	898.31
Cash and cash equivalents at the beginning of the year	1,187.81	289.50
Cash and cash equivalents at the end of the period (also refer note 1 below)	904.14	1,187.81

Note1:

Reconciliation of cash and cash equivalents with Balancesheet:	As at 31st March, 2016	As at 31st March, 2015
Cash and cash equivalents as per Balance sheet (also refer note 15)	1,323.14	1,690.06
Less: Fixed Deposit with original maturity of more than 12 months	-	-
Less: Restricted cash balance	(419.00)	(502.25)
Total	904.14	1,187.81

See accompanying notes forming part of the financial statements

In terms of our report attached.
For **Deloitte Haskins & Sells**
Chartered Accountants

Sd/-
Abhijit A. Damle
Partner

Place : Mumbai
Date : April 29, 2016

For and on behalf of the Board of Directors

Sd/-
G. V. Nageswara Rao
Managing Director & CEO
DIN:00799504

Sd/-
C. M. Vasudev
Chairman
DIN:00143885

Sd/-
P. P. Vora
Director
DIN: 00003192

Sd/-
Sudha Balakrishnan
Chief Financial Officer

Sd/-
Deepak Shenoy
Company Secretary



Notes Forming Part of the Financial Statements

1. Corporate Information

National Securities Depository Limited ("the Company") was incorporated in April 2012. The Company is a Depository registered with SEBI under the provisions of Depositories Act, 1996 and Rules and Regulations framed thereunder. The Company provides electronic infrastructure for dematerialisation of securities and facilitates electronic settlement of trades in Indian Securities Market.

2. Basis of preparation and significant accounting policies:

a) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

d) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

e) Revenue recognition

Revenues from services are recognised on an accrual basis upon rendering of services. Revenue is recognised when there is no significant uncertainty as regards its determination and realisation.

f) Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive is established.

g) Fixed assets (tangible/intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

h) Depreciation and Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is calculated based on the estimated useful lives of the fixed assets and depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

i) Transactions in Foreign Currencies

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the year-end rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the Statement of Profit and Loss.

j) Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

Notes Forming Part of the Financial Statements

Front-end discount / incentive earned in respect of direct subscription is adjusted against the cost of investment. Premium paid on acquisition of long term investment is amortised over the tenor of investment.

k) Employee benefits

Employee benefits include provident fund, superannuation fund, and gratuity fund and compensated absences.

Defined Contribution Plan

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

i. Superannuation

The Company contributes a sum equivalent to 15% of annual basic salary of the eligible employees to an insurance company which administers the fund. The Company recognises such contributions as an expense in the year they are incurred.

ii. Provident Fund

Employees are entitled to receive benefits in respect of provident fund, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' basic salary).

Defined Benefit Plans

Gratuity

The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the projected unit credit method carried out at the Balance Sheet date. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

Other Employee Benefit

Performance Incentive and Compensated Absences

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the services. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The Company has a scheme for compensated absences for employees. The Company accounts for the net present value of its obligations for

compensated absences based on an independent external actuarial valuation carried out at the Balance Sheet date. The cost of short-term compensated absences is accounted as under:

- i. in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- ii. in case of non-accumulating compensated absences, when the absences occur.

l) Tax on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

m) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised/disclosed in the financial statements.



Notes Forming Part of the Financial Statements

n) Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

o) Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

p) Operating Cycle

Based on the activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

q) Segment Reporting

The accounting policies used in the preparation of the financial statements of the Company are also applied for Segment Reporting. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated income / expenses".

Note 3 : Share Capital

(₹ in Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Authorised		
100,000,000 equity shares of ₹ 10 each with voting rights	10,000.00	10,000.00
Issued, Subscribed and Fully Paid - Up		
40,000,000 equity shares of ₹ 10 each fully paid up with voting rights	4,000.00	4,000.00
	4,000.00	4,000.00

3a. Details of shares held by each shareholder holding more than 5% shares:

Name of the Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares held	% Holding	Number of shares held	% Holding
IDBI Bank Ltd.	12,000,000	30.00	12,000,000	30.00
National Stock Exchange of India Ltd	10,018,000	25.05	10,018,000	25.05
Administrator of specified undertaking of the Unit Trust of India	2,732,000	6.83	2,732,000	6.83

3b. The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, (except in case of interim dividend), is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all dues, proportionate to their shareholding.

3c. Reconciliation of the shares outstanding at the end of the period	As at 31st March, 2016	As at 31st March, 2015
Opening balance	40,000,000	40,000,000
Number of shares at the end of the year	40,000,000	40,000,000

Notes Forming Part of the Financial Statements

Note 4 : Reserves and surplus

(₹ in Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Investor protection reserve (also refer footnote below)	700.00	700.00
General reserve		
Opening Balance	26,312.82	24,812.82
Add : Transferred from surplus in Statement of Profit and Loss	5,000.00	1,500.00
Closing balance	31,312.82	26,312.82
Surplus in Statement of Profit and Loss		
Opening balance	3,698.03	2,003.32
Profit for the year	8,199.27	4,398.28
Less: Dividend proposed to be distributed to equity shareholders	(1,000.00)	(1,000.00)
Tax on dividend	(203.57)	(203.57)
Transferred to general reserve	(5,000.00)	(1,500.00)
	5,693.73	3,698.03
Total	37,706.55	30,710.85

Footnote: Not earmarked for any specific purpose.

Note 5 : Other long-term liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Others:		
Security deposit from depository participants	2,690.00	2,750.00
Incentive Payable to key managerial person	72.00	43.80
Total	2,762.00	2,793.80

Note 6 : Trade payables

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Principal amount remaining unpaid to any supplier as at the end of the accounting period	7.41	18.34
Interest due thereon remaining unpaid to any supplier as at the end of the accounting period	-	0.20
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the period	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting period	-	0.20
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	7.41	18.54



Notes Forming Part of the Financial Statements

Note 7 : Other current liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Security deposit from depository participants	270.25	268.72
Payables on purchase of fixed assets	5.37	5.50
Advances from customers	1,066.01	369.87
Income received in advance	164.98	145.76
Statutory remittances	318.83	141.32
Investor Protection Fund (refer note 29)	828.79	3,668.12
Payable to gratuity trust	138.92	448.85
Payable on Redemption of NSC/KVP and Government Securities	419.00	502.25
Payables to staff	429.35	424.43
Others	461.16	249.90
Total	4,102.66	6,224.72

Note 8: Short-term provisions

(₹ in Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for compensated absences	444.72	453.41
Provision for income tax	223.39	115.72
Provision for proposed equity dividend	1,000.00	1,000.00
Provision for tax on proposed dividend	203.57	203.57
Provision for stamp duty	-	370.00
Total	1,871.68	2,142.70

Note 9 : Fixed assets

(₹ in Lakh)

Sr. No.	Description	Gross block			Depreciation/amortisation			As on 31st March, 2016	Net block As on 31st March, 2016	
		As on 1st April, 2015	Additions	Disposals/ Adjustment	As on 31st March, 2016	As on 1st April, 2015	For the year			Eliminated on disposal of assets
	Tangible Assets									
1	Buildings	3,573.58 (3,573.58)	- -	55.76 -	3,517.82 (3,573.58)	3,006.62 (2,997.16)	9.24 (9.46)	- -	3,015.86 (3,006.62)	501.96 (566.96)
2	Plant and Equipment									
	(a) Computers	4,296.14 (5,332.46)	31.98 (170.35)	- (1,206.67)	4,328.12 (4,296.14)	3,877.53 (4,992.33)	49.67 (29.77)	- (1,144.57)	3,927.20 (3,877.53)	400.92 (418.61)
	(b) Data and Tele - Communication Equipment	1,435.54 (1,738.43)	0.11 (25.07)	- (327.96)	1,435.65 (1,435.54)	1,313.18 (1,618.51)	9.99 (6.23)	- (311.56)	1,323.17 (1,313.18)	112.48 (122.36)
	(c) Electrical Installations	199.91 (199.92)	- -	- (0.01)	199.91 (199.91)	184.07 (183.28)	0.80 (0.80)	- (0.01)	184.87 (184.07)	15.04 (15.84)
3	Office Equipment	336.74 (397.20)	8.14 (0.81)	- (61.27)	344.88 (336.74)	309.15 (356.16)	9.89 (10.49)	- (57.50)	319.04 (309.15)	25.84 (27.59)
4	Furniture and Fixtures	246.31 (258.92)	- (2.87)	- (15.48)	246.31 (246.31)	215.25 (227.59)	2.64 (2.37)	- (14.71)	217.89 (215.25)	28.42 (31.06)
	Total	10,088.22 (11,500.51)	40.23 (199.10)	55.76 (1,611.39)	10,072.69 (10,088.22)	8,905.80 (10,375.03)	82.23 (59.12)	- (1,528.35)	8,988.03 (8,905.80)	1,084.66 (1,182.42)

Notes Forming Part of the Financial Statements

Sr. No.	Description	Gross block			As on 31st March, 2016	Depreciation/amortisation			As on 31st March, 2016	Net block As on 31st March, 2016
		As on 1st April, 2015	Additions	Disposals/ Adjustment		For the year	Eliminated on disposal of assets			
	Intangible Assets									
5	Computer Software (acquired)	9,068.55 (8,846.74)	65.61 (221.81)	- -	9,134.16 (9,068.55)	8,836.66 (8,689.20)	170.00 (147.46)	- -	9,006.66 (8,836.66)	127.50 (231.89)
	Total	9,068.55 (8,846.74)	65.61 (221.81)	- -	9,134.16 (9,068.55)	8,836.66 (8,689.20)	170.00 (147.46)	- -	9,006.66 (8,836.66)	127.50 (231.89)
	Grand Total	19,156.77 (20,347.25)	105.84 (420.91)	55.76 (1,611.39)	19,206.85 (19,156.77)	17,742.46 (19,064.23)	252.23 (206.58)	- (1,528.35)	17,994.69 (17,742.46)	1,212.16 (1,414.31)

Footnote 1: The figures in bracket are of previous year ended 31st March, 2015.

Note 10 : Non-current investments (Long Term Investments)

Particulars					As at 31st March, 2016		As at 31st March, 2015	
			No. of bonds / debentures / share	Face value	₹ in Lakh		₹ in Lakh	
Trade:								
(a) Investment in equity Instrument (at cost)								
NSDL Database Management Limited (wholly owned subsidiary company)			61,050,000	10	6,105.00		6,105.00	
Non-trade:								
(b) Investment in Government or Trust Securities (at cost) - Quoted								
(i) 8.07% GOI, 2017 (refer foot note 1)			4,000	10,000	-		434.00	
(c) Investment in Debentures or bonds (at cost) - Quoted								
	Rate of interest	Year of maturity						
(i) Indian Oil Corporation Limited	11.00	2018	130	1,000,000	1,485.38		1,485.38	
(ii) 10 year Zero Coupon Bhavishya Nirman Bond from National Bank for Agriculture and Rural Development	-	2018	3,551	20,000	300.06		300.06	
(iii) Housing Development Finance Corporation Limited	11.25	2018	150	1,000,000	1,755.15		1,755.15	
(iv) Housing Development Finance Corporation Limited	11.95	2018	15	1,000,000	178.50		178.50	
(v) Rural Electrification Corporation Limited	9.07	2018	140	1,000,000	1,453.52		1,453.52	
(vi) Steel Authority of India Limited	8.60	2019	40	1,000,000	-		406.40	
(vii) Steel Authority of India Limited	8.65	2019	70	1,000,000	-		707.63	
(viii) Infrastructure Development Finance Company Limited	8.90	2019	30	1,000,000	-		302.18	
(ix) Axis Bank Limited	9.95	2019	35	1,000,000	379.92		379.92	
(x) Indian Railway Finance Corporation Limited	8.20	2020	20	1,000,000	-		199.22	
(xi) Infrastructure Development Finance Company Limited	8.65	2020	20	1,000,000	-		201.90	
(xii) Rural Electrification Corporation Limited	8.65	2020	50	1,000,000	-		479.25	
(xiii) Power Grid Corporation of India Limited	9.64	2021	32	1,250,000	406.72		406.72	
(xiv) Power Finance Corporation of India Limited *	7.51	2021	600	100,000	599.40		599.40	
(xv) Power Grid Corporation of India Limited	8.80	2022	16	1,250,000	-		202.00	



Notes Forming Part of the Financial Statements

Particulars					As at	As at
			No. of bonds / debentures / share	Face value	31st March, 2016	31st March, 2015
					(₹ in Lakh)	(₹ in Lakh)
(xvi) National Highway Authority of India Limited *	8.20	2022	100,000	1,000	1,066.40	1,066.40
(xvii) Rural Electrification Corporation Limited *	7.93	2022	90,000	1,000	950.98	950.98
(xviii) Power Grid Corporation of India Limited	9.33	2023	40	1,250,000	509.25	509.25
(xix) Power Grid Corporation of India Limited	8.80	2024	56	1,250,000	-	703.85
(xx) Power Grid Corporation of India Limited	8.90	2024	20	1,250,000	-	245.87
(xxi) Infrastructure Development Finance Company Limited	9.03	2025	5	1,000,000	51.12	51.12
(xxii) Housing Development Finance Company Limited	8.96	2025	100	1,000,000	-	1,014.50
(xxiii) Infrastructure Development Finance Company Limited	8.82	2025	38	1,000,000	-	371.07
(xxiv) Power Grid Corporation of India Limited	8.90	2025	20	1,250,000	-	246.00
(xxv) Indian Railway Finance Corporation Limited	9.09	2026	155	1,000,000	1,571.70	2,028.00
(xxvi) National Highway Authority of India Limited *	8.30	2027	190,000	1,000	2,025.90	2,025.90
(xxvii) Power Finance Corporation of India Limited *	8.30	2027	100,000	1,000	1,040.00	1,040.00
(xxviii) Power Finance Corporation of India Limited *	8.20	2022	90,000	1,000	948.93	948.93
(xxix) Power Finance Corporation of India Limited *	8.46	2028	40	1,000,000	400.56	400.56
(xxx) Rural Electrification Corporation Limited *	8.46	2028	10,000	1,000	100.15	100.15
(xxxi) National Housing Bank *	8.68	2029	40,000	5,000	2,028.76	2,028.76
(xxxii) Housing and Urban Development Corporation Limited*	8.10	2022	60,000	1,000	607.48	607.48
(xxxiii) NTPC Limited*	8.66	2033	60,000	1,000	638.99	638.99
(xxxiv) National Housing Bank *	8.68	2029	10,000	5,000	528.30	528.30
(xxxv) National Housing Bank *	8.76	2034	8,000	5,000	428.96	428.96
(xxxvi) Housing and Urban Development Corporation Limited*	8.76	2034	5,000	1,000	54.93	54.93
(xxxvii) Infrastructure Development Finance Company Limited	8.80	2025	1	1,000,000	10.00	10.00
(xxxviii) Infrastructure Development Finance Company Limited	8.80	2025	3	1,000,000	29.77	29.77
(xxxix) Kokan Railway Corporation Limited	8.90	2016	1	1,000,000	-	9.87
(xl) Central Bank of India	8.95	2016	2	1,000,000	-	19.58
(xli) State Bank of India	8.96	2021	1	1,000,000	9.85	9.85
(xlii) Power Finance Corporation of India Limited	9.28	2017	2	1,000,000	20.32	20.32
(xliii) India Infrastructure Finance Company Limited	9.41	2037	3	1,000,000	33.59	33.59
(xliv) LIC Housing Finance Limited	9.70	2017	1	1,000,000	10.12	10.12
(xlv) Export Import Bank of India	9.85	2017	1	1,000,000	-	10.25
(xlvi) Tata Capital Financial Services Limited	9.95	2019	2	1,000,000	10.03	10.03
(xlvii) HDB Financial Services Limited	10.19	2024	1	1,000,000	10.41	10.41
(xlviii) Power Finance Corporation of India Limited	11.25	2018	1	1,000,000	11.65	11.65
(xlix) IDBI Bank Limited	11.30	2018	1	1,000,000	11.34	11.34

Notes Forming Part of the Financial Statements

Particulars					As at	As at
			No. of bonds / debentures / share	Face value	31st March, 2016	31st March, 2015
					(₹ in Lakh)	(₹ in Lakh)
(i) Rural Electrification Corporation Limited *	7.21	2022	10	1,000,000	101.35	101.35
(ii) 8.67% NHPC 2033*	8.67	2033	45,000	1,000	533.43	533.43
(iii) Indian Railway Finance Corporation Limited *	8.40	2029	63,000	1,000	690.92	-
(iiii) Rural Electrification Corporation Limited *	8.46	2028	57	1,000,000	627.00	-
(liv) Indian Railway Finance Corporation Limited *	8.48	2028	100	1,000,000	1,098.30	-
(lv) Indian Renewable Energy Development Agency Limited*	7.17	2025	60	1,000,000	603.84	-
(lvi) Indian Railway Finance Corporation Limited *	7.34	2028	10,000	1,000	608.09	-
(lvii) Power Finance Corporation of India Limited *	7.35	2035	50,000	1,000	512.40	-
(lviii) National Highway Authority of India Limited *	7.35	2030	25,913	1,000	259.13	-
(lix) India Infrastructure Finance Company Limited*	8.26	2028	80	1,000,000	867.15	-
(lx) National Housing Bank *	8.46	2028	90	1,000,000	1,001.88	-
(lxi) India Infrastructure Finance Company Limited*	8.66	2034	20,000	1,000	230.66	-
(lxii) NTPC Limited*	7.15	2025	21	1,000,000	210.36	-
(lxiii) National Highway Authority of India Limited *	7.35	2031	63,970	1,000	641.89	-
(lxiv) Indian Renewable Energy Development Agency Limited*	7.49	2031	50,000	1,000	504.00	-
(lxv) NHPC Ltd*	8.54	2028	71,428	1,000	792.78	-
(lxvi) National Bank for Agriculture and Rural Development*	7.35	2031	5,010	1,000	50.10	-
					29,001.42	25,878.79
(d) Investment in Mutual Funds - (Unquoted)						
(i) Axis Fixed Term Plan - Series 42 Direct Plan - Growth			5,000,000	10	500.00	-
(ii) IDBI Mutual Fund FMP Series III- Direct Plan- Growth			2,000,000	10	200.00	-
(iii) HDFC Mutual Fund FMP series 29 -Direct Plan - Growth			3,000,000	10	300.00	-
(iv) ICICI Prudential FMP series 76 -Direct Plan - Growth			5,000,000	10	500.00	500.00
(v) HDFC Fixed Maturity Plans - Series 31 - Growth			2,000,000	10	200.00	-
					1,700.00	500.00
					36,806.42	32,917.79
Less : Provision for diminution in value of investments					987.87	1,039.63
					35,818.55	31,878.16

* Investment in Tax free bonds

Foot note 1: Classified as Current Investment as the remaining maturity is less than 12 months

Aggregate value of listed but not quoted investments	1,780.42	7,038
Aggregate amount of unquoted investments	6,105.00	6,105
Aggregate amount of quoted investments	28,921.00	19,774.91
Aggregate market value of listed and quoted investments	3,421.05	19,417.13



Notes Forming Part of the Financial Statements

Note 11 : Deferred tax asset

(₹ in Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Difference between book balance and tax balance of fixed assets	223.87	328.70
Provision for employee benefits	162.37	167.36
Others	104.26	34.86
Total	490.50	530.92

Note 12 : Loans and advances

(₹ in Lakh)

Particulars	As at 31st March, 2016			As at 31st March, 2015		
	Long term	Short term	Total	Long term	Short term	Total
(Unsecured, considered good unless stated otherwise)						
Security deposits						
Considered good	51.11	-	51.11	43.22	-	43.22
Considered doubtful	11.00	-	11.00	11.00	-	11.00
	62.11	-	62.11	54.22	-	54.22
Less: Provision for doubtful deposits	(11.00)	-	(11.00)	(11.00)	-	(11.00)
	51.11	-	51.11	43.22	-	43.22
Capital Advances	48.82	-	48.82	35.01	-	35.01
Prepaid expenses	60.35	25.66	86.01	53.83	50.44	104.27
Advance income tax (net of provision)	562.35	-	562.35	562.35	-	562.35
Expenses recoverable	4.24	1,047.37	1,051.61	12.12	7.94	20.06
Service tax credit receivable	-	381.19	381.19	-	114.76	114.76
Total	726.87	1,454.22	2,181.09	706.53	173.14	879.67

Note 13 : Current investments

Particulars	As at 31st March, 2016			As at 31st March, 2015		
	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(₹ in Lakh)	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(₹ in Lakh)
Current portion of long-term investments (At cost):						
(a) Investment in Government or Trust Securities (at cost) - Quoted						
(i) 11.43% GOI, 2015	-	-	-	4,000	10,000	416.40
(ii) 8.07% GOI, 2017	4,000	10,000	434.00	-	-	-
Investment in Debentures or bonds - Quoted						
(b) (i) Tata Steel Limited	-	-	-	30	1,000,000	308.61
(ii) Indian Overseas Bank	-	-	-	2	1,000,000	17.85
(iii) Power Finance Corporation of India Limited	-	-	-	1	1,000,000	10.01
(iv) IDBI OMNI Bonds	-	-	-	1	1,000,000	10.00
(v) Housing Development Finance Corporation Limited	-	-	-	1	1,000,000	10.00

Notes Forming Part of the Financial Statements

Particulars	As at 31st March, 2016			As at 31st March, 2015		
	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(₹ in Lakh)	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(₹ in Lakh)
(vi) Kokan Railway Corporation Limited	1	1,000,000	9.87	-	-	-
(vii) Central Bank of India	2	1,000,000	19.58	-	-	-
(viii) Export Import Bank of India	1	1,000,000	10.25	-	-	-
Other Current Investments :						
Investment in Mutual Funds (Unquoted)						
(c) (i) Units of Axis Treasury Advantage Fund - Institutional Daily Dividend Reinvestment	58,947	1,002	604.33	55,310	1,005	572.43
(ii) Units of IDFC Ultra Short Term Fund - Daily Dividend Reinvestment	5,839,432	10	598.58	5,472,255	10	567.97
(iii) Units of Birla Sun Life Ultra Short Term Fund - Daily Dividend Reinvestment	551,322	106	585.12	536,810	102	557.95
(iv) Units of UTI Treasury Advantage Fund - Daily Dividend Reinvestment	59,897	1,002	600.38	54,867	1,002	566.90
(v) Units of Axis Liquid Fund -Direct Plan- Daily Dividend	117	1,000	1.16	107	1,000	1.11
(vi) Units of IDFC Liquid Fund - Direct Plan - Daily Dividend	72	1,000	0.72	66	1,001	0.69
(vii) Units of HDFC Liquid Fund- Daily Dividend Reinvestment	54,455	1,020	555.34	5,162,761	10	526.51
(viii) Units of ICICI Prudential Liquid Plan- Daily Dividend Reinvestment	554,393	100	555.19	510,663	100	526.31
(ix) Units of IDBI Ultra Short Term Fund- Daily Dividend Reinvestment	69	1,031	0.72	64	1,021	0.69
(x) Units of L & T Ultra Short Term fund- Daily Dividend Reinvestment	3,260,742	10	337.18	3,086,891	10	319.18
(xi) Units of Peerless Liquid Fund - Daily Dividend Reinvestment	55,513	1,001	555.85	51,115	1,001	526.70
(xii) Units of Principal Debt Opportunity Conservative Fund- Daily Dividend Reinvestment	55,721	1,003	559.08	50,223	1,002	527.31
(xiii) Units of UTI Liquid Fund - Daily Dividend Reinvestment	54,274	1,019	553.30	50,159	1,019	524.97
(xiv) Axis Fixed Term Plan - Series 42 Direct Plan - Growth	-	-	-	5,000,000	10	500.00
(xv) IDBI Mutual Fund FMP Series III- Direct Plan- Growth	-	-	-	2,000,000	10	200.00
(xvi) IDFC Fixed Term Plan Series 57 - Direct Plan - Growth	5,000,000	10	500.00	5,000,000	10	500.00
(xvii) HDFC Mutual Fund FMP series 29 -Direct Plan - Growth	-	-	-	3,000,000	10	300.00
(xviii) HDFC Fixed Maturity Plans - Series 31 - Growth	-	-	-	2,000,000	10.00	200.00
			6,480.65			7,691.59
Less : Provision for diminution in value of investments			34.15			25.02
Total			6,446.50			7,666.57
* Investment in Tax free bonds						
Aggregate amount of unquoted investments			6,480.65			7,345.12
Aggregate amount of quoted investments			-			346.47
Aggregate market value of listed and quoted investments			-			340.26



Notes Forming Part of the Financial Statements

Note 14 : Trade Receivables

(₹ in Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	55.23	27.04
Unsecured, considered good	175.66	204.10
Unsecured, considered doubtful	208.04	30.30
	<u>438.93</u>	<u>261.44</u>
Less : Provision for doubtful trade receivables	208.04	30.30
	<u>230.89</u>	<u>231.14</u>
Others trade receivables		
Secured, considered good	298.66	335.39
Unsecured, considered good	1,394.64	557.29
	<u>1,693.30</u>	<u>892.68</u>
Total	<u>1,924.19</u>	<u>1,123.82</u>

Note 15 : Cash and Bank Balances

(₹ in Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Cash and cash equivalents		
Cash on hand	0.25	0.35
Cheques on hand	0.42	2.53
Balances with banks		
(i) in current accounts	903.47	1,184.93
Other bank balances		
(i) in current accounts (refer footnote 1)	419.00	502.25
Total	<u>1,323.14</u>	<u>1,690.06</u>

Footnote 1: These balances have restriction on repatriation.

Note 16 : Other assets

(₹ in Lakh)

Particulars	As at 31st March, 2016			As at 31st March, 2015		
	Non-current	Current	Total	Non-current	Current	Total
Interest accrued on investments	302.18	1,122.87	1,425.05	252.45	1,002.01	1,254.46
Others		55.10	55.10	-	0.08	0.08
Total	<u>302.18</u>	<u>1,177.97</u>	<u>1,480.15</u>	<u>252.45</u>	<u>1,002.09</u>	<u>1,254.54</u>

Note 17 : Revenue from operations

(₹ in Lakh)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Annual fees	669.00	643.84
Custody fees	6,912.47	5,104.18
Transaction fees	5,821.40	6,280.55
Software license fees	14.23	13.28
Communication fees	318.40	309.81
Other operating income	14.21	11.93
Total	<u>13,749.71</u>	<u>12,363.59</u>

Notes Forming Part of the Financial Statements

Note 18 : Other Income

(₹ in Lakh)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Interest income :		
- On non-current investments	2,304.65	2,335.86
- On fixed deposits with banks	102.84	57.99
- On overdue trade receivables	22.92	18.37
	<u>2,430.41</u>	<u>2,412.22</u>
Dividend income from current Investments	288.22	305.16
Profit on sale of current investments	175.16	8.71
Profit on Sale of Assets	-	1.52
Miscellaneous income	162.86	158.10
Total	<u><u>3,056.65</u></u>	<u><u>2,885.71</u></u>

Note 19 : Employee benefits expense

(₹ in Lakh)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
- Salaries and wages	2,376.25	2,384.11
- Contribution to provident and other funds (refer note 27)	306.57	573.71
- Staff welfare expenses	122.83	127.08
- Deputation Cost	39.11	46.16
Total	<u><u>2,844.76</u></u>	<u><u>3,131.06</u></u>

Note 20 : Other expenses

(₹ in Lakh)

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
-Annual fees		187.71		150.04
-Repairs and maintenance - system		1,823.56		1,735.72
-Repairs and maintenance - premises		161.82		150.40
-Repairs and maintenance - others		50.46		60.82
-Insurance		30.65		54.68
-Power and fuel		206.92		183.35
-Rent		231.36		214.07
-Communication expenses		428.86		501.77
-Travelling and conveyance expenses		239.76		209.68
-Legal and professional fees		146.48		161.80
-Printing and stationery expenses		59.63		92.31
-Rates and taxes		46.80		94.06
-Provision for diminution in value of non-current investments		27.15		8.73
-Corporate Social Responsibility Expense		11.75		4.43
-Seminar and business promotion expenses		229.98		180.25
-Payment to Auditors (net off service tax set-off)				
--(a) Audit fees	13.00		12.00	
--(b) Tax audit fees	2.00		2.00	
--(c) Taxation matters	-		0.60	
--(d) Other services	6.00		6.20	
--(e) Reimbursement of expenses (out of pocket expenses)	-	21.00	0.20	21.00
-Directors sitting fees		34.80		39.20
-Provision for investor awareness		384.00		-
-Provision for doubtful trade receivables		177.74		30.30
-Loss on fixed assets sold/written off		-		80.39
-Bad Debts Written off		151.94		249.59
-Miscellaneous expenses		100.00		120.37
Total		<u><u>4,752.37</u></u>		<u><u>4,342.96</u></u>



Notes Forming Part of the Financial Statements

21. Contingent Liabilities and Other Commitments (to the extent not provided for)

a) Contingent Liabilities

- (i) Demand from the service tax authorities of ₹ 3,261.69 lakh (Previous year ₹ 3,261.69 lakh) in respect of FY 2004-05 to FY 2009-10 relate to service tax demanded in respect of depository participant services during that period. The matter is pending before Commissioner of Service Tax (Adjudication). In respect of the dispute, the Company is hopeful of succeeding in appeals and does not expect any significant liability to materialise.
- (ii) Demand from Income Tax authorities for AY 2013-14 for ₹ 213.61 lakh. The Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

b) Commitments

Estimated amount of capital contracts not provided for (net of advances) is ₹ 16.82 lakh (previous year ₹ 23.80 lakh).

22. Expenditure in foreign currency

(₹ in Lakh)

Particulars	Current Year	Previous year
Travelling and conveyance expenses	68.02	39.36

23. Segment Reporting

The Company's business is to provide depository services to its clients in India which includes providing various services to the investors like, dematerialisation, re-materialisation, holding, transfer and pledge of securities in electronic form through close user group network of business partners (viz. Issuers / Registrars & Transfers Agents and Depository Participants) and providing facility to market intermediaries for "straight through processing", providing e-voting services to companies. All other activities of the Company revolve around the main business. As such, there are no reportable segments as per the Accounting Standard 17(AS-17) – 'Segment Reporting'.

24. Related party Disclosures

a) Names of related parties and relationship

(i)	IDBI Bank Limited	Company having substantial Interest
(ii)	National Stock Exchange of India Limited	Company having substantial Interest
(iii)	NSDL Database Management Limited	Wholly-owned subsidiary (control exists)
(iv)	Key managerial personnel	Mr. G V Nageswara Rao, Managing Director and CEO

Nature and volume of transactions during the year with the above related parties

(₹ In Lakh)

Particulars	Current year	Previous year
(i) Transactions during the year		
I. Companies having substantial Interest		
a) IDBI Bank Limited		
- Transaction Fees	29.44	35.55
- Annual fees	11.61	20.42
- Reimbursement of expenses	1.98	2.42
- Other operational income	1.35	0.02
- Interest Income on fixed deposit with Bank	101.25	49.34
- Interest (waiver)/Income – Other	0.12	0.24

Notes Forming Part of the Financial Statements

- Miscellaneous expenses	0.49	0.2
- Dividend paid	300	300
b) National Stock Exchange of India Limited		
- Miscellaneous expenses	0.04	0.15
- Transaction Fees	0.15	0.02
- Dividend paid	250.45	250.45
II. Subsidiary		
NSDL Database Management Limited		
- Expense	74.52	66.05
- Income	71.24	55.85
III. Key managerial personnel		
- Remuneration	244.05	225.46
(ii) (Payable)/Receivable at the end of the year		
Companies having substantial Interest	(30.00)	(30.00)
a) IDBI Bank Limited		
- Security deposit payable		
- Balance in current account	387.06	1,158.42
- Trade receivables	6.76	1.82
b) National Stock Exchange of India Limited		
Trade payable	-	(0.12)
Subsidiary Company		
a) NSDL Database Management Limited	(8.38)	(5.97)
Trade Payable		

Notes:

- (i) There are no provisions for doubtful debts or amounts written off/written back in respect of dues from/to related parties.
- (ii) Managerial remuneration does not include charge on account of provision for gratuity which has been determined for the Company as a whole.

25. Operating Lease

The Company holds certain premises under operating leases. Rent includes expenses of ₹ 231.36 lakh (previous year ₹ 214.07 lakh). The lease arrangement is for a period of 12 months. The committed lease rentals in the future are:

(₹ in Lakh)

Particulars	Current Year	Previous year
Not later than one year	-	5.44
	-	5.44

26. Expenses in note 20 has been disclosed net of recoveries:

(₹ in Lakh)

Particulars	Current Year	Previous year
Insurance	74.56	95.13



Notes Forming Part of the Financial Statements

27. Employee benefits

- a) The Company has recognized the following amounts in the Statement of Profit and Loss under the head Company's Contribution to Provident Fund and Other Funds. :

(₹ in Lakh)

Particulars	Current Year	Previous year
Provident fund	96.90	89.76
Superannuation fund	63.15	56.76
Total	160.05	146.52

- b) Defined benefit plan for gratuity as per actuarial valuation

- (i) Summary of actuarial assumptions

Particulars	Current Year	Previous year
Discount rate	8.01%	7.99%
Rate of return on plan assets	8.01%	7.99%
Salary escalation	8.00%	8.00%
Attrition rate	2.00%	2.00%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

- (ii) Reconciliation of defined benefit obligation

(₹ in Lakh)

Particulars	Current Year	Previous year
Liability at the beginning of the year	1,277.04	819.68
Interest cost	102.03	76.31
Current service cost	119.47	82.54
Benefits paid	(160.40)	(25.11)
Actuarial loss /(gain) on obligations	(14.62)	323.62
Liability at the end of the year	1,323.52	1,277.04

- (iii) Reconciliation of fair value of plan assets

(₹ in Lakh)

Particulars	Current Year	Previous year
Fair value of plan assets at the beginning of the year	828.19	789.47
Expected return on plan assets	66.17	68.68
Contributions by the Employer	439.50	0.68
Benefits paid	(160.40)	(25.11)
Transferred to NSDL e-Governance Infrastructure Limited	-	-
Actuarial (loss)/gain on plan assets	11.14	(5.53)
Fair value of plan assets at the end of the year	1,184.60	828.19

- (iv) Actual return on plan assets

(₹ in Lakh)

Particulars	Current Year	Previous year
Expected return on plan assets	66.17	68.68
Actuarial (loss)/gain on plan assets	11.14	(5.53)
Actual Return on Plan Assets	77.31	63.15

Notes Forming Part of the Financial Statements

(v) Amount to be recognised in balance sheet

(₹ in Lakh)

Particulars	Current Year	Previous year
Present value of funded obligation	(1,323.52)	(1,277.04)
Fair value of plan assets at the end of the year	1,184.60	828.19
Amount recognised in balance sheet	(138.92)	(448.85)

(vi) Expenses to be recognised in Statement of Profit and Loss

(₹ in Lakh)

Particulars	Current Year	Previous year
Current service cost	119.47	82.54
Interest cost	102.03	76.31
(Expected Return on Plan Assets)	(66.17)	(68.68)
Net Actuarial (gain) / loss to be recognized	(25.76)	329.15
Expenses recognised in the Statement of Profit and Loss	129.57	419.32

(vii) Balance Sheet reconciliation

(₹ in Lakh)

Particulars	Current Year	Previous year
Opening net liability	448.85	30.21
Expenses as above	129.57	419.32
Employers contribution	(439.50)	(0.68)
Amount recognised in balance sheet	138.92	448.85

(viii) Description of plan assets (managed by an Insurance Company)

Particulars	Current year	Previous Year
Central and State Govt. securities	Funds deployed by Life Insurance Corporation of India.	Funds deployed by Life Insurance Corporation of India.
Bonds/ debentures		
Equity shares		
Others		

(ix) Experience Adjustments

(₹ in Lakh)

Particulars	Current Year	Previous year
Experience adjustment		
- On plan liabilities	(11.24)	138.81
- On plan assets	11.14	(5.53)

The above details are as certified by the actuary and relied upon by the auditors.

Expected contribution in the next year ₹ 119.96 lakh (previous year ₹ 111.84 lakh).

The actuarial calculation used to estimate defined benefit commitment and expenses are based on above assumptions which if changed would affect the defined benefit commitments and expenses.

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



Notes Forming Part of the Financial Statements

28. Earnings per share

	Current Year	Previous year
Profit for the year attributable to the equity shareholders (₹ In lakh)	8,199.27	4,398.28
Weighted average Number of equity shares during the year	40,000,000	40,000,000
Basic and Diluted Earnings per Share	20.50	11.00
Face value of each share ₹	10	10

Diluted Earnings per share is equal to the Basic Earnings per share in view of absence of any dilutive potential equity shares.

29. Investor Protection Fund (IPF)

The Securities Exchange Board of India (SEBI) has issued SEBI (Depositories and Participants) (Amendment) Regulations, 2012 ("the Regulation") on 11th September, 2012. According to these Regulations, Depositories are required to establish and maintain an Investor Protection Fund (IPF) for the protection of interest of the beneficial owners and every depository is required to credit twenty five per cent of its profits to the Investor Protection Fund. The norms towards contribution to and the utilisation of IPF are yet to be specified.

SEBI vide its notification dated 21st January, 2016 has retrospectively amended the Regulation regulation wherein every depository is required to credit 5% of its profit from depository operations as Contribution to Investor Protection Fund as against 25% of profit specified in the Regulation dated 11th September, 2012.

Accordingly, ₹ 3,130.28 lakh has been written back being excess contribution upto 31st March, 2015. During the year ended 31st March, 2016, the contribution to IPF works out to ₹ 290.95 lakh (previous year ₹1,513.73 lakh), being 5% of the profits from depository operations of the Company before tax for the year ended 31st March, 2016 available after making such contribution. The balance in IPF as at 31st March, 2016 is ₹ 828.79 lakh.

30. Provision for stamp duty

The Company had made a provision of ₹ 370.00 lakh towards stamp duty pending adjudication in respect of immovable assets transferred during the previous year under the Scheme of Demerger.

An Order dated 29th January, 2016 was received from the Collector of Stamps confirming completion of adjudication process and payment of stamp duty of ₹ 314.24 lakh. Accordingly, the stamp duty of ₹ 314.24 lakh has been paid and the balance amount is adjusted in the carrying value of Buildings.

31. Comparatives

Figures for the previous year have been regrouped/ reclassified wherever necessary to correspond with the figures for the current year.

For and on behalf of the Board of Directors

Sd/-
Abhijit A. Damle
Partner

Sd/-
C. M. Vasudev
Chairman
DIN:00143885

Sd/-
G. V. Nageswara Rao
Managing Director & CEO
DIN:00799504

Sd/-
P. P. Vora
Director
DIN: 00003192

Place : Mumbai
Date : April 29, 2016

Sd/-
Sudha Balakrishnan
Chief Financial Officer

Sd/-
Deepak Shenoy
Company Secretary

Independent Auditor's Report

To The Members of National Securities Depository Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NATIONAL SECUTITIES DEPOSITORY LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments 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 have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 thereunder.

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 consolidated

financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 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 financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 as at 31st March, 2016, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.



Independent Auditor's Report

- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group company is disqualified as on 31st 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 and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's/ subsidiary company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117364W)

Sd/-

Abhijit A. Damle
(Partner)
(Membership No. 102912)

Place: Mumbai
Date: April 29, 2016

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of National Securities Depository Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company, which is company incorporated in India, are 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 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 Companies Act, 2013.

Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 and the audit evidence obtained by the other auditors of the subsidiary company, which is company incorporated in India, 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 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 to the best of our information and according to the explanations given to us, the Holding Company and



Annexure "A" to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

its subsidiary company, which is company 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, 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.

Other Matters

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 one subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117364W)

Sd/-

Abhijit A. Damle
(Partner)
(Membership No. 102912)

Place: Mumbai
Date: April 29, 2016

Consolidated Financial Statements



Consolidated Balance Sheet as at March 31, 2016

(₹ in Lakh)

Particulars	Note No.	As at 31st March, 2016		As at 31st March, 2015	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	3	4,000.00		4,000.00	
Reserves and surplus	4	40,156.20		31,883.99	
			44,156.20		35,883.99
Non-current liabilities					
Deferred tax liability	11(a)	28.74		27.72	
Other long-term liabilities	5	2,873.78	2,902.52	2,913.18	2,940.90
Current liabilities					
Trade payables	6				
(i) Total outstanding dues to micro enterprises and small enterprises		12.72		22.25	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,067.16		1,007.73	
Other current liabilities	7	5,085.58		7,416.70	
Short-term provisions	8	2,188.92	8,354.38	2,244.06	10,690.74
Total			55,413.10		49,515.63
ASSETS					
Non Current Assets					
Fixed assets:					
Tangible assets	9	1,289.95		1,411.81	
Intangible assets	9	247.07		380.78	
Capital work-in-progress		49.40	1,586.42	77.53	1,870.12
Non-current investments	10	34,637.37		29,233.58	
Deferred tax asset	11(b)	490.50		530.92	
Long-term loans and advances	12	1,132.97		1,106.31	
Other non-current assets	16	334.49	36,595.33	548.03	31,418.84
Current assets					
Current investments	13	6,960.10		8,505.15	
Trade receivables	14	2,278.88		1,491.34	
Cash and Bank balances	15	4,890.79		4,775.60	
Short-term loans and advances	12	1,510.29		222.89	
Other current assets	16	1,591.29	17,231.35	1,231.69	16,226.67
Total			55,413.10		49,515.63
See accompanying notes forming part of the consolidated financial statements (1 to 31)					

In terms of our report attached.
For **Deloitte Haskins & Sells**
Chartered Accountants

Sd/-
Abhijit A. Damle
Partner

Place : Mumbai
Date : April 29, 2016

For and on behalf of the Board of Directors

Sd/-
C. M. Vasudev
Chairman
DIN:00143885

Sd/-
G. V. Nageswara Rao
Managing Director & CEO
DIN:00799504

Sd/-
P. P. Vora
Director
DIN: 00003192

Sd/-
Sudha Balakrishnan
Chief Financial Officer

Sd/-
Deepak Shenoy
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2016

(₹ in Lakh)

Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
INCOME			
Revenue from operations	17	18,451.42	15,978.15
Other income	18	3,543.48	3,359.57
Total revenue		21,994.90	19,337.72
EXPENSES			
Employee benefits expense	19	3,449.61	3,870.65
Depreciation and amortization expense	9	351.20	292.45
Contribution to Investor Protection Fund	29	290.95	1,513.73
Other expenses	20	7,382.08	6,593.53
Total expenses		11,473.84	12,270.36
Profit before exceptional item		10,521.06	7,067.36
Exceptional Items		3,130.28	-
Profit before tax		13,651.34	7,067.36
Tax expense			
Current tax		4,134.12	1,810.38
Deferred tax		41.44	90.67
		4,175.56	1,901.05
Profit after Tax		9,475.78	5,166.31
Basic and diluted earnings per equity share of ₹ 10 each	28	23.69	12.92
See accompanying notes forming part of the consolidated financial statements (1 to 31)			

In terms of our report attached.
For **Deloitte Haskins & Sells**
Chartered Accountants

Sd/-
Abhijit A. Damle
Partner

Place : Mumbai
Date : April 29, 2016

For and on behalf of the Board of Directors

Sd/-
C. M. Vasudev
Chairman
DIN:00143885

Sd/-
P. P. Vora
Director
DIN: 00003192

Sd/-
G. V. Nageswara Rao
Managing Director & CEO
DIN:00799504

Sd/-
Sudha Balakrishnan
Chief Financial Officer

Sd/-
Deepak Shenoy
Company Secretary



Consolidated Cash Flow Statement

for the year ended March 31, 2016

(₹ in Lakh)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
A. Cash flow from operating activities		
Net Profit before Taxation	13,651.34	7,067.36
Adjustments for :		
Add -		
Loss on fixed assets sold/written off	-	80.39
Depreciation and amortisation expense	351.19	292.45
Provision for compensated absences	-	173.34
Provision for diminution in value of non-current investments	45.78	17.98
Provision for doubtful trade receivables	180.42	30.30
Bad Debts written off	151.94	249.59
Amortisation of share issue expenses	-	8.70
Provision for investor awareness	384.00	-
Contribution to Investor Protection Fund	290.95	-
Less-		
Dividend income from current Investments	(288.22)	(305.16)
Exceptional Item - Write back of Investor Protection Fund	(3,130.28)	-
Interest Income	(2,965.12)	(2,923.25)
Profit on sale of current investments	(175.16)	(8.71)
Operating profit before working capital changes	8,496.84	4,682.99
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets-		
Long-term loans and advance	36.55	158.69
Trade receivables	(1,122.29)	(90.50)
Short-term loans and advance	(1,287.41)	7.23
Other current assets	(55.02)	2.71
Adjustments for increase / (decrease) in operating liabilities-		
Other long-term liabilities	(39.41)	(109.23)
Trade payables	52.31	211.48
Other current liabilities	276.18	2,154.17
Short-term provisions	(13.41)	-
Cash generated from operations	6,344.34	7,017.54
Net income tax paid	(3,855.25)	(1,694.16)
Net cash from operating activities (A)	2,489.09	5,323.38

Consolidated Cash Flow Statement

for the year ended March 31, 2016

(₹ in Lakh)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advance	(520.03)	(420.43)
Proceeds from sale of fixed assets	-	2.67
Bank balances not considered as cash and cash equivalent		
-Placed	(632.31)	(3,563.63)
-Matured	1,521.35	7,445.59
Purchase of current investments	(288.23)	(9,687.11)
Redemption of current investments	-	1,093.02
Purchase of non-current investments	(9,865.54)	(2,589.22)
Redemption of non-current investments	6,424.42	1,497.86
Dividend received from current investments	288.22	305.16
Interest received	2,776.18	2,790.75
Net cash (used in) investing activities (B)	(295.94)	(3,125.34)
C. Cash flow from financing activities		
Dividend paid	(1,000.00)	(1,000.00)
Dividend distribution tax paid	(203.57)	(169.95)
Interest expenses	-	-
Net cash (used in) financing activities (C)	(1,203.57)	(1,169.95)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	989.58	1,028.09
Cash and cash equivalents transferred under the scheme of demerger		
Cash and cash equivalents at the beginning of the year	1,582.21	554.12
Cash and cash equivalents at the end of the period (also refer note 1 below)	2,571.79	1,582.21
Note1:		
Reconciliation of cash and cash equivalents with Balancesheet:	As at 31st March, 2016	As at 31st March, 2015
Cash and cash equivalents as per Balance sheet (also refer note 15)	4,890.79	4,775.60
Less: -Fixed Deposit with original maturity of more than 12 months	(1,900.00)	(2,691.14)
Less: Restricted cash balance	(419.00)	(502.25)
Total	2,571.79	1,582.21

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.
For **Deloitte Haskins & Sells**
Chartered Accountants

Sd/-
Abhijit A. Damle
Partner

Place : Mumbai
Date : April 29, 2016

For and on behalf of the Board of Directors

Sd/-
C. M. Vasudev
Chairman
DIN:00143885

Sd/-
G. V. Nageswara Rao
Managing Director & CEO
DIN:00799504

Sd/-
P. P. Vora
Director
DIN: 00003192

Sd/-
Sudha Balakrishnan
Chief Financial Officer

Sd/-
Deepak Shenoy
Company Secretary



Notes Forming Part of the Financial Statements

1. Corporate Information

National Securities Depository Limited (“the Holding Company”) was incorporated on 27th April 2012. The Holding Company is a Depository registered with SEBI under the provisions of Depositories Act, 1996 and Rules and Regulations framed thereunder. The Holding Company and its wholly owned subsidiary constitute the Group. The Group provides electronic infrastructure for dematerialisation of securities, facilitates electronic settlement of trades in Indian Securities Market and offers services as a managed service provider and sets-up system infrastructure, connectivity, software application and database management systems.

2. Basis of Consolidation and significant accounting policies

2.1. Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiary (together the ‘Group’) have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the

Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

2.2. Principles of consolidation

The consolidated financial statements relate to National Securities Depository Limited (the ‘Company’) and its subsidiary. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the subsidiary company are drawn upto the same reporting date as that of the Company i.e., 31st March, 2016.
- The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

c. Following subsidiary company have been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly as at	
				31st March, 2016	31st March, 2015
NSDL Database Management Limited	Subsidiary	India	National Securities Depository Limited	100%	100%

d. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company’s separate financial statements.

2.3. Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.4. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.6. Revenue recognition

Revenues from services are recognised on an accrual basis upon rendering of services. Revenue

Notes Forming Part of the Financial Statements

is recognised when there is no significant uncertainty as regards its determination and realisation.

2.7. Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.8. Fixed assets (tangible/intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress

Projects under which tangible fixed assets that are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.9. Depreciation/Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

2.10. Transactions in Foreign Currencies

Initial recognition

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the year-end rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the Statement of Profit and Loss.

Measurement at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

2.11. Investments

Long-term investments are carried individually at cost less provision for diminution, other than

temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties. Front-end discount / incentive earned in respect of direct subscription is adjusted against the cost of investment. Premium paid on acquisition of long term investment is amortised over the tenor of investment.

2.12. Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences.

Defined Contribution Plan

The Group's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

i. Superannuation

The Group contributes a sum equivalent to 15% of annual basic salary of the eligible employees to an insurance company which administers the fund. The Company recognises such contributions as an expense in the year they are incurred.

ii. Provident Fund

Employees are entitled to receive benefits in respect of provident fund, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' basic salary).

Defined Benefit Plans

i. Gratuity

The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the projected unit credit method carried out at the Balance Sheet date. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

ii. Other Employee Benefits

Performance Incentive and Compensated absences

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the services. These benefits include performance incentive and compensated absences which are



Notes Forming Part of the Financial Statements

expected to occur within twelve months after the end of the period in which the employee renders the related service.

The Group has a scheme for compensated absences for employees. The Group accounts for the net present value of its obligations for compensated absences based on an independent external actuarial valuation carried out at the Balance Sheet date. The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

2.13. Tax on Income

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in case of existence of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences in other cases, to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.14. Provisions and contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised/disclosed in the financial statements.

2.15. Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss.

2.16. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

2.17. Operating Cycle

Based on the activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.18. Segment Reporting

The accounting policies used in the preparation of the financial statements of the Company are also applied for Segment Reporting. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated income/expenses".

Notes Forming Part of the Financial Statements

Note 3 : Share Capital

(₹ in Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Authorised		
100,000,000 equity shares of ₹ 10 each with voting rights	10,000.00	10,000.00
Issued, Subscribed and Fully Paid - Up		
40,000,000 equity shares of ₹ 10 each fully paid up with voting rights	4,000.00	4,000.00
	4,000.00	4,000.00

3a. Details of shares held by each shareholder holding more than 5% shares:

Name of the Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares held	% Holding	Number of shares held	% Holding
IDBI Bank Ltd.	12,000,000	30.00	12,000,000	30.00
National Stock Exchange of India Ltd.	10,018,000	25.05	10,018,000	25.05
Administrator of specified undertaking of the Unit Trust of India	2,732,000	6.83	2,732,000	6.83

3b. The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, (except in case of interim dividend), is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all dues proportionate to their shareholding.

3c. Reconciliation of the shares outstanding at the end of the period	As at 31st March, 2016	As at 31st March, 2015
Opening balance	40,000,000	40,000,000
Number of shares issued on incorporation	-	-
Less: Reduction of share capital as per Court Order under the Scheme of Demerger	-	-
Add: Increased as per the Scheme of Demerger	-	-
Number of shares at the end of the year/period	40,000,000	40,000,000

Note 4 : Reserves and surplus

(₹ in Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Investor protection reserve (also refer footnote below)		
Opening balance	700.00	700.00
Balance transferred under the Scheme of Demerger	-	-
Closing balance	700.00	700.00
General reserve		
Opening Balance	26,312.82	24,812.82
Add : Transferred from surplus in Statement of Profit and Loss	5,000.00	1,500.00
Closing balance	31,312.82	26,312.82
Surplus / (Deficit) in Statement of Profit and Loss		
(Deficit)/Profit in Statement of Profit and Loss as on 1st April, 2015	4,871.17	2,408.43
Add : Profit for the year/period	9,475.78	5,166.31
Less : Dividend proposed to be distributed to equity shareholders	(1,000.00)	(1,000.00)
Tax on dividend	(203.57)	(203.57)
Transferred to general reserve	(5,000.00)	(1,500.00)
	8,143.38	4,871.17
Total	40,156.20	31,883.99

Footnote: Not earmarked for any specific purpose.



Notes Forming Part of the Financial Statements

Note 5 : Other long-term liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Others:		
Security deposit received from customers / depository participants	2,786.00	2,850.00
Income received in advance	15.78	19.38
Incentive payable to key managerial person	72.00	43.80
Total	2,873.78	2,913.18

Note 6 : Trade payables

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Principal amount remaining unpaid to any supplier as at the end of the accounting period	12.72	22.05
Interest due thereon remaining unpaid to any supplier as at the end of the accounting period	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the period	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting period	-	0.20
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	12.72	22.25

Note 7 : Other current liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Security deposit received	293.82	299.29
Payables on purchase of fixed assets	12.43	81.15
Advances from customers	1,421.54	895.74
Income received in advance	584.35	508.03
Statutory remittances	374.89	174.56
Investor Protection Fund (refer note 29)	828.79	3,668.12
Payable on Redemption of NSC/KVP and Government Securities	419.00	502.25
Payables to staff	533.43	519.99
Others	461.16	249.90
Gratuity payable to Fund	156.17	517.67
Total	5,085.58	7,416.70

Notes Forming Part of the Financial Statements

Note 8: Short-term provisions

(₹ in Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for compensated absences	541.36	554.77
Provision for income tax	443.99	115.72
Provision for proposed equity dividend	1,000.00	1,000.00
Provision for tax on proposed dividend	203.57	203.57
Provision for stamp duty (refer note 30)	-	370.00
Total	2,188.92	2,244.06

Note 9 : Fixed assets

(₹ in Lakh)

Sr. No.	Description	Gross block				Depreciation/Amortisation			Net block	
		As on 1st April, 2015	Additions	Disposals/ Adjustment	As on 31st March, 2016	As on 1st April, 2015	For the year	Eliminated on disposal of assets	As on 31st March, 2016	As on 31st March, 2016
Tangible Assets										
1	Buildings	3,573.58 (3,573.58)	- -	(55.76) -	3,517.82 (3,573.58)	3,006.62 (2,997.16)	9.24 (9.46)	- -	3,015.86 (3,006.62)	501.96 (566.96)
2	Plant and Equipment									
	(1) Computers	5,112.43 (6,140.15)	55.84 (178.94)	- (1,206.67)	5,168.27 (5,112.42)	4,494.28 (5,568.74)	89.31 (70.10)	- (1,144.57)	4,583.59 (4,494.27)	584.68 (618.15)
	(2) Data and Tele - Communication Equipment	1,571.79 (1,874.68)	0.11 (25.07)	- (327.96)	1,571.90 (1,571.79)	1,423.21 (1,721.34)	17.20 (13.44)	- (311.56)	1,440.41 (1,423.22)	131.49 (148.57)
	(3) Electrical Installations	199.91 (199.92)	- -	- (0.01)	199.91 (199.91)	184.07 (183.28)	0.80 (0.80)	- (0.01)	184.87 (184.07)	15.04 (15.84)
3	Office Equipment	343.53 (403.95)	8.14 (0.86)	- (61.27)	351.67 (343.54)	312.31 (358.17)	11.00 (11.64)	- (57.50)	323.31 (312.31)	28.36 (31.23)
4	Furniture and Fixtures	246.31 (258.92)	- (2.87)	- (15.48)	246.31 (246.31)	215.25 (227.59)	2.64 (2.37)	- (14.71)	217.89 (215.25)	28.42 (31.06)
	Total	11,047.55	64.09	(55.76)	11,055.88	9,635.74	130.19	-	9,765.93	1,289.95
	Previous year	(12,451.20)	(207.74)	(1,611.39)	(11,047.55)	(11,056.28)	(107.81)	(1,528.35)	(9,635.74)	(1,411.81)
Intangible Assets										
5	Computer Software (acquired)	9,499.43 (9,157.03)	87.29 (342.40)	- -	9,586.72 (9,499.43)	9,118.64 (8,934.01)	221.01 (184.64)	- -	9,339.65 (9,118.65)	247.07 (380.78)
	Total	9,499.43	87.29	-	9,586.72	9,118.64	221.01	-	9,339.65	247.07
	Previous year	(9,157.03)	(342.40)	-	(9,499.43)	(8,934.01)	(184.64)	-	(9,118.65)	(380.78)
	Grand Total	20,546.98	151.38	(55.76)	20,642.60	18,754.38	351.20	-	19,105.58	1,537.02
	Previous year	(21,608.23)	(550.14)	(1,611.39)	(20,546.98)	(19,990.29)	(292.45)	(1,528.35)	(18,754.39)	(1,792.59)

Footnote 1: The figures in bracket are of previous year ended 31st March, 2015.



Notes Forming Part of the Financial Statements

Note 10 : Non-current investments (Long Term Investments)

Particulars					As at 31st March, 2016		As at 31st March, 2015	
			No. of bonds / debentures / share	Face value	₹ in Lakh)		₹ in Lakh)	
Trade:								
Non-trade:								
(a) Investment in Government or Trust Securities (at cost)								
(i) 8.07% GOI, 2017			4,000	10,000	-	-	434.00	434.00
(b) Investment in Debentures or bonds (at cost) - Quoted	Rate of interest	Year of maturity						
(i) Indian Oil Corporation Limited	11.00	2018	130	1,000,000	1,485.38		1,485.38	
(ii) 10 year Zero Coupon Bhavishya Nirman Bond from National Bank for Agriculture and Rural Development	-	2018	3,551	20,000	300.06		300.06	
(iii) Housing Development Finance Corporation Limited	11.25	2018	150	1,000,000	1,755.15		1,755.15	
(iv) Housing Development Finance Corporation Limited	11.95	2018	15	1,000,000	178.50		178.50	
(v) Rural Electrification Corporation Limited	9.07	2018	140	1,000,000	1,453.52		1,453.52	
(vi) Steel Authority of India Limited	8.60	2019	40	1,000,000	-		406.40	
(vii) Steel Authority of India Limited	8.65	2019	70	1,000,000	-		707.63	
(viii) Infrastructure Development Finance Company Limited	8.90	2019	30	1,000,000	-		302.18	
(ix) Axis Bank Limited	9.95	2019	35	1,000,000	379.92		379.92	
(x) Indian Railway Finance Corporation Limited	8.20	2020	20	1,000,000	-		199.22	
(xi) Infrastructure Development Finance Company Limited	8.65	2020	20	1,000,000	-		201.90	
(xii) Rural Electrification Corporation Limited	8.65	2020	50	1,000,000	-		479.25	
(xiii) Power Grid Corporation of India Limited	9.64	2021	32	1,250,000	406.72		406.72	
(xiv) Power Finance Corporation of India Limited *	7.51	2021	600	100,000	599.40		599.40	
(xv) Power Grid Corporation of India Limited	8.80	2022	16	1,250,000	-		202.00	
(xvi) National Highway Authority of India Limited *	8.20	2022	100,000	1,000	1,066.40		1,066.40	
(xvii) Rural Electrification Corporation Limited *	7.93	2022	90,000	1,000	950.98		950.98	
(xviii) Power Grid Corporation of India Limited	9.33	2023	40	1,250,000	509.25		509.25	
(xix) Power Grid Corporation of India Limited	8.80	2024	56	1,250,000	-		703.85	
(xx) Power Grid Corporation of India Limited	8.64	2024	20	1,250,000	-		-	
(xxi) Power Grid Corporation of India Limited	8.90	2024	20	1,250,000	-		245.87	
(xxii) Infrastructure Development Finance Company Limited	9.03	2025	5	1,000,000	51.12		51.12	
(xxiii) Power Grid Corporation of India Limited	8.64	2025	20	1,250,000	-		-	
(xxiv) Housing Development Finance Company Limited	8.96	2025	100	1,000,000	-		1,014.50	
(xxv) Infrastructure Development Finance Company Limited	8.82	2025	38	1,000,000	-		371.07	
(xxvi) Power Grid Corporation of India Limited	8.90	2025	20	1,250,000	-		246.00	
(xxvii) Indian Railway Finance Corporation Limited	9.09	2026	155	1,000,000	1,571.70		2,028.00	
(xxviii) National Highway Authority of India Limited *	8.30	2027	190,000	1,000	2,025.90		2,025.90	
(xxix) Power Finance Corporation of India Limited *	8.30	2027	100,000	1,000	1,040.00		1,040.00	
(xxx) Power Finance Corporation of India Limited *	8.20	2022	90,000	1,000	948.93		948.93	
(xxxi) Power Finance Corporation of India Limited *	8.46	2028	40	1,000,000	400.56		400.56	

Notes Forming Part of the Financial Statements

Particulars					As at 31st March, 2016		As at 31st March, 2015	
			No. of bonds / debentures / share	Face value	₹ in Lakh)		₹ in Lakh)	
(xxxii) Rural Electrification Corporation Limited *	8.46	2028	10,000	1,000	100.15		100.15	
(xxxiii) National Housing Bank *	8.68	2029	40,000	5,000	2,028.76		2,028.76	
(xxxiv) Housing and Urban Development Corporation Limited*	8.10	2022	60,000	1,000	607.48		607.48	
(xxxv) NTPC Limited*	8.66	2033	60,000	1,000	638.99		638.99	
(xxxvi) National Housing Bank *	8.68	2029	10,000	5,000	528.30		528.30	
(xxxvii) National Housing Bank *	8.76	2034	8,000	5,000	428.96		428.96	
(xxxviii) Housing and Urban Development Corporation Limited*	8.76	2034	5,000	1,000	54.93		54.93	
(xxxix) Infrastructure Development Finance Company Limited	8.80	2025	1	1,000,000	10.00		10.00	
(xl) Infrastructure Development Finance Company Limited	8.80	2025	3	1,000,000	29.77		29.77	
(xli) Kokan Railway Corporation Limited	8.90	2016	1	1,000,000	-		9.87	
(xlii) Central Bank of India	8.95	2016	2	1,000,000	-		19.58	
(xliii) State Bank of India	8.96	2021	1	1,000,000	9.85		9.85	
(xliv) Power Finance Corporation of India Limited	9.28	2017	2	1,000,000	20.32		20.32	
(xlv) India Infrastructure Finance Company Limited	9.41	2037	3	1,000,000	33.59		33.59	
(xlv) LIC Housing Finance Limited	9.70	2017	1	1,000,000	10.12		10.12	
(xlvii) Export Import Bank of India	9.85	2017	1	1,000,000	-		10.25	
(xlviii) Tata Capital Financial Services Limited	9.95	2019	2	1,000,000	10.03		10.03	
(xlix) HDB Financial Services Limited	10.19	2024	1	1,000,000	10.41		10.41	
(l) Power Finance Corporation of India Limited	11.25	2018	1	1,000,000	11.65		11.65	
(li) IDBI Bank Limited	11.30	2018	1	1,000,000	11.34		11.34	
(lii) Rural Electrification Corporation Limited *	7.21	2022	10	1,000,000	101.35		101.35	
(liii) NHPC 2033*	8.67	2033	45,000	1,000	533.43		533.43	
(liv) Indian Railway Finance Corporation Limited *	8.40	2029	63,000	1,000	690.92		-	
(lv) Rural Electrification Corporation Limited *	8.46	2028	57	1,000,000	627.00		-	
(lvi) Indian Railway Finance Corporation Limited *	8.63	2029	40,000	1,000	420.32		420.32	
(lvii) Indian Railway Finance Corporation Limited *	8.00	2022	60,000	1,000	615.55		615.55	
(lviii) Housing Development Finance Corporation Limited	9.20	2016	1	1,000,000	-		10.10	
(lix) Housing and Urban Development Corporation Limited *	8.56	2028	100	1,000,000	1,107.50		1,107.50	
(lx) India Infrastructure Finance Company Limited *	8.66	2034	30,000	1,000	345.60		345.60	
(lxi) Housing and Urban Development Corporation Limited *	8.51	2028	50,000	1,000	555.25		555.25	
(lxii) NHPC Limited *	8.67	2033	10,000	1,000	113.71		113.71	
(lxiii) NTPC Limited*	0.07	2035	12,491	1,000	124.91		-	
(lxiv) Power Finance Corporation of India Limited	0.07	2035	1,540	1,000	15.40		-	
(lxv) Rural Electrification Corporation Limited *	0.07	2035	11,450	1,000	114.50		-	
(lxvi) National Highway Authority of India Limited *	0.07	2035	50	1,000,000	508.30		-	
(lxvii) Indian Railway Finance Corporation Limited *	0.07	2030	12,080	1,000	120.80		-	
(lxviii) National Highway Authority of India Limited *	0.07	2031	28,313	1,000	283.13		-	
(lxix) Indian Railway Finance Corporation Limited *	8.48	2028	100	1,000,000	1,098.30		-	



Notes Forming Part of the Financial Statements

Particulars					As at 31st March, 2016		As at 31st March, 2015	
			No. of bonds / debentures / share	Face value	₹ in Lakh)		₹ in Lakh)	
(lxx) Indian Renewable Energy Development Agency Limited*	7.17	2025	60	1,000,000	603.84		-	
(lxxi) Indian Railway Finance Corporation Limited *	7.34	2028	10,000	1,000	608.09		-	
(lxxii) Power Finance Corporation of India Limited *	7.35	2035	50,000	1,000	512.40		-	
(lxxiii) National Highway Authority of India Limited *	7.35	2030	25,913	1,000	259.13		-	
(lxxiv) India Infrastructure Finance Company Limited*	8.26	2028	80	1,000,000	867.15		-	
(lxxv) National Housing Bank *	8.46	2028	90	1,000,000	1,001.88		-	
(lxxvi) India Infrastructure Finance Company Limited*	8.66	2034	20,000	1,000	230.66		-	
(lxxvii) NTPC Limited*	7.15	2025	21	1,000,000	210.36		-	
(lxxviii) National Highway Authority of India Limited *	7.35	2031	63,970	1,000	641.89		-	
(lxxix) Indian Renewable Energy Development Agency Limited*	7.49	2031	50,000	1,000	504.00		-	
(lxxx) NHPC Ltd*	8.54	2028	71,428	1,000	792.78		-	
(lxxxi) National Bank for Agriculture and Rural Development*	7.35	2031	5,010	1,000	50.10		-	
						33,326.39		29,046.82
(c) Investment in Mutual Funds - (Unquoted)								
(i) Axis Fixed Term Plan - Series 42 Direct Plan - Growth			5,000,000	10	500.00		-	
(ii) IDBI Mutual Fund FMP Series III- Direct Plan- Growth			2,000,000	10	200.00		-	
(iii) HDFC Mutual Fund FMP series 29 -Direct Plan - Growth			3,000,000	10	300.00		-	
(iv) ICICI Prudential FMP series 76 -Direct Plan - Growth			5,000,000	10	500.00		500.00	
(v) HDFC Fixed Maturity Plan growth option Oct 2013 Series -Direct - Growth			3,000,000	10	-		300.00	
(vi) HDFC Fixed Maturity Plans - Series 31 - Growth			2,000,000	10	200.00		-	
(vii) HDFC Fixed Maturity Plan growth option April 2014 Series - Direct - Growth			1,250,000	10.00	125.00		-	
(viii) HDFC Fixed Maturity Plan growth option Jun 2014 Series - Direct - Growth			5,000,000	10.00	500.00		-	
						2,325.00		800.00
						35,651.39		30,280.82
Less : Provision for diminution in value of investments						1,014.02		1,047.24
						34,637.37		29,233.58
* Investment in Tax free bonds								
Foot note 1: Classified as Current Investment as the remaining maturity is less than 12 months								
Aggregate value of listed but not quoted investments						2,405.42		7,337.88
Aggregate amount of unquoted investments						625.00		300.00
Aggregate amount of quoted investments						33,245.97		22,942.94
Aggregate market value of listed and quoted investments						7,880.91		22,618.25

Notes Forming Part of the Financial Statements

Note 11(a) : Deferred tax liability

(₹ in Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Deferred tax liability		
On difference between book balance and tax balance of fixed assets	62.19	59.12
Deferred tax asset		
Provision for employee benefits	33.45	31.40
Total	28.74	27.72

Note 11(b) : Deferred tax asset

(₹ in Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Deferred tax asset		
Difference between book balance and tax balance of fixed assets	223.87	328.70
Provision for employee benefits	162.37	167.36
Others	104.26	34.86
Total	490.50	530.92

Note 12 : Loans and advances

(₹ in Lakh)

Particulars	As at 31st March, 2016			As at 31st March, 2015		
	Long term	Short term	Total	Long term	Short term	Total
(Unsecured, considered good unless stated otherwise)						
Security deposits						
Considered good	268.06	-	268.06	258.47	-	258.47
Considered doubtful	11.00	-	11.00	11.00	-	11.00
	279.06	-	279.06	269.47	-	269.47
Less: Provision for doubtful deposits	(11.00)	-	(11.00)	(11.00)	-	(11.00)
	268.06	-	268.06	258.47	-	258.47
Capital Advances	48.82	-	48.82	35.01	-	35.01
Prepaid expenses	62.34	63.06	125.40	56.62	82.22	138.84
Advance income tax (net of provision)	634.92	-	634.92	585.52	-	585.52
Expenses recoverable	4.24	1,047.37	1,051.61	12.12	7.94	20.06
Service tax credit receivable	114.59	381.19	495.78	158.57	114.76	273.33
Advance for Expenses	-	4.69	4.69	-	5.80	5.80
Advance from creditors	-	13.98	13.98	-	12.17	12.17
Total	1,132.97	1,510.29	2,643.26	1,106.31	222.89	1,329.20



Notes Forming Part of the Financial Statements

Note 13 : Current investments

Particulars	As at 31st March, 2016			As at 31st March, 2015		
	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(₹ in Lakh)	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(₹ in Lakh)
Current portion of long-term investments (At cost):						
Investment in Government or Trust Securities (at cost) Quoted						
(a) (i) 11.43% GOI, 2015	4,000	10,000	-	4,000	10,000	416.40
(ii) 8.07% GOI, 2017	4,000	10,000	434.00			
(b) Investment in Debentures or bonds - Quoted						
(i) Tata Steel Limited	-	-	-	30	1,000,000	308.61
(ii) Indian Overseas Bank	-	-	-	2	1,000,000	17.85
(iii) Power Finance Corporation of India Limited	-	-	-	1	1,000,000	10.01
(iv) IDBI OMNI Bonds	-	-	-	1	1,000,000	10.00
(v) Housing Development Finance Corporation Limited	-	-	-	1	1,000,000	10.00
(vi) Kokan Railway Corporation Limited	1	1,000,000	9.87			
(vii) Central Bank of India	2	1,000,000	19.58			
(viii) Export Import Bank of India	1	1,000,000	10.25			
(c) Investment in Debentures or bonds - unQuoted						
(i) ICICI Bank	-	-	-	1	1,000,000	10.01
(ii) Housing Development Finance Corporation Limited	1	1,000,000	10.10			
Other Current Investments:						
(d) Investment in Mutual Funds (Unquoted)						
(i) Units of Axis Treasury Advantage Fund - Institutional Daily Dividend Reinvestment	58,947	1,002	604.33	55,310	1,004.68	572.43
(ii) Units of IDFC Ultra Short Term Fund - Daily Dividend Reinvestment	5,839,432	10	598.58	5,472,255	10.06	567.97
(iii) Units of Birla Sun Life Ultra Short Term Fund - Daily Dividend Reinvestment	551,322	106	585.12	536,810	102.00	557.95
(iv) Units of UTI Treasury Advantage Fund - Daily Dividend Reinvestment	59,897	1,002	600.38	54,867	1,002.35	566.90
(v) Units of Axis Liquid Fund - Daily Dividend Reinvestment	117	1,000	1.16	107	1,000.31	1.11
(vi) Units of IDFC Cash Fund - Daily Dividend Reinvestment	72	1,000	0.72	66	1,001.00	0.69
(vii) Units of HDFC Liquid Fund- Daily Dividend Reinvestment	54,455	1,020	555.34	51,060	10.20	526.51
(viii) Units of ICICI Prudential Liquid Plan- Daily Dividend Reinvestment	554,393	100	555.19	510,663	100.00	526.31
(ix) Units of IDBI Ultra Short Term Fund- Daily Dividend Reinvestment	69	1,031	0.72	64	1,020.53	0.69
(x) Units of L & T Ultra Short Term fund- Daily Dividend Reinvestment	3,260,742	10	337.18	2,994,815	10.34	319.18
(xi) Units of Peerless Liquid Fund - Daily Dividend Reinvestment	55,513	1,001	555.85	51,115	1,001.29	526.70
(xii) Units of Principal Debt Opportunity Conservative Fund- Daily Dividend Reinvestment	55,721	1,003	559.08	50,223	1,001.76	527.31
(xiii) Units of UTI Liquid Fund - Daily Dividend Reinvestment	54,274	1,019	553.30	50,159	1,019.45	524.97

Notes Forming Part of the Financial Statements

Particulars	As at 31st March, 2016			As at 31st March, 2015		
	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(₹ in Lakh)	No. of bonds / debentures / shares / units	Face Value / NAV (₹)	(₹ in Lakh)
(xiv) Axis Fixed Term Plan - Series 42 Direct Plan - Growth	-	-	-	5,000,000	10.00	500.00
(xv) IDBI Mutual Fund FMP Series III- Direct Plan- Growth	-	-	-	2,000,000	10.00	200.00
(xvi) IDFC Fixed Term Plan Series 57 - Direct Plan - Growth	5,000,000	10.00	500.00	5,000,000	10.00	500.00
(xvii) HDFC Mutual Fund FMP series 29 -Direct Plan - Growth	-	-	-	3,000,000	10.00	300.00
(xviii) HDFC Fixed Maturity Plans - Series 31 - Growth	-	-	-	2,000,000	10.00	200.00
(xix) HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale Growth option	907,496	31	203.58	907,496	31	203.58
(xx) HDFC Fixed Maturity Plan growth option Oct 2013 Series -Direct - Growth	3,000,000	10	300.00	-	-	-
(xxi) HDFC Fixed Maturity Plan growth option April 2014 Series - Direct - Growth	1,250,000	10.00	-	1,250,000	10.00	125.00
(xxii) HDFC Fixed Maturity Plan growth option Jun 2014 Series - Direct - Growth	5,000,000	10.00	-	5,000,000	10.00	500.00
			6,994.33			8,530.18
Less : Provision for diminution in value of investments			34.23			25.03
Total			6,960.10			8,505.15
* Investment in Tax free bonds						
Aggregate value of listed but not quoted investments			838.58			838.58
Aggregate amount of unquoted investments			8,183.70			8,183.70
Aggregate amount of quoted investments			346.47			346.47
Aggregate market value of listed and quoted investments			340.26			340.26

Note 14 : Trade Receivables

(₹ in Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	55.92	27.04
Unsecured, considered good	175.66	204.10
Unsecured, considered doubtful	210.72	30.30
	442.30	261.44
Less : Provision for doubtful trade receivables	210.72	30.30
	231.58	231.14
Other trade receivables		
Secured, considered good	311.91	357.75
Unsecured, considered good	1,735.39	902.45
	2,047.30	1,260.20
Total	2,278.88	1,491.34



Notes Forming Part of the Financial Statements

Note 15 : Cash and Bank Balances

(₹ in Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Cash and cash equivalents		
Cash on hand	0.25	0.35
Cheques on hand	0.42	2.53
Balances with banks		-
(i) in current accounts	2,571.12	1,579.33
(ii) In other deposit accounts with original maturity more than 3 months	1,900.00	2,691.14
Other bank balances		
(i) in current accounts (refer footnote 1)	419.00	502.25
Total	4,890.79	4,775.60

Footnote 1: These balances have restriction on repatriation.

Note 16 : Other assets

(₹ in Lakh)

Particulars	As at 31st March, 2016			As at 31st March, 2015		
	Non-current	Current	Total	Non-current	Current	Total
Interest accrued on investments	302.18	1,293.46	1,595.64	252.45	1,130.79	1,383.24
Interest accrued on Fixed Deposit	-	242.72	242.72	165.37	100.82	266.19
Unamortised expenses - share issue expenses	-	-	-	-	-	-
Margin money deposits with a bank (earmarked as security for performance guarantee and other commitments)	32.31	-	32.31	130.21	-	130.21
Others	-	55.11	55.11	-	0.08	0.08
Total	334.49	1,591.29	1,925.78	548.03	1,231.69	1,779.72

Note 17 : Revenue from operations

(₹ in Lakh)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Annual fees	1,262.89	1,180.74
Custody fees	6,912.47	5,104.18
Transaction fees	9,369.41	8,782.92
Registration fees	559.81	575.29
Software license fees	14.23	13.28
Communication fees	318.40	309.81
Other operating income	14.21	11.93
Total	18,451.42	15,978.15

Notes Forming Part of the Financial Statements

Note 18 : Other Income

(₹ in Lakh)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Interest income :		
- On non-current investments	2,585.53	2,451.62
- On fixed deposits with banks	379.88	471.62
- On overdue trade receivables	22.92	18.37
- On income tax refund	-	-
	<u>2,988.33</u>	<u>2,941.61</u>
Dividend income from current Investments	288.22	305.16
Profit on sale of current investments	175.16	8.71
Profit on Sale of Assets	-	1.52
Liabilities / provisions no longer required written back	-	0.15
Miscellaneous income	91.77	102.42
Total	<u><u>3,543.48</u></u>	<u><u>3,359.57</u></u>

Note 19 : Employee benefits expense

(₹ in Lakh)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
-Salaries and wages	2,862.00	2,975.60
-Contribution to provident and other funds (refer note 27)	355.41	676.78
-Staff welfare expenses	151.74	161.21
-Deputation Cost	80.46	57.06
Total	<u><u>3,449.61</u></u>	<u><u>3,870.65</u></u>

Note 20 : Other expenses

(₹ in Lakh)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
-Annual fees	187.71	150.04
-Repairs and maintenance - system	1,823.56	1,735.72
-Repairs and maintenance - premises	161.82	150.40
-Repairs and maintenance - others	93.01	101.53
-System support charges	1,418.63	1,228.29
-Insurance (refer note 26)	41.23	67.69
-Processing charges	813.33	592.95
-Power and fuel	206.92	183.35
-Rent	442.98	440.58
-Communication expenses	458.55	544.27
-Travelling and conveyance expenses	278.48	255.06



Notes Forming Part of the Financial Statements

(₹ in Lakh)

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
-Legal and professional fees		160.80		174.35
-Printing and stationery expenses		64.33		97.50
-Rates and taxes		46.80		94.06
-Provision for diminution in value of non-current investments		45.78		17.11
-Corporate Social Responsibility Expense		11.75		4.43
-Seminar and business promotion expenses		229.98		180.25
-Payment to Auditors (net off service tax set-off)				
--(a) Audit fees	17.11		22.11	
--(b) Tax audit fees	3.21		3.21	
--(c) Tax matters	1.30		2.40	
--(d) Other services	7.25		1.00	
--(e) Reimbursement of Expenses	0.02	28.89	0.26	28.98
-Directors sitting fees		41.40		52.10
-Provision for investor awareness		384.00		-
-Provision for doubtful trade receivables		180.42		30.30
-Loss on fixed assets sold/written off		-		80.39
-Bad Debts Written off		151.94		249.59
-Marketing Expenses		1.28		2.39
-Share issue expenses - amortised		-		8.70
-Miscellaneous expenses		108.49		123.50
Total		7,382.08		6,593.53

21. Contingent Liabilities and Other Commitments (to the extent not provided for)

a) Contingent Liabilities:

- (i) Demand from the service tax authorities of ₹ 3,261.69 lakh (Previous year ₹ 3,261.69 lakh) in respect of FY 2004-05 to FY 2009-10 relate to service tax demanded in respect of depository participant services during that period. The matter is pending before Commissioner of Service Tax (Adjudication). In respect of the disputes, the Company is hopeful of succeeding in appeals and does not expect any significant liability to materialise.
- (ii) Demand from Income Tax authorities for AY 2013-14 of ₹ 213.61 lakh. The Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

b) Commitments:

- i) Estimated amount of capital contracts not provided for (net of advances) is ₹ 91.87 lakh (previous year ₹ 103.45 lakh).

Notes Forming Part of the Financial Statements

ii) Other Commitments

Contractual guarantee ₹ 32.31 lakh (previous year ₹ 130.21 lakh)

22. Expenditure in foreign currency

(₹ in Lakh)

Particulars	Current year	Previous year
Travelling and conveyance expenses	68.02	39.36

23. Segment Reporting

The Group has identified business segments as its primary segment. Business segments are primarily Depository segment and Database management services segment. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Since the operations of the segments are in India no geographical segments have been identified.

Depository segment includes providing various services to the investors like, dematerialisation, rematerialisation, holding, transfer and pledge of securities in electronic form through close user group network of Business Partners (viz., Issuers, Registrars & Transfers Agents and Depository Participants), providing facility to market intermediaries for “Straight Through Processing” and providing e-voting services to companies.

Database management services includes data management services like National Skills Registry to IT / ITeS industry and transactions services like SEZ Online system on behalf of Ministry of Commerce & Industry, KYC registration agency (KRA) for centralization of the KYC records in the securities market, operations pertaining to the Repository of Insurance Policies as per the approval received from the Insurance Regulatory and Development Authority (IRDA).

(₹ in Lakh)

Particulars	For the year ended 31st March, 2016			For the year ended 31st March, 2015		
	Depository	Database	Total	Depository	Database	Total
Segment revenue						
Revenue	13,749.71	4,701.72	18,451.43	12,363.59	3,614.56	15,978.15
Less: Inter segment revenue	-	-	-	-	-	-
Total	13,749.71	4,701.72	18,451.43	12,363.59	3,614.56	15,978.15
Segment results	5,636.54	1,315.57	6,952.11	3,179.51	425.87	3,605.38
Add: Other unallocable income net of unallocable expense			580.62			520.37
Operating profit			7,532.73			4,125.75
Less: Interest expense			-			-
Add: Interest income			2,988.33			2,941.61
Add: Exceptional Item			3,130.28			
Profit before tax			13,651.34			7,067.36
Less: Tax expense			(4,175.56)			(1,901.05)
Profit for the year			9,475.78			5,166.31



Notes Forming Part of the Financial Statements

(₹ in Lakh)

	For the year ended 31st March, 2016				For the year ended 31st March, 2015			
	Depository	Database management	Un-allocable	Total	Depository	Database management	Un-allocable	Total
Segment assets	4,810.19	1,118.55	49,484.34	55,413.08	2,849.56	1,255.67	45,410.41	49,515.63
Segment liabilities	7,734.39	1,846.21	1,676.29	11,256.89	10,407.91	1,350.85	1,872.88	13,631.64
Capital expenditure	434.02	86.01	-	520.03	357.18	63.25	-	420.43
Depreciation	252.24	98.96	-	351.2	206.58	85.87	-	292.45
Other significant non-cash expenses (other than depreciation)	795.17	19.75	-	814.92	469.68	39.72	-	509.4

24. Related party Disclosures

a) Names of related parties and relationship :

(i)	IDBI Bank Limited	Company having substantial Interest
(ii)	National Stock Exchange of India Limited	Company having substantial Interest
(iii)	Key managerial personnel	Mr. G V Nageswara Rao, Managing Director and CEO

Nature and volume of transactions during the year with the above related parties

(₹ in Lakh)

Particulars	Current year	Previous year
(i) Transactions during the year :		
I. Companies having substantial Interest		
a) IDBI Bank Limited		
- Transaction Fees	29.44	35.55
- Annual fees	11.61	20.42
- Reimbursement of expenses	1.98	2.42
- Other operational income	1.35	-
- Interest Income on fixed deposit with Bank	101.25	49.34
- Interest (waiver)/ Income – Other	0.12	0.24
- Miscellaneous expenses	0.49	0.2
- Dividend paid	300	300
b) National Stock Exchange of India Limited		
- Miscellaneous expenses	0.04	0.15
- Transaction Fees	0.15	0.02
- Dividend paid	250.45	250.45
II. Key managerial personnel		
- Remuneration	244.05	225.46
(ii) (Payable)/Receivable at the end of the year :		
Companies having substantial Interest	(30.00)	(30.00)
a) IDBI Bank Limited		
- Security deposit payable		
- Balance in current account	387.06	1,158.42
- Trade receivables	6.76	1.82
b) National Stock Exchange of India Limited		
Trade payable	-	(0.12)

Notes Forming Part of the Financial Statements

Notes: (i) There are no provisions for doubtful debts or amounts written off/written back in respect of dues from/to related parties.

(ii) Managerial remuneration does not include charge on account of provision for gratuity which has been determined for the company as a whole.

25. Operating Lease

The Company holds certain premises under operating leases. Rent includes expenses of ₹442.98 lakh net of recovery of ₹ 49.25 (previous year ₹ 440.58 net of recovery ₹ 33.62). The lease arrangement is for a period of 60 months and non-cancellable for a period of 36 months.

The committed lease rentals in the future are:

Particulars	(₹ in Lakh)	
	Current year	Previous year
Not later than one year	126.36	258.16
Later than one year and not later than five years	-	126.36
Total	126.36	384.52

26. Insurance expenses in note 20 has been disclosed net of recoveries

Particulars	(₹ in Lakh)	
	Current year	Previous year
Insurance	74.56	95.13

27. Employee benefits

The Group has recognized the following amounts in the Profit and Loss Account under the head Company's Contribution to Provident Fund and Other Funds. :

Particulars	(₹ in Lakh)	
	Current year	Previous year
Provident fund	118.10	113.31
Superannuation fund	73.58	67.47
Total	191.68	180.78

a) Defined benefit plan for gratuity as per actuarial valuation:

(i) Summary of actuarial assumptions

Particulars	Current Year	Previous year
Discount rate	7.95/ 8.01%	8.00%
Rate of return on plan assets	7.95/ 8.01%	8.00%
Salary escalation	8.00%	8.00%
Attrition rate	2.00%	2.00%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate



Notes Forming Part of the Financial Statements

(ii) Reconciliation of defined benefit obligation

(₹ in Lakh)

Particulars	Current Year	Previous year
Opening defined benefit obligation	1,473.83	946.76
Interest cost	117.77	88.14
Current service cost	148.33	107.11
Benefits paid	(171.68)	(32.06)
Actuarial (gain)/ loss on obligations	(33.42)	363.88
Closing defined benefit obligation	1,534.83	1,473.83

(iii) Reconciliation of fair value of plan assets

(₹ in Lakh)

Particulars	Current Year	Previous year
Opening fair value of plan assets	956.16	909.52
Expected return on plan assets	76.41	79.12
Contributions	507.08	5.95
Benefits paid	(174.29)	(32.06)
Actuarial gain/(loss) on plan assets	13.30	(6.37)
Closing fair value of plan assets	1,378.66	956.16

(iv) Actual return on plan assets

(₹ in Lakh)

Particulars	Current Year	Previous year
Expected return on plan assets	76.41	79.12
Actuarial gain/(loss) on plan assets	13.30	(6.37)
Actual Return on Plan Assets	89.71	72.75

(v) Amount to be recognised in Balance Sheet

(₹ in Lakh)

Particulars	Current Year	Previous year
Present value of funded obligation	(1,534.83)	(1,473.83)
Fair value of plan assets at the end of the year	1,378.66	956.16
Amount recognised in Balance Sheet	(156.17)	(517.67)

(vi) Expenses to be recognised in Statement of Profit and Loss

(₹ in Lakh)

Particulars	Current Year	Previous year
Current service cost	148.33	107.11
Interest cost	117.77	88.14
Expected return on plan asset	(76.41)	(79.12)
Net Actuarial (gain) / loss to be recognized	(46.72)	370.25
Expenses recognised in the Statement of Profit and Loss	142.97	486.38

Notes Forming Part of the Financial Statements

(vii) Balance Sheet reconciliation

Particulars	(₹ in Lakh)	
	Current Year	Previous year
Opening net liability	517.67	37.24
Expenses as above	142.97	486.38
Employers contribution	(507.07)	(5.95)
Assets transferred out	2.60	-
Amount recognised in Balance Sheet	156.17	517.67

(viii) Description of plan assets (managed by an Insurance Company)

Particulars	Current Year	Previous year
Central and State Govt. securities	Funds deployed by Life Insurance Corporation of India	Funds deployed by Life Insurance Corporation of India
Bonds/ debentures		
Equity shares		
Others		

(ix) Experience Adjustments

Particulars	(₹ in Lakh)	
	Current Year	Previous year
Experience adjustment		
- On plan liabilities (Gains)/Losses	(31.66)	142.64
- On plan assets (Losses)/Gains	13.30	6.37

The above details are as certified by the actuary and relied upon by the auditors.

Expected contribution in the next year ₹ 143.40 lakh (previous year ₹ 137.77 lakh).

The actuarial calculation used to estimate defined benefit commitment and expenses are based on above assumptions which if changed would affect the defined benefit commitments and expenses.

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

28. Earnings per share

Particulars	Current Year	Previous year
Profit for the year attributable to the equity shareholders (₹ In lakh)	9,475.78	5,166.31
Weighted average Number of equity shares during the period	40,000,000	40,000,000
Basic and Diluted Earnings per Share	23.69	12.92
Face value of each share ₹	10	10

Diluted Earnings per share is equal to the Basic Earnings per share in view of absence of any dilutive potential equity shares.

29. Investor Protection Fund (IPF)

The Securities Exchange Board of India (SEBI) has issued SEBI (Depositories and Participants) (Amendment) Regulations, 2012 ("the Regulation") on 11th September, 2012. According to these Regulations, Depositories are required to establish and maintain an Investor Protection Fund (IPF) for the protection of interest of the beneficial owners and every depository is required to credit twenty five per cent of its profits to the Investor Protection Fund.



Notes Forming Part of the Financial Statements

The norms towards contribution to and the utilisation of IPF are yet to be specified.

SEBI vide its notification dated 21st January 2016 has retrospectively amended the Regulation wherein every depository is required to credit 5% of its profit from depository operations as Contribution to Investor Protection Fund as against 25% of profit specified in the Regulation dated 11th September 2012.

Accordingly, ₹ 3,130.28 lakh has been written back being excess contribution upto 31st March, 2015. During the year ended 31st March, 2016, the contribution to IPF works out to ₹ 290.95 lakh (previous year ₹ 1,513.73 lakh), being 5% of the profits from depository operations of the Company before tax for the year ended 31st March, 2016 available after making such contribution. The balance in IPF as at 31st March, 2016 is ₹ 828.79 lakh.

30. Provision for stamp duty

The Company had made a provision of ₹ 370.00 lakh towards stamp duty pending adjudication in respect of immovable assets transferred during the previous year under the Scheme of Demerger.

An Order dated 29th January, 2016 was received from the Collector of Stamps confirming completion of adjudication process and payment of stamp duty of ₹ 314.24 lakh. Accordingly, the stamp duty of ₹ 314.24 lakh has been paid and the balance amount is adjusted in the carrying value of Building.

31. Comparatives

Figures for the previous year have been regrouped/ reclassified wherever necessary to correspond with the figures for the current year.

In terms of our report attached.
For **Deloitte Haskins & Sells**
Chartered Accountants

Sd/-
Abhijit A. Damle
Partner

Place : Mumbai
Date : April 29, 2016

For and on behalf of the Board of Directors

Sd/-
C. M. Vasudev
Chairman
DIN:00143885

Sd/-
G. V. Nageswara Rao
Managing Director & CEO
DIN:00799504

Sd/-
P. P. Vora
Director
DIN: 00003192

Sd/-
Sudha Balakrishnan
Chief Financial Officer

Sd/-
Deepak Shenoy
Company Secretary