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NSEIT LIMITED

Consolidated Financial Statement

For F.Y.2021-22

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NSEIT Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **NSEIT Limited** ("the Holding Company") and its subsidiaries, (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records, (hereinafter referred to as "the consolidated financial statements").

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 Companies Act, 2013 ("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 March 31, 2022, of its consolidated profit, its consolidated total comprehensive income, its consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our opinion.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

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

If, based on the work we have performed and the report of the other auditors as furnished to us [refer 'Other Matters' paragraph below], we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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; 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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Other Matters

(i) We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of Rs. 10,622.94 lakhs and net assets of Rs 7,691.11 lakhs as at March 31, 2022, total revenue of Rs. 21,317.53 lakhs, profit after tax of Rs. 14.25 lakhs, total comprehensive loss of Rs. 10.47 lakhs and net cash outflows amounting to Rs. 501.74 lakhs for the year ended on that date, as considered in the consolidated financial statements.

(ii) We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of Rs. 3,218.12 lakhs and net assets of Rs 1744.92 lakhs as at March 31, 2022, total revenue of Rs. 5936.96 lakhs, profit after tax of Rs. 957.78 lakhs, total comprehensive income of Rs. 954.16 lakhs and net cash inflows amounting to Rs. 686.27 lakhs for the period from July 08, 2022 to March 31, 2022, as considered in the consolidated financial statements.

These financial statements have been audited by other auditors whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other information insofar as it relates to the aforesaid subsidiaries are based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit 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, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records 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 specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 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 incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

(f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure 'A'**.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

(h) With respect to the other matters 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 and based on the consideration of the report of the other auditors on separate financial statements of the subsidiary, as noted in the Other Matter paragraph:

(i) The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – refer Note 49 to the consolidated financial statements.

(ii) The Group did not have any long term contracts including derivatives contracts as at March 31, 2022 for which there were any material foreseeable losses - refer Note 53 to the consolidated financial statements

(iii) During the year ended March 31, 2022, 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 incorporated in India - refer Note 54 to the consolidated financial statements

(iv) (a) The Holding Company's Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Holding Company's Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

(v) As stated in Note 13 to the consolidated financial statements

a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

b) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For Khandelwal Jain & Co.
Chartered Accountants
Firm's Registration No. 105049W

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

Narendra Jain
Partner
Membership No. 048725
UDIN: 22048725AIHAFW2515

Place: Mumbai
Date: April 30, 2022

KHANDELWAL JAIN & CO.

Website: www.kjco.net • E-mail: kjco@kjco.net

CHARTERED ACCOUNTANTS

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Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report on consolidated financial statements to the Members of **NSEIT Limited** of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of **NSEIT Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 in terms of their reports referred to in the Other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding 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.

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies, which is company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of this matter.

For Khandelwal Jain & Co.
Chartered Accountants
Firm's Registration No. 105049W

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

Narendra Jain
Partner
Membership No. 048725
UDIN: 22048725AIHAFW2515

Place: Mumbai
Date: April 30, 2022

NSEIT Limited
CIN : U72200MH1999PLC122456
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(Rs in Lakhs)

	Particulars	Notes	As at 31-03-2022	As at 31-03-2021
	ASSETS			
1	**Non-current assets**			
a	Property, plant and equipment	2.a	654.04	804.46
b	Capital work-in-progress	2.b	-	24.97
c	Intangible assets under development	2.c	99.62	46.91
d	Right of use asset	2.d	1,593.70	1,854.20
e	Other intangible assets	2.a	1,607.31	884.74
f	Goodwill	43	7,758.97	6,524.05
g	Financial assets			
i	Investments	3	-	-
ii	Other Financials assets			
	- Non-current bank balances	4	2,098.34	2,064.95
	- Others	4	123.05	68.33
h	Deferred tax assets (net)	23	1,676.43	424.83
i	Income tax assets (net)	5	3,414.83	1,229.41
j	Other assets	6	181.21	117.01
	Total Non-current assets		**19,207.50**	**14,043.86**
2	**Current assets**			
a	Financial Assets			
i	Investments	7	1,534.53	2,273.06
ii	Trade receivable	8	23,840.09	15,223.41
iii	Cash and cash equivalents	9	5,138.28	2,948.15
iv	Bank balances other than (iii) above	9	3,940.90	3,867.93
v	Loan	10	101.62	33.20
vi	Other financial assets	11	563.88	626.94
b	Other assets	12	1,411.80	842.55
	Total Current assets		**36,531.10**	**25,815.24**
	TOTAL ASSETS		**55,738.60**	**39,859.10**
	EQUITY AND LIABILITIES			
(A)	**EQUITY**			
a	Equity share capital	13	1,000.00	1,000.00
b	Other equity	14	8,538.37	17,532.78
	Equity attributable to owners of NSEIT Limited		**9,538.37**	**18,532.78**
	Non controlling Interests		796.60	20.02
	Total Equity		**10,334.97**	**18,552.80**

KHANDELWAL JAIN & CO. * MUMBAI * CHARTERED ACCOUNTANT

NSEIT Limited * MUMBAI *

(B)	**LIABILITIES**			
1	**Non-current liabilities**			
a	Financial liabilities			
i	Borrowings	15	13,300.00	10,000.00
ii	Lease liabilities	16	1,034.83	971.93
iii	Other financial liabilities	17	3,143.00	-
b	Provisions	18	619.45	483.79
c	Other liabilities	19	1.53	-
	Total Non-current liabilities		**18,098.81**	**11,455.72**
2	**Current liabilities**			
a	Financial liabilities			
i	Lease liabilities	2.d	660.13	1,029.41
ii	Trade payables	20		
	- Total Outstanding dues of micro enterprises and small enterprises		538.15	40.92
	- Total Outstanding dues of creditors other than micro enterprises and small enterprises		13,552.27	4,107.92
iii	Other financial liabilities	21	6,834.54	788.17
b	Provisions	22	2,115.14	1,189.82
c	Income tax liabilities (net)	24	114.17	100.60
d	Other liabilities	25	3,490.41	2,593.75
	Total Current liabilities		**27,304.81**	**9,850.58**
	TOTAL EQUITY AND LIABILITIES		**55,738.60**	**39,859.10**

Summary of significant accounting policies 1

Notes refer to above form an integral part of Consolidated Balance Sheet

This is the Consolidated Balance Sheet referred to in our report of even date

As per our report of even date attached

For Khandelwal Jain & Co.
Chartered Accountants
(Reg No : 105049W)

NARENDRA JAIN
Partner
Membership No.048725

For and on behalf of the Board of Directors

R Chandrasekaran
Chairman
DIN: 00580842

ANANTHARAMAN SREENIVASAN
Managing Director & CEO
DIN: 09262583

Place : Mumbai
Date : 30 April 2022

Dr. Gulshan Rai
Director
DIN: 01594321

M. N. HARIHARAN
Chief Financial Officer

VAIBHHAV KULKARNI
Company Secretary

NSEIT Limited
CIN : U72200MH1999PLC122456
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rs in Lakhs)

Particulars	Notes	Year ended 31-03-2022	Year ended 31-03-2021
Income			
Revenue from operations	26	66,323.89	39,778.99
Other income	27	790.67	1,674.93
Total Income		**67,114.57**	**41,453.92**
Expenses			
Employee benefits expense	28	30,808.29	20,167.53
Purchase of equipments & software licenses	30	3,873.78	1,054.00
Project Expenses	31	19,382.92	8,377.09
Finance Cost	29	1,125.93	976.81
Depreciation and amortisation expense	2a & 2d	2,364.86	2,132.40
Other expenses	31	9,151.68	4,844.00
Total Expenses		**66,707.45**	**37,551.83**
Profit before exceptional items and tax		**407.11**	**3,902.09**
Exceptional item (Refer Note 56)		547.03	-
Profit before tax		**954.15**	**3,902.09**
Less : Income Tax expense	15		
- Current tax		1,408.96	1,136.01
- Foreign tax		106.38	103.67
- Short / (excess) Tax for earlier years		7.74	14.82
- Deferred tax		(1,218.64)	42.10
Total tax expenses		304.43	1,296.60
Profit after tax (A)		**649.71**	**2,605.49**
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
- Equity Instruments through Other Comprehensive Income			
(i) Remeasurements of post-employment benefit obligations		(129.99)	(48.82)
- Deferred Tax on above		32.92	29.65
Items that will be reclassified to profit or loss			
- Changes in foreign currancy translation reserve		20.86	15.55
Total Other Comprehensive Income, net of tax (B)		**(76.21)**	**(3.62)**

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

NSEIT Limited MUMBAI

Total Comprehensive Income (A+B)		**573.50**	**2,601.87**
Profit for the year attributable to:			
-Owners of the company		312.36	2,602.14
-Non controlling interest		337.35	3.35
		649.71	**2,605.49**
Other comprehensive income for the year			
-Owners of the company		(74.77)	(4.11)
-Non controlling interest		(1.45)	0.49
		(76.21)	**(3.62)**
Total comprehensive income for the year			
-Owners of the company		237.59	2,598.03
-Non controlling interest		335.90	3.84
		573.50	**2,601.87**
Earnings per equity share (FV Rs 10 each)	32		
- Basic (Rs.)		**3.12**	**26.02**
- Diluted (Rs.)		**3.12**	**26.02**

Summary of significant accounting policies 1

Notes refer to above form an integral part of the Consolidated Statement of Profit & Loss

This is the Consolidated Statement of Profit & Loss referred to in our report of even date

As per our report of even date attached

For Khandelwal Jain & Co.
Chartered Accountants
(Reg No : 105049W)

Narendra Jain

NARENDRA JAIN
Partner
Membership No.048725

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

Place : Mumbai
Date : 30 April 2022

For and on behalf of the Board of Directors

R Chandrasekaran
Chairman
DIN: 00580842

ANANTHARAMAN SREENIVASAN
Managing Director & CEO
DIN: 09262583

Dr. Gulshan Rai
Director
DIN: 01594321

M. N. HARIHARAN
Chief Financal Officer

Vaibhav

VAIBHHAV KULKARNI
Company Secretary

NSEIT Limited MUMBAI

NSEIT Limited
CIN : U72200MH1999PLC122456
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY MARCH 31, 2022

(A) Equity Share Capital

(Rs in Lakhs)

Balance at the beginning of the reporting year	Changes during the year	Balance at the end of the reporting year
1,000	-	1,000

(B) Other Equity

Particulars	General reserve	Retained Earnings	Foreign Currency Translation Reserve	Forward Contract reserve	Equity attributable to owners (a)	Non controlling Interest (b)	Total (a+b)
Balance at the beginning of the reporting year	**5,436.06**	**12,074.09**	**22.63**	-	**17,532.78**	**20.02**	**17,552.80**
Profit / (Loss) for the year	-	312.36			**312.36**	337.35	**649.71**
Other Comprehensive Income /(Loss)		(95.62)	20.86		**(74.77)**	(1.45)	**(76.21)**
Share of Non controling interest on Acquisition of Subsidiary					-	461.30	**461.30**
Forward Contract Reserve		-		(9,082.00)	**(9,082.00)**		**(9,082.00)**
Dividends		(150.00)			**(150.00)**		**(150.00)**
Reversal on reduction in Shareholding of Non-controling parties and share in equity					-	(20.62)	**(20.62)**
Total Other Equity	5,436.06	12,140.83	43.48	(9,082.00)	8,538.37	796.60	9,334.97

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY MARCH 31, 2021

(A) Equity Share Capital

Balance at the beginning of the reporting year	Changes during the year	Balance at the end of the reporting year
1,000	-	1,000

NSEIT Limited MUMBAI

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

(B) **Other Equity**

Particulars	General reserve	Retained Earnings	Foreign Currency Translation Reserve	Equity attributable to owners (a)	Non controlling Interest (b)	Total (a+b)
Balance at the beginning of the reporting year	**5,436.06**	**9,591.61**	**7.08**	**15,034.75**	**72.25**	**15,107.00**
Profit / (Loss) for the year	-	2,602.14		**2,602.14**	3.35	**2,605.49**
Other Comprehensive Income /(Loss)	-	(19.66)	15.55	**(4.11)**	0.49	**(3.62)**
Dividends	-	(100.00)		**(100.00)**	-	**(100.00)**
Reversal on reduction in Shareholding of Non-controling parties and share in equity				-	(56.07)	**(56.07)**
Total Other Equity	**5,436.06**	**12,074.09**	**22.63**	**17,532.78**	**20.02**	**17,552.80**

Notes refer to above form an integral part of the Consolidated statement of changes in equity

This is the Consolidated statement of changes in equity refered to in our report of even date

For Khandelwal Jain & Co.
Chartered Accountants
(Reg No : 105049W)

KHANDELWAL JAIN & CO. * MUMBAI * CHARTERED ACCOUNTANT

NARENDRA JAIN
Partner
Membership No.048725

Place : Mumbai
Date : 30 April 2022

For and on behalf of the Board of Directors

R Chandrasekaran
Chairman
DIN: 00580842

ANANTHARAMAN SREENIVASAN
Managing Director & CEO
DIN: 09262583

Dr. Gulshan Rai
Director
DIN: 01594321

M. N. HARIHARAN
Chief Financial Officer

VAIBHAV KULKARNI
Company Secretary

NSEIT Limited * MUMBAI *

NSEIT Limited
CIN : U72200MH1999PLC122456
CONSOLIDATED STATEMENT OF CASHFLOW FOR THE YEAR ENDED MARCH 31, 2022

(Rs in Lakhs)

		Year ended 31-03-2022	Year ended 31-03-2021
A)	**CASHFLOW FROM OPERATING ACTIVITIES**		
	PROFIT BEFORE TAX	954.15	3,902.09
	Add Adjustments for :		
	- Depreciation and amortisation expense	2,364.86	2,132.40
	- Provision for doubtful debts	1,450.66	342.14
	- Interest on lease obiligation	162.99	208.88
	- Extinguishment of lease liabilities due rent concession	(20.81)	(62.82)
	- Reversal of lease liabilities on account of closer of certain lease	(1.19)	(16.62)
	- Interest income on bank deposits	(333.42)	(316.31)
	- Interest income on others	-	(0.38)
	- Interest on income tax refund	(3.90)	(61.02)
	- Interest expense	49.42	8.07
	- Interest on working capital	43.15	-
	- Net gain on sale of mutual funds mandatorily measured at fair value through P&L	(13.47)	(105.26)
	- Net gain on mutual funds mandatorily measured at fair value through P&L	(66.10)	(140.71)
	- Gain on disposal of property,plant and equipment	-	(4.86)
	- Loss on disposal of property,plant and equipment	0.10	4.68
	- Excess provision written back	(307.29)	(826.28)
	- Dividend, DDT and other cost for issue of peference shares	807.34	715.91
	- Sundry Balance W/off	0.68	-
	- Sundry Balance W/back	(2.68)	(72.55)
	- Foreign currency translation reserve	20.86	15.55
	Change in Operating Assets and Liabilities		
	- Trade receivable (Incl Unbilled Receivable)	(10,068.02)	(6,210.32)
	- Trade payable and provisions	11,182.55	1,552.84
	- Other assets	(597.02)	211.59
	- Other liabilities	1,309.87	816.64
	CASH GENERATED / (USED) FROM OPERATIONS	**6,932.71**	**2,093.64**
	- Income taxes paid (Net of Refunds)	(3,691.07)	(655.60)
	NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)	**3,241.64**	**1,438.04**
B)	**CASHFLOW FROM INVESTING ACTIVITIES**		
	- Payment for Property plant, equipment	(1,699.49)	(866.49)
	- Sale proceed from property plant, equipment	0.14	5.25
	- Proceeds/(payment) from sale/purchase of current investment	818.10	3,294.88
	- Proceeds from fixed deposits/Bank balances other than cash & cash equivalents (Net)	(106.36)	(2,605.70)
	- Payment for acquisition of subsidiary	(1,234.92)	(402.54)
	- Interest received	343.76	401.15
	- Loan given to employee	(68.42)	-
	NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)	**(1,947.19)**	**(173.45)**

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

NSEIT Limited MUMBAI

		Year ended 31-03-2022	Year ended 31-03-2021
C)	**CASHFLOW FROM FINANCING ACTIVITIES**		
	- Proceeds from / (repayment of) borrowings	3,300.00	(8.38)
	- Dividend Equity shares	(150.00)	(100.00)
	- Dividend Preference shares	(700.00)	(700.00)
	- Interest paid	(43.15)	(8.07)
	- Repayment of lease liability	(1,463.68)	(1,391.67)
	- Stamp duty & Registration charges on Borrowing	(47.50)	-
	NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)	**895.67**	**(2,208.12)**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**2,190.13**	**(943.53)**
	CASH AND CASH EQUIVALENTS : OPENING BALANCE	2,948.15	3,891.68
	CASH AND CASH EQUIVALENTS : CLOSING BALANCE	5,138.28	2,948.15
	TOTAL CASH AND CASH EQUIVALENTS AS PER BALANCE SHEET	**2,190.13**	**(943.53)**
	- Add: Unrealised exchange (gain)/loss on cash and cash equivalents		-
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	**2,190.13**	**(943.53)**
	Reconciliation of cash and cash equivalents as per the cash flow statement		
	Cash and cash equivalents as per above comprise of the following		
	- Cash and cash equivalents	5,138.28	2,948.15
	Balance as per statement of cash flows	5,138.28	2,948.15

Notes :

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on Statement of Cash Flow as notified under Compaines (Accounts) Rules, 2015.

2 Previous years figures have been regrouped, rearranged and reclassified wherever necessary to confirm to the current year classifications
The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date attached
For Khandelwal Jain & Co.
Chartered Accountants
(Reg No : 105049W)

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

NARENDRA JAIN
Partner
Membership No.048725

Place : Mumbai
Date : 30 April 2022

For and on behalf of the Board of Directors

R Chandrasekaran
Chairman
DIN: 00580842

ANANTHARAMAN SREENIVASAN
Managing Director & CEO
DIN: 09262583

Dr. Gulshan Rai
Director
DIN: 01594321

M. N. HARIHARAN
Chief Financial Officer

VAIBHHAV KULKARNI
Company Secretary

NSEIT Limited MUMBAI

Notes to the Consolidated financial statements

1 **Summary of significant accounting policies :**

a) **Group Overview**

The NSEIT Limited ("the Group") is a Step-down Subsidiary of the National Stock Exchange of India Limited (NSE), the world's second largest stock exchange by trade volume. NSEIT is a global technology firm with a focus on the financial services industry. The Group is a vertical specialist organization with deep domain expertise and technology focus aligned to the needs of financial institutions and offering end-to-end technology solutions covering the entire gamut of Application Services, Testing Center of Excellence, Infrastructure Services, Cloud services, Integrated Security Response Center, Analytics as a Service and IT Enabled Services (e-Assessments and e-Auctions) for BFSI segment.

The consolidated financial statements relates to the Parent Group, its subsidiary companies (collectively referred to as "the Group")

The Consolidated Financial Statements are approved for issue by the Group's Board of Directors on April 30, 2022

b) **Basis of preparation of Financial Statements**

These consolidated financial statements have been prepared in accordance with the historical cost basis, except for certain financial instruments which are measured at fair value, and are drawn up in accordance with the provisions of the Companies Act, 2013 and Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

i) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

• certain financial instruments that is measured at fair value, and

• defined benefit plans - plan assets measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

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In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and+C1

Level 3 inputs are unobservable inputs for the asset or liability.

ii) **Principles of consolidation and equity accounting**

i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group control an entity when the group is exposed to or has right to, variable returns from its involvement with the entity and has the ability to affact those returns though its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transfered to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parents and its subsidiaries line by line adding toghether like items of assets, liabilities, equity, income and expenses. InterGroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost

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iii) Joint Arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

iv) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post - acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note (n) below.

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v) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate

d) **Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Although these estimate are based on management's best knowledge of current events and actions, uncertainity about the assumption and estimates could result in the outcome requiring material adjustment to the carrying amount of asset and liabilities.

e) **Investments and other financial assets**

(i) Classification

The Group classifies its financial assets in the following measurement categories:

· those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

· those measured at amortised cost.

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The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments :-

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comphrensive Income (OCI) is reclassified from equity to profit or loss and recognised in net gain on sale of financial assets measured at FVOCI under other income. Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss in Net fair value gain / (loss) on financial assets mandatorily measured at FVPL under other income in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments (other than investments in subsidiary, associates and joint venture) :-

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

The Group's subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.
Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Equity Investments (in subsidiaries, associates and joint venture)
Investments in subsidiaries, associates and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The accounting policy on impairment of non-financial assets is disclosed in Note (l) below. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Acquisition-related costs are costs the acquirer incurs to effect a business combination. Those costs include finder's fees; advisory, legal, accounting, valuation and other professional or consulting fees; general administrative costs, including the costs of maintaining an internal acquisitions department. The Group accounts for acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received.

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.
For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets :-
A financial asset is de-recognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.
Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(iv) Income recognition

Interest income :-

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends :-

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

f) **Financial liabilities**

(i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(ii) Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

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(iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

(iv) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

g) Transaction costs

Transaction costs are "Incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. Transaction costs include fees and commission paid to agents, advisers, brokers and dealers, levies by regulatory agencies and security exchanges, and transfer taxes and duties. Under effective interest method, Group amortises transaction costs over the expected life of the financial instrument.

h) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

i) Lease

As a lessee

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

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

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

As a lessor :

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

j) **Revenue Recognition**

The Group earns revenue primarily from providing end-to-end technology solutions covering the entire gamut of Application Services, Testing Center of Excellence, Infrastructure Services, Integrated Security Response Center, Analytics as a Service and IT Enabled Services (e-Assessments and e-Auctions) for BFSI segment.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

(i) Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

(ii) Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

(iii) In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.

(iv) Revenue from Online examination services are recognized on the basis of exams conducted and in cases where there are multiple performance obligation, revenue is recognised using expected cost plus a margin approach where Group forecast its expected costs of satisfying a performance obligation and then add an appropriate margin for that good or service.

(v) Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.

(vi) The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Group is acting as the principal or as an agent of the customer. The Group recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

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(vii) Insurance claims are accounted on accrual basis when the claims become due and receivable.

(viii) Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

In accordance with Ind AS 37, the Group recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Group disaggregates revenue from contracts with customers by contract type, geography and nature of services.

(ix) **Use of significant judgements in revenue recognition**

The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

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Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue for fixed-price contract is recognised using percentage-of-completion method. The Group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

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k) **Property, plant and equipment**

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation/amortization and impairment loss, if any. The cost is inclusive of freight, installation cost, duties, taxes, borrowing cost and other incidental expenses for bringing the asset to its working conditions for its intended use but net of Input Tax Credits, wherever input credit is claimed.
When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life.
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.
All other repair and maintenance costs are recognized in Income statement as incurred.

l) **Depreciation**

(i) Depreciation on tangible fixed assets is provided on Straight Line Method as per the useful life and in the manner prescribed in Schedule II to Companies Act, 2013 except in case of CXIO Technologies Private Limted, Depreciation on tangible fixed assets is provided on Written Down Value Method as per the useful life and in the manner prescribed in Schedule II to Companies Act, 2013. Fixed Furniture and fixtures, Electrical installation and Office equipment including civil improvements at lease hold premises are depreciated over the lease period and in case of Aujas Cybersecurity Limited depreciation charge on office equipment over a period of 3 years.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

(ii) Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.

(iii) The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

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m) **Intangible assets**

i) **Goodwill:**

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cashgenerating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments

ii) **Other intangible assets:**

Intangible assets comprising of software are recorded at acquisition cost and are amortized over the estimated useful life on straight line basis. Software products/ licenses purchased/ acquired for internal use of the Group which have expected longer life are capitalised and depreciated over a period of 3 years on Straight Line Method except In case of CXIO Technologies Private Limted, Intangible Assets i.e. Web Development Software is having a useful life of 5 years which is amortized @ 20% per annum on a Straight Line Basis due to fixed life tenure or useful life or utility.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.Costs associated with maintaining software programs are recognised as an expense as and when incurred.

Development costs

Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use
- Its intention to complete and its ability and intention to use the asset
- How the asset will generate future economic benefits
- The ability to measure reliably the expenditure during development
- Availability of adequate, financial and other resources to complete the development and to use / sell the intangible asset
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available

The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable for preparing the asset for its intended use.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

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n) **Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

o) **Inventory :**

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

p) **Cash and cash equivalents in the statement of cash flows**

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignifican risk of changes in value. These do not include bank balances earmarked/restricted for specific purposes.

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

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q) **Foreign currency transactions and translation**

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian currency (INR), which is the Group's functional and presentation currency.

Transactions and translations

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

Group Companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

• assets and liabilities are translated at the closing rate at the date of that balance sheet;

• income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

• all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to statement of profit or loss, as part of the gain or loss on sale

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r) **Employee benefits**

i Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet since the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii Post-employment obligations

The Group operates the following post-employment schemes:

(a) defined benefit plans such as gratuity, and

(b) Defined contribution plans such as provident fund and superannuation

iv Gratuity obligations

The Group has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to yields on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

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Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.
Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

v Defined contribution plans

Superannuation

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

Provident Fund

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

vi **Bonus plans**

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

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s) **Business Combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- the fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; an
- fair value of any asset or liability resulting from a contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, an
- acquisition-date fair value of any previous equity interest in the acquired entit

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

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Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business consideration is achieved in stages, the acquisition date carrying value of the acquirers previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

t) **Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to statement of profit and loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity.

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u) **Contributed equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

v) **Provisions, Contingent liabilities and Contingent assets**

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

x) **Trade and other payables**

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

x) **Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

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y) **Dividends**

Final dividends on shares are recorded as a liability on the date of approval by shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

z) **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

aa) **Group financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

ab) **Earnings per share**

Basic and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by weighted average number of equity shares outstanding during the year.

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

• the profit attributable to owners of the Group

• by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

• the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

• the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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ac) Forward Contract policy

In case of acquisition of Subsidiary Company, the commitment to purchase the equity share in future is consider as forward contract. The Company does fair valuation of the forward contract liability from independent third party valuer for the purpose of accounting.

ad) Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Use of significant judgements in revenue recognition

Estimation of useful life of tangible asset and intangible asset (Note 2)

Recognition of deferred tax assets [(Note 23(D)]

Estimation of defined benefit obligation (Note 33)

Estimation of contingent liabilities and commitments (Note 35 & 36)

Impairment of Assets [Note 1(n)]

Recoverability of Trade Receivables [Note 42 (C)]

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

ae) **Recent Pronouncement:**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

1. Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

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2. Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

3. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

4. Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

5. Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

af) **Rounding of amounts**

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

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Notes to the Consolidated financial statements
2a: Property, plant & equipment and Intangible assets

(Rs in Lakhs)

Sr No.	Category	GROSS CARRYING AMOUNT					ACCUMULATED DEPRECIATION					NET CARRYING AMOUNT	
		As on 1-Apr-21	Additions	Adjustment on consolidation	Deductions	As on 31-Mar-22	As on 1-Apr-21	For the year	Adjustment on consolidation	Deductions	As on 31-Mar-22	As on 31-Mar-22	As on 31-Mar-21
a	**Tangible Assets**												
1	Computer Hardware and Servers & Networks	2,632.75	290.65	31.42	57.54	2,897.28	2,080.74	358.94	19.79	57.53	2,401.94	495.33	552.01
2	Office Equipment	766.35	42.31	6.12	34.73	780.06	598.26	87.74	4.29	34.68	655.61	124.45	168.09
3	Firewall	-	25.47	26.08	-	51.55	-	12.93	8.96	-	21.88	29.67	-
4	Furniture & Fixtures	291.93	11.72	2.32	23.39	282.58	276.62	23.43	1.14	23.20	277.99	4.59	15.30
5	Building - Civil Work	208.99	-	-	-	208.99	139.92	69.07	-	-	208.99	0.00	69.07
		3,900.02	**370.15**	**65.93**	**115.65**	**4,220.45**	**3,095.54**	**552.09**	**34.18**	**115.41**	**3,566.41**	**654.04**	**804.46**
b	**Intangible Assets**												
1	Computer Software *	2,194.29	1,218.77	50.25	-	3,463.31	1,309.55	535.98	10.47	-	1,856.00	1,607.31	884.74
2	Software copyrights	259.06	-	-	-	259.06	259.06	-	-	-	259.06	-	-
		2,453.35	**1,218.77**	**50.25**	-	**3,722.37**	**1,568.61**	**535.98**	**10.47**	-	**2,115.06**	**1,607.31**	**884.74**
	GRAND TOTAL	**6,353.37**	**1,588.92**	**116.19**	**115.65**	**7,942.82**	**4,664.16**	**1,088.07**	**44.65**	**115.41**	**5,681.47**	**2,261.35**	**1,689.20**
	PREVIOUS YEAR	**5,364.70**	**1,082.95**	-	**94.28**	**6,353.37**	**3,907.79**	**845.59**	-	**89.21**	**4,664.17**	**1,689.20**	

Note : The Company has reviewed its PPE for impairment loss as required by Ind AS 36 "Impairment of Assets". In the opinion of manangement no provision for impairment loss is considered necessary.

* During the year, the Company has carried out development / enhancement of various software for rendering its existing business services. Since these software will generate future economic benefits, the company has capitalised the development/ enhancement cost of Rs.375.63 Lakhs (Previous Year Rs. 603.17 Lakhs). The estimated useful life of these software is 3 years and are amortised over the said period.

Sr No.	Category	GROSS CARRYING AMOUNT					ACCUMULATED DEPRECIATION					NET CARRYING AMOUNT	
		As on 1-Apr-20	Additions	Adjustment on consolidation	Deductions	As on 31-Mar-21	As on 1-Apr-20	For the year	Adjustment on consolidation	Deductions	As on 31-Mar-21	As on 31-Mar-21	As on 31-Mar-20
a	**Tangible Assets**												
1	Computer Hardware and Servers & Networks	2,476.16	234.22		77.62	2,632.75	1,758.96	399.05		77.25	2,080.76	551.99	717.20
2	Office Equipment	650.56	121.20		5.40	766.35	535.27	68.39		5.40	598.26	168.09	115.29
3	Furniture & Fixtures	288.39	14.79		11.25	291.93	272.95	10.23		6.55	276.62	15.30	15.44
4	Building - Civil Work	105.53	103.46		-	208.99	105.53	34.39		-	139.92	69.07	0.00
		3,520.63	**473.67**		**94.28**	**3,900.02**	**2,672.71**	**512.06**		**89.21**	**3,095.56**	**804.46**	**847.93**
b	**Intangible Assets**												
1	Computer Software	1,585.00	609.28			2,194.29	976.02	333.53			1,309.55	884.74	608.99
2	Software copyrights	259.06	-			259.06	259.06	-			259.06	0.00	0.00
		1,844.07	**609.28**		-	**2,453.35**	**1,235.08**	**333.53**		-	**1,568.61**	**884.74**	**608.99**
	GRAND TOTAL	**5,364.70**	**1,082.95**		**94.28**	**6,353.37**	**3,907.79**	**845.59**		**89.21**	**4,664.17**	**1,689.20**	**1,456.91**
	PREVIOUS YEAR	**4,566.55**	**889.54**		**91.50**	**5,364.69**	**3,368.03**	**631.23**		**91.48**	**3,907.79**	**1,456.91**	-

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Notes to the Consolidated financial statements

2.b : Capital work in progress (CWIP)

(Rs in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
Opening Balance - Carrying amount	**24.97**	**102.25**
Additions	582.87	211.36
Disposals / Reversal	(24.97)	-
Transfers	(582.87)	(288.65)
Closing Balance - Carrying amount	**-**	**24.97**

CWIP Ageing as on March 31, 2022

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Project in progress	-	-	-	-	-
Project temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

CWIP Ageing as on March 31, 2021

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Project in progress	24.97	-	-	-	24.97
Project temporarily suspended	-	-	-	-	-
Total	**24.97**	**-**	**-**	**-**	**24.97**

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2.c : Intangible assets under development

Particulars	As at 31-03-2022	As at 31-03-2021
Opening Balance - Carrying amount	**46.91**	**118.51**
Additions	437.47	**531.57**
Disposals	(9.13)	-
Transfers	(375.63)	**(603.17)**
Closing Balance - Carrying amount	**99.62**	**46.91**

In respect of above, the completion is not overdue & the project cost has not exceeded as compared to the original plan.

*As at 31.03.2022, a sum of Rs. 99.62 Lakhs (previous year Rs.46.91 Lakhs) has been shown as Intangible Assets Under Development. These are towards various software under development which will enhance the existing business services as well offering new products in the market.

Intangible assets under development ageing as on March 31, 2022

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Project in progress	99.62	-	-	-	99.62
Project temporarily suspended	-	-	-	-	-
Total	**99.62**	-	-	-	**99.62**

Intangible assets under development ageing as on March 31, 2021

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Project in progress	46.91	-	-	-	46.91
Project temporarily suspended	-	-	-	-	-
Total	**46.91**	-	-	-	**46.91**

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2.d : Right of Use assets (ROU)

Following are the changes in the carrying value of right of use assets:

Particulars	Category of ROU asset		
	As at 31-03-2022		
	Building	Computer	Total
Balance at the beginning	1,854.18	-	1,854.18
Additions	793.22	261.44	1,054.66
Deletion	(38.36)	-	(38.36)
Depreciation	(1,227.76)	(49.02)	(1,276.78)
Balance at the end	**1,381.28**	**212.42**	**1,593.70**

Particulars	Category of ROU asset		
	As at 31-03-2021		
	Building	Computer	Total
Balance at the beginning	2,430.67	-	2,430.67
Additions	923.55	-	923.55
Deletion	(213.22)	-	(213.22)
Depreciation	(1,286.80)	-	(1,286.80)
Balance at the end	**1,854.20**	**-**	**1,854.20**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities

Particulars	As at 31-03-2022	As at 31-03-2021
Current lease liabilities	660.13	1,029.42
Non-current lease liabilitie	1,034.83	971.93
Total	**1,694.96**	**2,001.35**

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The following is the movement in lease liabilities during the year

Particulars	As at 31-03-2022	As at 31-03-2021
Balance at the beginning	2,001.32	2,536.62
Additions	1,054.66	923.54
Finance cost accrued during the year	162.99	208.87
Deletions	(39.52)	(229.84)
Payment of lease liabilities	(1,463.68)	(1,375.05)
Extinguishment of lease liabilities (refer note 55)	(20.81)	(62.82)
Balance at the end	**1,694.96**	**2,001.32**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31-03-2022	As at 31-03-2021
Less than one year	871.46	1,246.67
One to five years	1,452.44	856.03
More than five years	97.68	
Total	**2,421.57**	**2,102.70**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was Rs 117.72 Lakhs for the year ended 31 March 2022 (Rs 193.09 Lakhs for the year ended 31 March 2021)

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2022 on an undiscounted basis:

Particulars	As at 31-03-2022	As at 31-03-2021
Less than one year	13.62	147.56

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			As at 31.03.2022	As at 31.03.2021
			(Rs in Lakhs)	
3	i	**Non-current Investments**		
		Unquoted Equity instrument		
		NSE Foundation *[1000 Equity share of Rs. 10 each fully paid]	-	-

* NSE Foundation is incorporated under section 8 of the Companies Act, 2013 and intends to apply its profits, if any, or other income in promoting its objects and any payment of dividend to its members is prohibited.

			As at 31.03.2022	As at 31.03.2021
			(Rs in Lakhs)	
4		**Other Financial Assets (Non-current)**		
	a	**Non-current bank balances**		
		Fixed deposits with maturity for more than 12 months	65.38	38.43
		Earmarked fixed deposits with maturity for more than 12 months *	2,032.96	2,026.52
			2,098.34	2,064.95
	b	**Others**		
		Security deposit (unsecured, considered good)	117.84	65.07
		Interest accrued on Bank deposits	5.21	3.26
			123.05	68.33
		Total	**2,221.39**	**2,133.28**

* Earnmarked deposits are restricted. These deposits are earnmarked against forward contracts /performance guarantee

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5 Income Tax liabilities / assets (Non-current)

	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	
Income tax assets (net)	3,414.83	1,229.41
Income tax liabilities (net)	-	-
Total	**3,414.83**	**1,229.41**

6 Other assets (Non-current)

	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	
Capital advance	19.88	8.60
Prepaid expenses	61.27	61.85
Deferred transaction cost	68.18	46.56
Balance with government authorities	31.88	-
Total	181.21	117.01

7 i Current Investments

	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	
A **Investments in mutual funds**		
Unquoted Investment in mutual funds at FVPL (Refer Note 40)	1,534.53	2,273.06
Total	**1,534.53**	**2,273.06**

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8 Trade receivables

	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	
Trade receivables billed	18,831.92	9,766.16
Trade receivables billed - related parties	2,106.46	3,074.62
Trade receivables unbilled	5,256.60	3,273.12
Trade receivables unbilled-related parties	19.09	32.84
	26,214.08	16,146.74
Less : Loss allowances (Refer Note 42)	(2,373.99)	(923.33)
	23,840.09	15,223.41
Breakup of security details		
Trade receivables considered good -secured	-	-
Trade receivables considered good -unsecured	23,840.08	15,223.41
Trade receivables which have significant increase in credit risk	-	-
Trade receivables credit impaired *	2,373.99	923.33
Total	26,214.07	16,146.74
Loss allowances (Refer Note 42)	(2,373.99)	(923.33)
Total	23,840.08	15,223.41

* This includes an amount of Rs. 645.50 Lakhs for Provision for Doubtful Debts (Previous year Rs. 582.99 Lakhs) and Rs. 1728.49 Lakhs for Provison for Expected Credit Loss (Previous Year Rs. 340.34 Lakhs).

Trade receivable ageing as on March 31, 2022

Particulars	Unbilled	Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 years	Total
Undisputed trade receivables							
– considered good	4,916.87	17,150.38	680.61	879.36	35.26	1.96	23,664.45
– which have significant increase in credit risk	360.07	-	-	168.75	21.64	-	550.47
– credit impaired	-	282.46	65.44	27.27	99.04	424.96	899.16
Disputed trade receivables							
– considered good	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-	-
– credit impaired	-	-	-	1,100.00	-	-	1,100.00
Total	**5,276.95**	**17,432.84**	**746.05**	**2,175.39**	**155.93**	**426.92**	**26,214.08**
Provision for doubtful debts							(645.50)
Expected credit loss							(1,728.49)
Grand total							**23,840.08**

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Trade receivable ageing as on March 31, 2021

Particulars	Unbilled	Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 years	Total
Undisputed trade receivables							
– considered good	3,305.96	11,824.70	61.71	47.84	-	-	15,240.20
– which have significant increase in credit risk	-	5.48	66.04	59.20	14.50	35.74	180.96
– credit impaired	-	-	62.81	134.30	80.17	448.29	725.58
Disputed trade receivables							
– considered good	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	-	-
Total	**3,305.96**	**11,830.17**	**190.56**	**241.34**	**94.67**	**484.04**	**16,146.74**
Provision for doubtful debts							(583.00)
Expected credit loss							(340.34)
Grand total							**15,223.41**

9 **Cash and cash equivalents**

	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	
Balances with banks		
- In Current accounts	2,440.71	883.17
- In Savings accounts	3.00	2.94
- In Flexi deposits	2,692.21	2,052.75
- In exchange earners' foreign currency accounts	2.08	-
Fund in transit	-	9.10
Cash on hand	0.28	0.19
	5,138.28	2,948.15
Bank Balances other than Cash and cash equivalents		
Fixed deposits		
- with original maturity for more than 3 months but less than 12 months	681.37	-
- with original maturity for more than 12 months	-	45.99
Earmarked fixed / flexi deposits *		
- with original maturity for more than 3 months but less than 12 months	-	-
- with original maturity for more than 12 months	3,259.53	3,821.94
	3,940.90	3,867.93
Total	**9,079.18**	**6,816.08**

* Earmarked deposits are restricted. These deposits are earmarked against forward contracts / performance guarantee

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			As at 31.03.2022	As at 31.03.2021
			(Rs in Lakhs)	
10		**Loan**		
		Loan to Employee (unsecured, considered good)	101.62	33.20
			101.62	33.20
11		**Other financial assets**		
	i	**Loans**		
	a	Security deposit (unsecured, considered good)	527.17	577.94
	ii	**Others**		
		Interest accrued on bank deposits	36.05	48.34
		Other advances (unsecured, considered good)	0.66	0.66
		Total	**563.88**	**626.94**

		As at 31.03.2022	As at 31.03.2021
12	**Other Current assets**		
		(Rs in Lakhs)	
	Advance to creditors (unsecured, considered good)	275.16	163.61
	Provision for doubtful advances	(98.95)	-
	Advance to staff for expenses (unsecured, considered good)	100.29	88.57
	Prepaid expenses	1,016.48	575.82
	Deferred transaction cost	20.09	14.55
	GST paid under protest	2.18	-
	Balance with GST authorities	96.55	-
	Total	**1,411.80**	**842.55**

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13 A Equity Share Capital

	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	
Authorised		
1,50,00,000 (Previous Year 1,50,00,000) Equity Shares of Rs 10 each.	**1,500.00**	**1,500.00**
Issued, Subscribed and Paid-up		
1,00,00,010 (Previous year 1,00,00,010) Equity shares of Rs.10 each fully paid up.	1,000.00	1,000.00

There is no movement either in the number of shares or in amount between previous year and current year.

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of Directors in the meeting on 30 April 2022, have proposed a final dividend of Rs. 100.00 lakhs for the Financial Year ended March 31, 2022. The proposal is subject to approval of the shareholders at the ensuing annual general meeting to be held and if approved would result in a cash outflow of approximately Rs. 100.00 lakhs.

The Board of Directors in the meeting on April 21, 2021, have proposed a final dividend of Rs. 150.00 lakhs for the Financial Year ended March 31, 2021. The proposal is subject to approval of the shareholders at the ensuing annual general meeting to be held and if approved would result in a cash outflow of approximately Rs. 150.00 lakhs.

Details of shareholders holding more than 5% share in the Company

	As at 31.03.2022		As at 31.03.2021	
	No.	**% holding**	**No.**	**% holding**
Equity shares of Rs 10/- each fully paid NSE Investments Limited (Holding Company)	1,00,00,010	100%	1,00,00,010	100%

Details of shareholding of promoters:

	As at 31.03.2022			As at 31.03.2021		
Particulars	**No of Shares**	**% of Total Shares**	**% Change during the year**	**No of Shares**	**% of Total Shares**	**% Change during the year**
1) NSE Investments Limited	1,00,00,010	100%	Nil	1,00,00,010	100%	Nil

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B Preference Share Capital

	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	
(i) 7% Seven Years, Cumulative Redeemable Preference Shares		
Authorised, Issued, Subscribed and Paid-up Preference capital		
1,00,00,000 (Previous year:1,00,00,000) cumulative redeemable preference shares of Rs. 100 each	**10,000.00**	**10,000.00**

Details of shareholders holding more than 5% cumulative redeemable preference shares in the Company

	As at 31.03.2022		As at 31.03.2021	
	No.	**% holding**	**No.**	**% holding**
Cumulative redeemable preference shares of Rs. 100 each NSE Investments Limited (Holding Company)	1,00,00,000	100%	1,00,00,000	100%

Details of shareholding of promoters :

	As at 31.03.2022			As at 31.03.2021		
Particulars	**No of Shares**	**% of Total**	**% Change**	**No of Shares**	**% of Total**	**% Change**
1) NSE Investments Limited	1,00,00,000	100%	Nil	1,00,00,000	100%	Nil

(ii) Series 'A' 7% Seven Years, Cumulative optionally convertible, redeemable preference shares

	As at 31.03.2022	As at 31.03.2021
Authorised Preference capital		
50,00,000 (Previous year : Nil) Series 'A' 7% Seven Years, Cumulative Optionally convertible Redeemable Preference Shares of Rs. 100 each	**5,000.00**	-
Issued, Subscribed and Paid-up Preference capital		
18,00,000 (March 31, 2021: NIL) Cumulative optionally convertible redeemable preference shares of Rs. 100 each	**1,800.00**	-

Details of shareholders holding more than 5% cumulative optionally convertible redeemable preference shares in the Company

	As at 31.03.2022		As at 31.03.2021	
	No.	**% holding**	**No.**	**% holding**
Cumulative optionally convertible, redeemable preference shares of Rs. 100 each NSE Investments Limited (Holding Company)	18,00,000	100%		

Details of promoters' shareholding:

	As at 31 March 2022			As at 31 March 2021		
Particulars	**No of Shares**	**% of Total Shares**	**% Change during the year**	**No of Shares**	**% of Total Shares**	**% Change during the year**
NSE Investments Limited (Holding Company)	18,00,000	100%	Nil	-	-	-

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14 Other Equity

	As at 31.03.2022	As at 31.03.2021
General reserve		
As per last balance sheet	5,436.06	5,436.06
Add : Transferred from surplus balance in the Statement of Profit & Loss	-	-
	5,436.06	5,436.06
Retained Earnings - Surplus/(deficit) in the statement of profit and loss		
As per last balance sheet	12,074.09	9,591.61
Add : Profit / (Loss) for the year	312.36	2,602.14
Less : Other Comprehensive Income	(95.62)	(19.66)
Less : Equity Dividend Paid	(150.00)	(100.00)
	12,140.83	**12,074.09**
Foreign Currency Translation Reserve		
Opening Balance	22.63	7.08
Add : Transferred from Statement of Profit & Loss	20.86	15.55
	43.48	**22.63**
Forward Contract Reserve		
Opening Balance	-	-
Add: Addition during the year	(9,082)	-
	(9,082)	0.00
Total Other Equity	**8,538.37**	**17,532.78**

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15 Borrowings

		As at 31.03.2022	As at 31.03.2021
		(Rs in Lakhs)	
	Unsecured		
i	7%, Seven Years, Cumulative Redeemable Preference Shares (CRPS) 10,000,000 (Previous year 10,000,000) Preference shares of Rs.100 each fully paid up	10,000.00	10,000.00

Terms and conditions for issue of Preference shares

Rate of Dividend : Dividend rate will be 7% p.a. (on the face value) which will remain fixed over the tenure of the CRPS

Cumulative: The CRPS will carry Cumulative Dividend Right.

Priority with Respect to payment of dividend or repayment of captial : The CRPS will carry a preferential right vis-a-vis equity shares of the Company with respect to the payment of dividend and repayment of capital during winding up.

Tenure & conversion / Redemptions Terms : The amount subscribed/paid on each CRPS shall be redeemed after 7 years from the date of allotment of the CRPS. Each CRPS shall be redeemed at the same price as received at the time of subscription i.e. Face Value.

Conversion: CRPS shall not be convertible into equity shares

Voting rights : CRPS shall carry voting rights as per the provisions of Section 47(2) of the Companies Act 2013

Redemption: All the CRPS shall be redeemed at the end of 7 years from the date of allotment i.e. 20th March 2019.

ii	**Series 'A' 7% Seven Years, Cumulative optionally convertible, redeemable preference shares (COCRPS)**	1,800.00	-

Terms and conditions for issue of Preference shares

Rate of Dividend : Dividend rate will be 7% p.a. (on the face value) which will remain fixed over the tenure of the COCRPS

Cumulative: The COCRPS will carry Cumulative Dividend Right.

Priority with Respect to payment of dividend or repayment of captial : The COCRPS will carry a preferential right vis-a-vis equity shares of the Company with respect to the payment of dividend and repayment of capital during winding up.

Tenure & conversion / Redemptions Terms : The amount subscribed/paid on each COCRPS shall be redeemable after 7 years from the date of first allotment of the COCRPS. Each COCRPS shall be redeemable at the same price as received at the time of subscription i.e. Face Value.

Conversion: COCRPS shall be optionally convertible into equity shares at the discretion of the shareholder and the investee company.

Voting rights : COCRPS shall not carry voting rights as per the provisions of Section 47(2) of the Companies Act 2013

Redemption: All the COCRPS shall be redeemed at the end of 7 years from the date of first allotment if the same has not been converted into equity.

	Loan from holding company	1,500.00	-
		13,300.00	**10,000.00**

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16 **Lease liabilities**

	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	
Lease Liablility	1,034.83	971.93
Total	**1,034.83**	**971.93**

17 **Other financial liabilities (Non-current)**

	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	
Forward Contract Liabilities	3,143	
	3,143	-

18 **Provisions (Non-current)**

	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	
Employee benefits obligation		
Provision for Gratuity (Ref. Note 33)	430.21	220.42
Provision for Leave Encashment	88.68	197.99
Provision for variable pay and incentives	100.56	65.38
Total	**619.45**	**483.79**

19 **Other liabilities (Non-current)**

	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	
Income received in advance	1.53	-
Total	1.53	-

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20 Trade Payables (Current)

	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	
Trade payables	13,432.95	3,994.00
Trade payables to MSME (Refer note 37)	538.15	40.92
Trade payables to related Party (refer note 34)	119.32	113.92
Total	**14,090.42**	**4,148.84**

Trade Payable ageing as on March 31, 2022

Particulars	Provision	Not due	0-1 year	1-2 year	2-3 year	More than 3 years	Total
Undisputed MSME	-	-	538.15	-	-	-	538.15
Undisputed other	7,313.52	-	6,055.41	33.30	15.54	134.49	13,552.26
Disputed dues (MSME)	-	-	-	-	-	-	-
Disputed dues (Other)	-	-	-	-	-	-	-
Total	**7,313.52**	**-**	**6,593.57**	**33.30**	**15.54**	**134.49**	**14,090.42**
							0.00

Trade Payable ageing as on March 31, 2021

Particulars	Provision	Not due	6 months - 1 year	1-2 year	2-3 year	More than 3 years	Total
Undisputed MSME	-	-	40.92	-	-	-	40.92
Undisputed other	2,867.19	-	1,077.45	29.66	127.39	6.23	4,107.92
Disputed dues (MSME)	-	-	-	-	-	-	-
Disputed dues (Other)	-	-	-	-	-	-	-
Total	**2,867.19**	**-**	**1,118.37**	**29.66**	**127.39**	**6.23**	**4,148.84**

21 Other financial liabilities (Current)

	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	
Creditors for capital expenditure	64.07	88.17
Interest payable	44.48	-
Forward contract liabilities (Refer Note 43(ii)	5,939.00	-
Dividend payable on preference shares	786.99	700.00
Total	**6,834.54**	**788.17**

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22 Provisions (Current)

	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	
Employee benefits obligation		
Provision for gratuity (Ref. Note 33)	331.94	169.55
Provision for leave encashment (Ref. Note 33)	532.88	317.02
Provision for variable pay and incentives	1,250.32	703.26
Total	**2,115.14**	**1,189.82**

23 Income Taxes

(A) The major components of income tax expense are as follows:
Profit or loss section

Particulars	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	
Current taxes	1,408.96	1,136.01
Short / excess Tax for earlier years	7.74	14.82
Deferred taxes movement of asset	(1,218.64)	42.10
Foreign tax	106.38	103.67
Income tax expense reported in the statement of profit or loss	304.43	1,296.60

Particulars	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	
Re-measurement of the defined benefit liability / asset	32.92	29.65
Equity instruments through other comprehensive income	-	-
Income tax gain/(charged) to other comprehensive income	32.92	29.65

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(B) Reconciliation of the Income Tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes :

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Profit before income tax expense	954.15	3,902.09
Tax at the Indian Tax Rate of 25.168% and 29.12% (PY 29.12%) * Foreign tax(21%)	25.17%	25.168%
Computed expected tax expenses	292.57	983.26
- Losses on which deferred tax ASSETS not created by a subsidiary	(141.31)	-
- Disallowance due to contribution to NSE Foundation and 80G benefit (net)	20.18	18.19
- Income taxable on issue of equity shares	-	9.62
- Reversal of valuation allowance on deferred tax assets	(204.41)	-
- Brought forward Losses set-off during the year	-	(107.69)
- Expenditure not allowable	70.53	16.22
- Dividend & other cost for issue of Preference shares	203.19	180.18
- Short / (excess) Tax for earlier years	7.74	14.82
- Tax effect on temporary differences not recognized as deferred taxes	-	55.78
- Foreign tax	106.01	103.67
- Other Impacts	(50.07)	22.54
Current Income Tax for the year	**304.43**	**1,296.60**

(C) The movement in the current income tax asset/ (liability) is as follows:

Particulars	As at 31.03.2022	As at 31.03.2021
Net current income tax asset/(liability) at the beginning	1,128.81	1,727.71
Income tax paid (including TDS and net of refund)	3,694.92	655.60
Current income and Foreign tax expense	(1,515.34)	(1,239.68)
Short / Excess Tax for earlier years	(7.74)	(14.82)
Net current income tax asset/(liability) at the end	**3,300.66**	**1,128.81**

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(D) The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

Particulars	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	
Deferred income tax assets		
Impact of difference between depreciation /amortization charged for the financial reporting and tax depreciation	165.13	97.48
Impact of difference arising on account of impairment of intangible asset and tax depreciation,	1.51	1.51
Impact of Gratuity , Leave Encashment & Perfomance Bonus	908.36	169.90
Imapct of Provision for Doubtful Debts	599.36	186.84
Imapct of Provision for Doubtful Advances	24.90	
Impact on account of Lease obligation	25.49	18.31
Total deferred income tax assets	**1,724.76**	**474.05**
Deferred income tax liabilities		
Impact of fair value on Investment in Mutual Funds	48.33	49.22
Total deferred income tax liabilities	**48.33**	**49.22**
Deferred income tax asset after set off	**1,676.43**	**424.83**

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(E) **Movement in Deferred tax assets**

Particulars	Depreciation on Tangible Assets	Amortization on Intangible Assets	Provision for Gratuity, Leave Encashment & Performance Pay	Disallowance u/s 40(a)(ia) Non Deduction of TDS	Provision for Doubtful Debts	Actuarial Gain / (Loss) through OCI for Gratuity & Leave Encashment	Total
At 1st April 2020	70.64	2.02	236.00	17.19	122.16	45.13	**493.14**
Charged / (Credited)							**-**
- to profit or loss	26.84	(0.51)	(140.88)	1.12	64.68	-	**(48.75)**
- to other comprehensive income						29.65	**29.65**
- to retained earning							**-**
At 31st March 2021	**97.48**	**1.51**	**95.12**	**18.31**	**186.84**	**74.78**	**474.04**
Charged / (Credited)							
- to profit or loss	87.80	-	705.53	(13.00)	437.42	-	**1,217.75**
- to other comprehensive income	-	-	-	-	-	32.92	**32.92**
At 31st March 2022	**185.28**	**1.51**	**800.65**	**5.31**	**624.26**	**107.69**	**1,724.70**

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(F) **Movement in Deferred Tax Liabilities**

Particulars	Depreciation on Tangible Assets	Amortization on Intangible Assets	Financial Assets at Fair Value through profit and Loss	Total
At 1st April 2020	-	-	55.86	55.86
Charged / (Credited)				
- to profit or loss			(6.64)	(6.64)
- to other comprehensive income			-	-
- to retained earning			-	-
At 31st March 2021	-	-	**49.22**	**49.22**
Charged / (Credited)				
- to profit or loss	-	-	**(1)**	(0.89)
- to other comprehensive income	-	-	-	-
- to retained earning	-	-	-	-
At 31st March 2022	-	-	**48.33**	**48.33**

(g) **In case of Aujas Cybersecurity Limited**

i) **Brought forward losses**

The Subsidiary Company had brought forward losses of ₹ Nil (31 March 2020 : ₹ 427 lakhs) which the Subsidiary Company has set-off against the taxable income of the current year.

ii) **Recognised deferred taxes**

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and carry forward losses can be utilized. Due to lack of convincing evidence, the Subsidiary Company has not recorded deferred tax assets on deductible temporary differences.

iii) The Subsidiary Company has non-current tax assets of ₹ 486.72 lakhs and ₹ 316.54 lakhs as at 31 March 2022 and 31 March 2021 respectively. These assets relate to tax deducted at source which are recoverable from the Government.

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24 Income tax liabilities / assets (Current)

	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	
Income tax liabilities (net)	114.17	100.60
Total	**114.17**	**100.60**

25 Other liabilities (Current)

	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	
Statutory dues payable	1,800.87	1,274.37
Advance received from customers	946.61	709.58
Income received in advance	742.93	609.79
Total	**3,490.41**	**2,593.75**

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26 Revenue from operations

	Year ended 31.03.2022	Year ended 31.03.2021
	(Rs in Lakhs)	
Operating revenues		
Sale of products :		
- Software products	1.20	13.62
- Equipments & Software Licenses	4,569.21	1,597.79
	4,570.41	1,611.41
Sale of services :		
- Software product revenues	1,020.72	719.67
- Application development & maintenance services	29,866.98	20,628.08
- Infrastructure management services	9,627.38	4,297.64
- ITES - assessment services	19,980.62	12,010.94
- Customer care services	568.50	511.25
	61,064.20	38,167.57
Other operating income	689.29	-
Total	**66,323.89**	**39,778.99**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2022 by contract-type .The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Revenues by contract type		
Fixed Price	44,484.94	22,469.22
Time & Materials	21,838.96	17,309.77
Total	**66,323.90**	**39,778.99**

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Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2022, other than those meeting the exclusion criteria mentioned above, is Rs. 1689.54 Lakhs (previous year Rs. 1319.37 lakhs). The Holding Company expects to recognize entire revenue within the next one year. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

The impact on account of applying the erstwhile Ind AS 18 Revenue instead of Ind AS 115 Revenue from contract with customers on the financial results of the Group for the year ended and as at March 31, 2022 is insignificant.

Revenue disaggregation by geography is as follows:

Geography	Year ended 31.03.2022	Year ended 31.03.2021
India	51,545.50	31,364.55
Singapore	95.41	65.29
Sweden	1,400.35	241.44
Israel	399.91	-
Brunei Darussalam	116.34	179.71
United Arab Emirates	85.82	-
Sydeny (Australia)	8.52	-
Middle East (MEA)	5,920.77	3,751.56
United State (US)	6,751.27	4,176.44
Total	**66,323.89**	**39,778.99**

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Information about major customers:

The Company's significant revenue of 22.01% (previous year 22.35%) is derived from a group of entities under common control, the total Operating Revenue from such entities amounted to Rs. 14,597.13 lakhs in FY 2021-22 (End to End Solutions Rs. 14,009.44 lakhs and ITES-Assessment Service Rs 587.69 lakhs) and Rs. 9,835.25 lakhs in FY 2020-21 (End to End Solutions Rs. 9,413.55 lakhs and ITES-Assessment Service Rs 421.70 lakhs). No other single customer contributed 10% or more to the Company's revenue for FY 2021-22 and FY 2020-21.

Changes in Contract assets (Unbilled receivable) are as follows:	**Year ended 31.03.2022**	**Year ended 31.03.2021**
Balance at the beginning of the year	3,305.96	1,296.95
Invoices raised during the year	(14,784.39)	(1,296.95)
Contract assets reversed	-	-
Revenue recognised during the year	16,755.38	3,305.96
Balance at the end of the year	**5,276.95**	**3,305.96**

Changes in advance received from customer are as follows:	**Year ended 31.03.2022**	**Year ended 31.03.2021**
Balance at the beginning of the year	(709.59)	(505.29)
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	4.22	-
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	-	8.61
Advance adjusted against trade receivables	705.37	786.80
Advance received during the year	(946.61)	(999.71)
Balance at the end of the year	**(946.61)**	**(709.59)**

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27 Other income

	Year ended 31.03.2022	Year ended 31.03.2021
	(Rs in Lakhs)	
Interest Income		
- On Bank Deposits	333.42	316.31
- Interest Others	-	0.38
Net gain on sale of mutual funds mandatorily measured at fair value through profit and loss	13.47	105.26
Net gain on mutual funds mandatorily measured at fair value through profit and loss	66.10	140.71
Gain on derecognition of right-of-use asset and lease liability	-	4.86
Excess provision written back*	307.29	826.28
Interest income on refund of income tax	3.90	61.02
Sundry balance W/back	2.68	72.55
Extinguishment of lease liabilities due rent concession (refer note 55)	20.81	62.82
Miscellaneous Income	43.00	84.73
Total	**790.67**	**1,674.93**

(*) Includes a sum of Rs. 0.25, being amount of employee performance pay / variable pay of earlier years no longer payable.

28 Employee benefits expenses

	Year ended 31.03.2022	Year ended 31.03.2021
	(Rs in Lakhs)	
Salaries and wages	28,719.97	18,793.64
Contribution to provident and other funds	1,084.65	788.63
Gratuity (Refer Note 33)	378.78	182.01
Contribution to superannuation scheme	-	0.30
Staff welfare expenses	500.54	335.58
Training expenses	87.34	38.74
PF administration charges	37.00	28.63
Total	**30,808.29**	**20,167.53**

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29 Finance Cost

	Year ended 31.03.2022	Year ended 31.03.2021
	(Rs in Lakhs)	
Bank charges	63.04	43.95
Interest on lease liability	162.99	208.88
Interest expense (others)	43.15	8.07
Interest on working capital	49.42	-
Dividend, DDT and other cost for issue of peference shares	807.34	715.91
Total	**1,125.93**	**976.81**

30 Purchase of equipments & software licenses

	Year ended 31.03.2022	Year ended 31.03.2021
	(Rs in Lakhs)	
Purchase of equipments & software licenses	3,873.78	1,054.00

31 (i) Project Expenses

	Year ended 31.03.2022	Year ended 31.03.2021
	(Rs in Lakhs)	
Technical & maintenance charges	6,577.06	1,159.00
Infrastructure hire charges	2,742.81	1,388.06
Equipment hire charges	1,552.49	799.01
Facility management charges	2,427.35	821.38
Manpower charges	1,174.54	738.01
Direct fees & subscription	494.51	1,062.86
Content & translator fees	580.06	120.49
Subcontract charges	472.16	341.31
Project related security charges	424.83	229.79
Bulk SMS charges	75.97	76.62
Other project expenses	2,861.14	1,640.58
	19,382.92	**8,377.09**

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(ii) **Other expenses**

	Year ended 31.03.2022	Year ended 31.03.2021
	(Rs in Lakhs)	
Power and fuel	319.68	257.47
Rent - Office Premises	206.61	184.18
Insurance	330.72	246.47
Repairs to machinery	104.74	80.65
Rates and taxes, excluding taxes on income	84.20	65.61
Travelling expenses	1,577.14	673.07
Recruitment charges	735.30	170.81
Professional fees	1,138.68	537.61
Conveyance	456.92	259.20
Telephone & internet expenses	328.34	291.46
Security services charges	184.81	163.97
Fees & subscription	182.90	96.48
Payment to auditors (refer note below)	99.45	99.48
Directors' sitting fees	70.92	69.75
Office expenses	468.69	341.50
Printing & stationary	64.43	64.43
Pantry expenses	77.62	30.93
Repairs & maintenance (Others)	71.87	72.60
Direct retainership fees	352.02	301.33
Hosting charges	95.09	91.80
Contribution to NSE foundation towards CSR (Refer Note 38)	80.16	72.27
Loss on foreign currency transaction (net)	38.99	141.74
Bad debts written off	75.75	-
Loss on derecognition of right-of-use asset and lease liability	0.36	-
Provision for doubtful debts / expected credit loss model	1,450.66	342.14
Provision for dobutful advances	98.95	-
S/W product development expenditure	9.13	-
Sundry balance W/off	0.68	-
Miscellaneous expenses	446.87	189.04
Total	**9,151.68**	**4,844.00**

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Note :

	Year ended 31.03.2022	Year ended 31.03.2021
	(Rs in Lakhs)	
Payment to Auditors		
As Auditors :		
Audit Fees	61.00	54.50
Limited Review	9.00	9.00
Tax Audit Fees	5.78	5.50
In Other Capacities	-	
Taxation matters	4.81	4.50
GST Audit for earlier years	9.90	15.00
Certification matters	7.63	9.25
Out of pocket expenses	1.35	1.73
Total	**99.45**	**99.48**

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32 In accordance with Indian Accounting Standard - 33 "Earning per Share"

Earning per share

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Net Profit attributable to Shareholders		
Profit after tax (Rs. In Lakhs)	312.36	2,602.14
Weighted Average number of equity shares issued (in nos)	1,00,00,010	1,00,00,010
Basic earnings per share of Rs 10/- each (in Rs)		
Basic	3.12	26.02
Diluted	3.12	26.02

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Group remain the same.

33 **Disclosure Under Indian Accounting Standard 19 (Ind As 19) On Employee Benefits:**

(a) **Defined Contribution Plan**

The Group's contribution towards Provident Fund and ESIC and superannuation fund during the year has been charged to Statement of Consolidated Profit & Loss as follows.

	Year ended 31.03.2022	Year ended 31.03.2021
Provident fund and ESIC	1,098.00	788.63
Superannuation fund	-	0.30
	1,098.00	788.93

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(b) **Leave Encashment**

Provision for Employee Benefit : Performance Pay

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Carrying amount at the beginning of the year	738.65	995.84
Amounts paid during the year	(1,360.29)	(521.66)
Amounts reversed during the year	(0.25)	(681.16)
Provisions made during the year	1,942.77	945.63
Carrying amount at the end of the year	**1,320.88**	**738.65**

i) **Provision for Employee Benefit : Leave Encashment - Holding Company**

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Carrying amount at the beginning of the year	273.26	168.72
Amounts paid during the year	(128.36)	(65.28)
Amounts reversed during the year	-	(3.65)
Provisions made during the year	199.86	173.47
Carrying amount at the end of the year	**344.76**	**273.26**

(c) Gratuity: Group has charged the Gratuity expense to Profit & Loss account based on the actuarial valuation of gratuity liability at the end of the year. The projected unit credit method used to show the position as at the reporting date is as under.

(i)

Assumptions:	**Parent Company**		**Subsidiary Company -Aujas Network Pvt Ltd and CXIO Technologies Private Ltd**	
Particulars	**Year ended 31.03.2022**	**Year ended 31.03.2021**	**Year ended 31.03.2022**	**Year ended 31.03.2021**
Discount Rate	6.90%	6.48%	3% to 5.80%	3% to 5.50%
Rate of Return on Plan Assets	6.90%	6.48%	-	-
Salary Escalation	8.00%	8.00%	3% to 6% (Aujas) and 10% (CXIO)	3% to 6%
Attrition Rate	For Service 4 years and below 30.00% p.a. and for service 5 years and above 3.00% p.a.	For Service 4 years and below 30.00% p.a. and for service 5 years and above 3.00% p.a.	26% (Aujas) and 35% (CXIO)	26.00%
Mortality rate	-	IALM (2006-08) ultimate	IALM (2012-14) ultimate /urben (CXIO)	IALM (2012-14) ultimate

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(ii) Change in defined benefit obligation:

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Liability at the beginning of the year	1,043.43	855.50
Interest cost	61.45	52.56
Transfer on acqusition of CXIO	13.30	-
Current Service Cost	352.09	270.94
Past Service Cost	-	(116.49)
Liability transferred out	-	(6.21)
Benefits Paid	(117.26)	(73.69)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	0.57	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(50.86)	(7.91)
Actuarial (Gains)/Losses - Due to Experience Adjustments	189.06	68.73
Liability at the end of the year	**1,491.78**	**1,043.42**

(iii) Fair value of plan assets:

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Fair Value of plan assets at the beginning of the year	653.43	381.02
Interest Income	42.34	25.00
Contributions	110.28	281.41
Benefits paid	(85.22)	(45.98)
Actuarial gain / (loss) on Plan Assets	8.79	11.99
Fair Value of plan assets at the end of the year	**729.62**	**653.43**

(iv) Amount recognised in the Balance Sheet

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Fair value of plan assets as at the end of the year	729.62	653.43
Liability as at the end of the year	1,491.78	1,043.42
Net (liability) / asset disclosed in the Balance Sheet	**(762.16)**	**(389.99)**

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(v) **Net Interest Cost for Current Period**

Particulars	**Year ended 31.03.2022**	**Year ended 31.03.2021**
Interest cost	61.45	52.56
Interest income	42.34	25.00
Net Interest Cost for Current Period	**19.11**	**27.56**

(vi) **Expenses recognised in the Statement of Profit & Loss**

Particulars	**Year ended 31.03.2022**	**Year ended 31.03.2021**
Current service cost	359.67	270.94
Net interest cost	19.11	27.57
Past service cost	-	(116.50)
Expenses recognised in the Statement of Profit & Loss	**378.78**	**182.01**

(vii) **Expenses recognised in the Other Comprehensive Income**

Particulars	**Year ended 31.03.2022**	**Year ended 31.03.2021**
Expected return on plan assets	(3.68)	(11.99)
Actuarial (gain) or loss	133.67	60.81
Net (income) /expense for the period recognized in OCI	**129.99**	**48.82**

(viii) **Balance Sheet Reconciliation**

Particulars	**Year ended 31.03.2022**	**Year ended 31.03.2021**
Opening net liability	402.24	474.47
Expenses recognized in statement of profit or loss	372.26	182.02
Expenses recognized in OC!	129.99	48.82
Net (liability) / asset transfer out	-	(6.21)
Employers contribution / benefit paid	(142.33)	(309.12)
Amount recognised in the Balance sheet	**762.16**	**389.99**

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(ix) Category of Assets

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Insurer Managed Funds (Rs)	729.62	653.43
% of Insurer Managed Funds	100%	100%
Total	**729.62**	**653.43**

(x) Maturity Analysis of the Benefit Payments : From the Fund

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
1st following year	270.22	129.44
2nd following year	129.28	79.64
3rd following year	138.00	79.39
4th following year	117.32	74.15
5th following year	111.22	64.53
Sum of years 6 To 10	2,283.49	273.19
Sum of years 11 and above	2,212.15	1,844.30

(xi) Sensitivity Analysis

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Project Benefit Obligation on Current Assumptions	1,491.78	1,037.21
Delta Effect of + 1% change in rate of discounting	(127.01)	(100.76)
Delta Effect of - 1% change in rate of discounting	137.55	121.44
Delta Effect of + 1% change in rate of salary increase	135.38	118.14
Delta Effect of - 1% Change in Rate of Salary Increase	(127.51)	(109.37)
Delta Effect of + 1% Change in Rate of Employer Turnover	(15.74)	(17.38)
Delta Effect of - 1% Change in Rate of Employer Turnover	17.69	19.82

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34 In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below :

(a) **Names of the related parties and related party relationship**

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	Ultimate Holding Company
2	NSE Investments Limited	Holding Company
3	NSE Clearing Limited	Holding Company's Fellow Subsidiary
4	NSE IFSC Limited	Holding Company's Fellow Subsidiary
5	NSE Data & Analytics Limited	Fellow Subsidiary
6	NSE Infotech Services Limited	Fellow Subsidiary
7	NSE Indices Limited	Fellow Subsidiary
8	NSE Academy Limited	Fellow Subsidiary
9	NSE IFSC CLEARING Corporation Limited	Subsidiary of Holding Company's Fellow Subsidiary
10	TalentSprint Private Limited (w.e.f. 10th November 2020)	Fellow Subsidiary's Subsidiary Company
11	Cogencis Information Services Limited (w.e.f. 21st January 2021)	Fellow Subsidiary's Subsidiary Company
12	Capital Quant Solutions Private Limited (w.e.f. 3rd March 2021)	Fellow Subsidiary's Associate Company
13	India International Bullion Holding IFSC Limited	Ultimate Holding Company's Associate Company (w.e.f. August 13, 2021)
14	India International Bullion Exchange IFSC Limited	Ultimate Holding Company's Associate Company
15	National Stock Exchange Investor Protection Fund Trust	Ultimate Holding Co.'s Trust
16	NSE Foundation	Holding Company's Fellow Subsidiary
17	TalentSprint Inc (w.e.f. 29 Nov 2021)	Fellow Subsidiary's Subsidiary Subsidiary Company
18	Indian Gas Exchange Limited (w.e.f. 16th March 2021)	Holding Company's Associate Company
19	National Securities Depository Limited	Ultimate Holding Company's Associate
20	BFSI Sector Skill Council of India	Ultimate Holding Company's Associate
21	Power Exchange India Limited	Holding Company's Associate Company
22	NSDL e-Governance Infrastructure Limited	Holding Company's Associate Company

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23	Market Simplified India Limited	Holding Company's Associate Company
24	Receivables Exchange Of India Limited	Holding Company's Associate Company
25	NSDL Database Management Limited	Ultimate Holding Co.'s Associate Co's Subsidiary
26	Mr. Anantharaman Sreenivasan - Managing Director & CEO (w.e.f. 06 August 2021)	Key Management Personnel
27	Dr. N. Muralidaran - Managing Director & CEO (Retired w.e.f. 1 April 2022)	Key Management Personnel
28	Mr. Nilesh Shivji Vikamsey (Upto 21 April 2021)	Key Management Personnel
29	Mr. Sowmyanarayanan Sadagopan (Upto 21 April 2021)	Key Management Personnel
30	Mr. Swaminathan Sundara Rajan Mittur (Upto 25 July 2021)	Key Management Personnel
31	Mr. Yatrik Rushikesh Vin	Key Management Personnel
32	Dr Gulshan Rai	Key Management Personnel
33	Ms. Poornima Shenoy	Key Management Personnel
34	Mr. R. Chandrasekaran (Effective from 20 June 2022)	Key Management Personnel
35	Mr. Sameer Shelke (Effective from 19 June 2020)	Key Management Personnel of Subsidiary Company
36	Mr. Navinkumar S Kotian (Effective from 19 June 2020)	Key Management Personnel of Subsidiary Company
37	Srinivas Rao M (Resigned on 30 June 2020)	Key Management Personnel of Subsidiary Company
38	Mr. Saket Verma	Key Management Personnel of Subsidiary Company
39	Mr. Neelesh Deviprasad Kankane	Key Management Personnel of Subsidiary Company
40	Mr. Vishal Vasant Chandane (w.e.f. July 8,2022)	Key Management Personnel of Subsidiary Company
41	Mr. Nilesh Mohan Rane (w.e.f. July 8,2022)	Key Management Personnel of Subsidiary Company
42	Aujas ESOP Trust (dissolved during the current year)	Post Employment benefit entities

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

(Rs in Lakhs)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
National Stock Exchange of India Limited	Infrastructure Management Services	3,547.93	3,372.67
	Application Development and Maintenance Services	4,886.30	3,548.14
	Customer Care Services	328.58	360.69
	Integrated Security	313.31	248.71
	Unbilled Revenue as per Ind AS 115	15.23	-
	Taxes recovered	1,346.43	1,134.36
	CTCL empanelment fee paid	5.00	2.50
	Usage Charges paid - STP Central HUB & other	0.35	0.16
	Reimbursement receivable for expenses incurred	136.03	-
	Reimbursement paid for other expenses incurred	11.81	
	Closing Balance - Dr./ (Cr.) Unbilled	146.13	80.24
	Closing Balance - Dr./ (Cr.) (Net)	1,164.24	1,972.36
NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	Application Development and Maintenance Services	808.14	850.44
	Infrastructure Management Services	225.59	29.61
	Software Product Revenue	2,201.08	
	Customer Care Services	63.60	56.72
	Taxes recovered	595.44	167.84
	Closing Balance - Dr./ (Cr.)	203.78	369.69
	Closing Balance - Provision for Doubtful Debts	8.02	8.02
	Closing Balance - Unbilled Revenue	3.50	4.31
National Stock Exchange Investor Protection Fund Trust	Bad debts	23.00	-
	Closing Balance - Dr./ (Cr.)	-	23.00
	Closing Balance - Provision for Doubtful Debts	-	23.00

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NSE Academy Limited	ITES - Assessment Services	587.69	421.70
	Application Development and Maintenance Services	26.63	27.60
	Customer Care Services	4.44	5.46
	Taxes recovered	111.38	81.86
	Closing Balance - Dr./ (Cr.)	112.34	110.77
NSE Data & Analytics Limited (DotEx International Limited)	Application Development and Maintenance Services	125.94	19.90
	Infrastructure Management Services	37.24	19.67
	Taxes recovered	20.75	3.31
	Closing Balance - Dr./ (Cr.)	35.64	9.43
Power Exchange India Limited	Application Development and Maintenance Services	182.01	16.52
	Infrastructure Management Services	2.64	-
	Taxes recovered	32.76	2.97
	Closing Balance - Dr./ (Cr.)	31.16	5.05
National Securities Depository Limited	Application Development and Maintenance	15.22	25.00
	Taxes recovered	2.74	4.50
	Closing Balance - Dr./ (Cr.)	6.79	12.74
	Closing Balance - Provision for Doubtful Debts	5.86	5.86
Protean eGov Technologies Limited (Formerly known as NSDL e-Governance Infrastructure Limited)	Application Development and Maintenance	71.99	43.28
	Bad-debts written off	-	
	Taxes recovered	12.96	7.79
	Closing Balance - Dr./ (Cr.)	50.40	26.11
	Closing Balance - Provision for Doubtful Debts	17.65	17.65

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NSDL Database Management Limited	Application Development and Maintenance	64.63	66.73
	Taxes recovered	11.63	12.01
	Closing Balance - Dr./ (Cr.)	10.23	30.38
	Closing Balance - Provision for Doubtful Debts	2.69	2.69
NSE IFSC Clearing Corporation Limited	Application Development and Maintenance Services	307.48	131.46
	Infrastructure Management Services	-	9.71
	Closing Balance - Dr./ (Cr.)	41.75	60.87
NSE IFSC Limited	Application Development and Maintenance Services	963.18	521.07
	Infrastructure Management Services	-	132.44
	Integrated Security	-	-
	Customer Care Services	47.90	10.11
	Taxes recovered	2.66	3.52
	Closing Balance - Dr./ (Cr.)	188.52	304.84
NSE Indices Limited (formerly known as India Index Services & Products Limited)	Application Development and Maintenance Services	106.88	69.17
	Taxes recovered	19.24	12.45
	Closing Balance - Dr./ (Cr.)	15.51	81.62
NSE Foundation	Contribution towards CSR	80.16	72.27
	Closing Investment	**0.10**	**0.10**
NSE Investments Limited (formerly known as NSE Strategic Investment Corporation Limited)	Cumulative Redeemable Preference Shares (Borrowings)	1,800.00	-
	Dividend paid to equity shareholders	150.00	100.00
	Dividend to payable to preference shareholders	700.00	700.00
	Dividend Paid on Prefrence share COCRPS	86.99	-
	Cummulative - Working Capital Demand Loan	1,500.00	-
	Interest Payable on WCDL	49.42	-
	Closing Borrowings - Cumulative Redeemable	1,500.00	-
	Closing Borrowings - Series A,7%, Seven Years COCRPS	1,800.00	-
	Closing Borrowings -Preference shares	10,000.00	10,000.00

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Key Management Personnel - N.Muralidaran - MD & CEO	(a) short-term employee benefits includes Rs 3.35	228.57	228.90
	(b) post-employment benefits #	12.43	12.43
	(c) other long-term benefits	50.92	33.95
Key Management Personnel - Anatharaman Sreenivasan - MD & CEO	(a) short-term employee benefits	102.63	-
	(b) post-employment benefits #	11.69	-
	(c) other long-term benefits	-	-
Mr. Swaminathan Sundara Rajan Mittur	Director Sitting Fees	8.25	15.75
Mr. Nilesh Shivji Vikamsey	Director Sitting Fees	4.00	13.50
Mr. Sowmyanarayanan Sadagopan	Director Sitting Fees	4.00	12.00
Dr Gulshan Rai	Director Sitting Fees	20.75	20.00
Ms. Poornima Shenoy	Director Sitting Fees	11.50	12.00
Mr. R Chandrasekaran	Director Sitting Fees	17.75	20.00
Sameer Shelke	Rent paid	4.88	46.52
Pattamadai Sundaram Suriyanarayanan	Remuneration to key managerial personnel	104.69	45.79
Sameer Shelke	Remuneration to key managerial personnel	543.99	259.14
NavinKumar S Kotian	Remuneration to key managerial personnel	240.82	59.09
Srinivas Rao M	Remuneration to key managerial personnel	-	37.74
Neelesh Kankane	Remuneration to key managerial personnel	26.12	-
Nilesh Rane	Remuneration to key managerial personnel	26.12	-
Vishal Chandane	Remuneration to key managerial personnel	26.12	-
Saket Verma	Remuneration to key managerial personnel	113.13	127.51

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As the liabilities for defined benefit plan are provided on actuarial basis for the Group as a whole, the amount pertaining to key managerial persons are not included.

All related parties transaction entered during the year were in ordinary course of business. Outstanding balances as at the year end are unsecured and settlement occurs in cash. There have been no guarantee provided or received for any related parties receivables or payables as of March 31, 2022 and March 31, 2021.

35 **Capital and other commitments**

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	147.91	84.92

36 **Contingent liability:**

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
On Account of Income Tax Demand	13.29	13.29
On Account of GST Demand	98.36	26.81
On Account of Bank Guarantees	4,840.01	4,645.01

i) The Holding Company has been providing Straight Through Processing (STP) services to its customers based on an approval granted by Securities and Exchange Board of India (SEBI) since June 2004. During the course of time there has been certain key managerial function changes within the Company and as a consequence of which the renewal which was required was missed out inadvertently though the Company continued to render the STP services. The Holding Company thereafter applied for renewal of the approval in December 2019, which was processed by SEBI and an approval was granted on 5th February, 2021 which is valid for a period of 3 years from the date of issuance.

Subsequently the Holding Company is in receipt of a Show Cause Notice (SCN) dated 26th March 2021 from SEBI, wherein it has been alleged that the Holding Company has been providing services of STP as a service provider as specified in the STP guidelines, however the Company has not obtained renewal of approval from SEBI within the stipulated time. The Holding Company thereafter filed a settlement application under the SEBI Settlement Regulations. Based on the settlement order dated 29th December, 2021 passed by SEBI, the Holding Company paid an amount of Rs. 21.67 Lakhs as penalty which is debited to statement of Profit & Loss.

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37 **Details of dues to micro and small, medium enterprises as defined under the MSMED Act, 2006**

Total outstanding dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Group.

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year **-Principal amount due to micro, small and medium enterprises**	538.15	40.92
-Interest	0.39	0.07
(b) The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during the year*;	-	-
(i) Payment	-	-
(ii) Interest	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year	0.39	0.07
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

38 **Amounts Paid / Contribution to NSE Foundation towards CSR :**

	Particulars	Current Year	Previous Year
i	Amount required to be spent by the Company during the year	80.16	72.27
ii	Amount of expenditure incurred	80.16	72.27
iii	Shortfall at the end of the year	NA	NA
iv	Total of previous years shortfall	NA	NA
v	Reason for shortfall	NA	NA

Nature of CSR Activities : Primary Education, Sanitation and Safe Drinking Water, Elder Care, Skill Development And Entrepreneurship, Environment Sustainability, Health and Nutrition, Disaster Relief and Rehabilitation, Incubation, Environmental Sustainability.

* During the year, the Company has contributed Rs 80.16 lakhs (previous year Rs.72.27 lakhs) to NSE Foundation to be spent on activities as stated in the Group CSR policy which has been adopted by the Company as Company's CSR policy.

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39 Segment Reporting:

a Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Group. The Group has identified two segments i.e. "End to End solutions" and "ITES - Assessment Services" as reporting segments based on the information reviewed by CODM.

Reportable business segment viz. offering "End to End solutions" includes revenues from sale and maintenance of software products, software consultancy services, custom software development, information technology infrastructure services provided predominantly to market participants in the securities and commodity markets and "ITES - Assessment Services" includes sale and maintenance of ITES-Assessment Services software products, online education and examination services and other incidental services as its primary segments. This takes into consideration the commonality in the risks and rewards of the products/ solutions and related services offered nature of services, type / class of customers for the products / services, management structure and system of financial reporting. Accordingly, the results of the said segments have been disclosed hereunder.

The above business segments have been identified considering :
a) the nature of products and services
b) the differing risks
c) the internal organisation and management structure, and
d) the internal financial reporting systems.

The segment information presented is in accordance with the accounting policies adopted for preparing the consolidated financial statements of the Company. Segment revenues, expenses and results include inter-segment transfers. Such transfers are undertaken either at competitive market prices charged to unaffiliated customers for similar goods or at contracted rates. These transfers are eliminated on consolidation.

b Segment Revenue :

Segment revenue is measured in the same way as in the statement of profit or loss. Revenue and expenses which relate to the enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as Unallocable.Transactions between segments are eliminated on consolidation. The CODM primarily uses a measure of profit before tax to assess the performance of the operating segments.

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(Rs in Lakhs)

Particulars	2021-22	2020-21
Segment Revenue		
End to End Solution	46,343.27	27,768.05
ITES - Assessment Services	19,980.63	12,010.94
	66,323.90	**39,778.99**
Inter-segment revenue		
End to End Solution	-	-
ITES - Assessment Services	-	-
	-	-
Revenue from external customers		
End to End Solution	46,343.27	27,768.05
ITES - Assessment Services	19,980.63	12,010.94
Total	**66,323.90**	**39,778.99**
Segment Results		
End to End Solution	4,431.26	4,520.76
ITES - Assessment Services	149.50	1,691.93
Total	**4,580.77**	**6,212.69**
Less: Unallocable Expenses (Net of income)	3,385.03	1,711.50
Less : Finance cost	1,125.93	976.81
Add: Interest income	337.31	377.71
Profit before Tax	**407.11**	**3,902.09**
Exceptional item	547.03	-
Profit before tax	**954.15**	**3,902.09**
Less : Income Tax expense		
- Current tax	1,408.96	1,136.01
- Foreign tax	106.38	103.67
- Short / Excess Tax for earlier years	7.74	14.82
- Deferred tax	(1,218.64)	42.10
Total Tax Expenses	**304.44**	**1,296.60**
Net profit after tax	**649.71**	**2,605.49**

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c **Revenue From External Customers based on geographies**

The Parent company is domiciled in India. The amount of Company revenue from external customers broken down by location of customers.

Particulars	31.03.2022	31.03.2021
India	51,545.50	31,364.55
Outside India	14,778.40	8,414.44
Total	**66,323.90**	**39,778.99**

d **Segment Assets**

Segment assets are measured in the same way as in the balance sheet. These assets are allocated based on the operations of the segment.

Segments	31.03.2022	31.03.2021
End to End Solution	18,079.83	18,863.14
ITES - Assessment Services	12,896.28	7,534.18
Total Segment Assets	**30,976.10**	**26,397.32**
Unallocable Assets	24,762.50	13,461.78
Total Assets	**55,738.60**	**39,859.10**

There are no non current assets situated outside the domicile of India.

e **Segment Liabilities**

Segment Liablities are measured in the same way as in the financial statements. These Liabilites are allocated based on the operations of the segment.

Segments	31.03.2022	31.03.2021
End to End Solution	31,254.68	14,653.60
ITES - Assessment Services	7,920.15	3,697.10
Total Segment Liabilities	**39,174.83**	**18,350.70**
Unallocable Liabilities	6,228.80	2,955.60
Total Liabilities	**45,403.63**	**21,306.30**

f **Segment Capital Expenditure**

Segments	31.03.2022	31.03.2021
End to End Solution	505.45	402.83
ITES - Assessment Services	699.30	1,192.66
Total Segment Capital Expenditure	**1,204.76**	**1,595.49**
Add: Unallocable Capital Expenditure	100.61	256.91
Total Capital Expenditure	**1,305.36**	**1,852.40**

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g Segment Depreciation / Amortisation

Segments	31.03.2022	31.03.2021
End to End Solution	511.47	249.18
ITES - Assessment Services	1,005.70	1,074.94
Total Segment Depreciation / Amortisation	**1,517.17**	**1,324.12**
Add: Unallocable Depreciation / Amortisation	847.69	808.28
Total Depreciation / Amortisation	**2,364.86**	**2,132.40**

Information about major customers:
The Company's significant revenue of 22.01% (previous year 22.35%) is derived from a group of entities under common control, the total Operating Revenue from such entities amounted to Rs. 14,597.13 lakhs in FY 2021-22 (End to End Solutions Rs. 14,009.44 lakhs and ITES-Assessment Service Rs 587.69 lakhs) and Rs. 9,835.25 lakhs in FY 2020-21 (End to End Solutions Rs. 9,413.55 lakhs and ITES-Assessment Service Rs 421.70 lakhs). No other single customer contributed 10% or more to the Company's revenue for FY 2021-22 and FY 2020-21.

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Notes to the Consolidated financial statements

40 Unquoted Mutual funds at FVPL

(Rs in Lakhs)

Mutual Funds	No.of Units	Mkt as at 31.03.2022	No.of Units	Mkt as at 31.03.2021
ICICI Prudential Money Market Fund - Dir- Growth	-	-	60,957.22	179.99
Invesco India Money Market Fund-Direct -Growth	-	-	3,523.07	85.00
HDFC Low Duration fund-Dir-Growth	11,62,196.09	578.64	11,62,196.09	552.91
ICICI Prudential Savings Fund - Dir - Growth	1,31,297.42	574.71	1,31,297.42	551.04
SBI Savings Fund - Dir - Growth	10,71,915.53	381.19	10,71,915.53	366.55
HDFC Money Market Fund - Dir - Growth	-	-	12,015.53	537.57
Total of Investments		**1,534.53**		**2,273.06**
Aggregate Book value - Quoted Investments		-		-
Aggregate Book Value - Unquoted Investments		1,534.53		2,273.06
Aggregate Market Value of Quoted Investments		-		-

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41 (a) Fair Value Measurements

Financial Instruments by category

(Rs in Lakhs)

	31-Mar-22			31-Mar-21		
Particulars	**FVPL**	**FVOCI**	**Amortised Cost**	**FVPL**	**FVOCI**	**Amortised Cost**
Financial Assets						
Investments						
- Mutual Funds	1,534.53	-		2,273.06	-	-
Trade receivables	-	-	23,840.09	-	-	15,223.41
Cash and Cash equivalents	-	-	5,138.28	-	-	2,948.15
Bank balances other than Cash and Cash equivalents	-	-	3,940.90	-	-	3,867.93
Non-Current Bank Balances	-	-	2,098.34	-	-	2,064.95
Loans	-	-	101.62	-	-	33.20
Other Financial assets	-	-	686.93	-	-	695.27
Total	**1,534.53**	**-**	**35,806.16**	**2,273.06**	**-**	**24,832.91**
Financial Liabilities						
Borrowings	-	-	13,300.00	-	-	10,000.00
Trade Payables	-	-	14,090.42	-	-	4,148.84
Other financial liabilities	-	-	11,672.50	-	-	2,789.50
Total	**-**	**-**	**39,062.92**	**-**	**-**	**16,938.34**

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41 (b) Fair Value Measurements

a Fair value of the Company's financial assets that are measured at fair value on a recurring basis

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

(Rs in Lakhs)

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31-Mar-22	31-Mar-21		
Investment in mutual funds	1,534.53	2,273.06	Level 1	NAV declared by respective Asset Management Companies.

b **Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements except as per note a above approximate their fair values.

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42 FINANCIAL RISK MANAGEMENT

The Group's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Group's senior management has the overall responsibility for the establishment and oversight of the Group's risk management framework

The Group has developed a Risk Management Policy in accordance with the provisions of the Companies Act, 2013. It establishes various levels of accountability and overview within the Group, while vesting identified managers with responsibility for each significant risk. Risk Management policy has been formulated with an aim to (a) Overseeing the Group's risk management process and controls, risk tolerance (b) Setting strategic plans and objectives for risk management and review of risk assessment of the Group (c) Review the Group's risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, product risk and reputational risk as well as the guidelines, policies and processes for monitoring and mitigating such risks.

Apart from this, the core business & operational risk is managed through cross functional involvement and communication across businesses and as part of the same, various functional heads submit a compliance certificate covering respective areas of operations to the Group Secretary or Managing Director and CEO who in turn submits a compliance certificate quarterly to the Audit Committee and the Board of Directors.

The Treasury department activities are designed to:

- protect the Group's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Group's financial investments, while maximising returns.

The Treasury department is responsible to maximise the return on companies internally generated funds.

A. MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions

The Group's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in mutual funds to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

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(Rs in Lakhs)

Particulars	Carrying amount	Less than 12 months	More than 12months	Total
As at 31st March 2022				
Borrowings - Non Current	13,300.00	-	13,300.00	13,300.00
Trade payables	14,090.42	14,090.42		14,090.42
Lease Liability	1,694.96	660.13	1,034.83	1,694.96
Other financial liabilities- Non Current	3,143.00		3,143.00	3,143.00
Other financial liabilities - Currennt	6,834.54	6,834.54	-	6,834.54
Borrowings - Current				
Total	**39,062.92**	**21,585.08**	**17,477.83**	**39,062.92**
As at 31st March 2021				
Borrowings - Non Current	10,000.00	-	10,000.00	10,000.00
Trade payables	4,148.84	4,148.84	-	4,148.84
Lease Liability	2,001.34	1,029.41	971.93	2,001.34
Other financial liabilities- Non Current	-	-	-	-
Other financial liabilities - Currennt	788.17	788.17	-	788.17
Borrowings - Current				
Total	**16,938.34**	**5,966.41**	**10,971.93**	**16,938.34**

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B MANAGEMENT OF MARKET RISK

The Group's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:
• price risk;

The Group's exposure to, and management of, these risks is explained below.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
1. PRICE RISK		
The Group is mainly exposed to the price risk due to its investment in mutual funds and investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. At 31st March 2022, the exposure to price risk due to investment in mutual funds amounted to Rs. 1534.53 Lakhs (March 31, 2021 : Rs 2273.06 lakhs)	In order to manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio in accordance with the investments limits set as par the Board resolution passed	As an estimation of the approximate impact of price risk, with respect to mutual funds and investments in equity instruments, the Group has calculated the impact as follows. For mutual funds, a 0.25% increase in prices would have led to approximately Rs 3.84 Lakhs (Rs.5.68 lakhs) gain in the Statement of Profit and Loss. A 0.25% decrease in prices. would have led to an equal but opposite effect.

C : MANAGEMENT OF CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations.

Concentrations of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse

Trade receivables

The Group provides for expected credit loss on trade receivables based on a provision matrix. This matrix is a simpified basis of recognition of expected credit losses in case of trade receivables.The model uses historical credit loss experience for trade receivables.

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Reconciliation of loss allowance provision for Trade Receivables

Particulars	**March 31, 2022**	**March 31, 2021**
Balance as at the beginning of the year	340.34	172.25
Add: Provision on trade receivables based on Expected credit loss model	1,388.15	168.09
Balance at end of the year	**1,728.49**	**340.34**

Particulars	**March 31, 2022**	**March 31, 2021**
Balance as at the beginning of the year	582.99	408.94
Add: Provision for Doubtful Debts	62.52	174.05
Balance at end of the year	**645.51**	**582.99**

Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks, securities, investments in mutual funds. The Group has diversified portfolio of investment with various number of counter-parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored

Derivative Instruments - Forward Contracts

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain payments in foreign currency. The use of foreign currency forward contracts is governed by the Group's strategy. The Group does not use forward contracts for speculative purposes. There were no outstanding Hedging Contracts as at March 31, 2022.

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Market risk - In respect of Aujas Cybersecurity Limited
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk
The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and loans are denominated and the functional currency of the Company. The functional currency of the Company is primarily INR. The currencies in which these transactions are primarily denominated are USD, AED, SAR, etc.

Management monitors the movement in foreign currency and the Company's exposure in each of the foreign currency. Based on the analyses and study of movement in foreign currency, the Company decides to exchange its foreign currency.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	Amounts are ₹ in lakhs	
Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Financial assets		
Trade receivables (USD)	29.77	20.35
Financial liabilities		
Trade payable (USD)	(6.56)	-29.62
Net exposure in respect of recognized assets and liabilities	**23.21**	**(9.27)**

The following significant exchange rates have been applied

	Year-end spot rate	
INR	**As at 31 March 2022**	**As at 31 March 2021**
USD 1	75.52	73.50

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Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, SAR, and SGD against INR at 31 March would have affected the measurement of

	Impact on profit after tax		Impact on other components of	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
USD sensitivity				
INR/USD - Increase by 1%	0.23	(0.09)	-	-
INR/USD - Decrease by 1%	(0.23)	0.09	-	-

E : Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(a) Liabilities

The Group fixed rate borrowing is not subject to interest rate risk as defined in Ind AS 107, Financial Instruments - Disclosures' since neither the carrying amount nor the future cash flows will fluctuate due to change in market interest ratess.

The Group variable rate borrowing is subject to interest rate risk. Below is the overall exposure of the borrowing:

	As at 31 March 2022	As at 31 March 2021
Variable rate borrowing	1,750.00	1,200.00

Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates.

	As at 31 March 2022	As at 31 March 2021
Interest rate - Increase by 100 basis points (100 bps)	17.50	12.00
Interest rate - Decrease by 100 basis points (100 bps)	(17.50)	(12.00)

(b) Assets

The Company's fixed deposits carry a fixed rate of interest and therefore, are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Capital management

The Group objective is to maintain a strong credit rating health capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The management reviews the capital structure regularly and balances the Group overall capital structure through issue of new shares. The overall strategy remains unchanged from the prior financial year and the Group is not subject to externally imposed capital requirements.

Gearing ratio

The Group monitors its capital using gearing ratio, which is net debt divided to total equity as given below:

	As at 31 March 2022	As at 31 March 2021
Borrowings	13,300.00	10,000.00
Less: Cash and cash equivalents	5,138.28	2,948.15
Net debt	**8,161.72**	**7,051.85**
Total equity	9,538.37	18,532.78
Gearing ratio	**0.86**	**0.38**

Total equity includes all capital and reserves of the Group that are managed as capital.

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43 (i) Acquisition of Aujas Cybersecurity Ltd. (Aujas), Subsidiary Company

On November 28, 2018, the Holding Company had entered into a Share Purchase and Shareholder's Agreement ("SPSHA") for acquisition of Aujas Cybersecurity Limited (formerly known as Aujas Networks Private Limited), ("Aujas") for a total consideration of Rs.9750 lakhs (Rs.9345.16 lakhs for acquisition of 100% equity shareholding and Rs.404.84 lakhs by way of rights issue). In terms of the said SPSHA, upto financial year 2019-20, the Holding Company acquired 96.84% of equity shareholding of Aujas for a consideration aggregating to Rs.8850.00 lakhs. During the financial year 2020-21,the Holding Company paid a sum of Rs. 458.62 Lakhs to the ex-promoters of Aujas for purchase of 65,36,106 equity shares of Aujas of Re 1 and invested a sum of Rs. 111.69 lakhs for 14,56,594 shares by way of subscription to the rights issue. Further during the current year,the Holding Company paid a sum of Rs. 147.50 Lakhs to the ex-promoters of Aujas for purchase of 19,23,520 equity shares of Aujas of Re 1 and invested a sum of Rs.139.61 lakhs for 18,20,743 shares by way of subscription to the rights issue, taking the total investment in Aujas to Rs. 9707.42 lakhs. As on March 31, 2022, the Holding Company holds 100% of equity shareholding of Aujas.

(ii) Acquisition of CXIO Technologies Private Limited (CXIO), Subsidiary Company

The Holding Company has entered into Share Purchase and Share Holders Agreement ("Agreement") with the Promoters and Shareholders of CXIO Technologies Private Limited ("CXIO") vide agreement dated June 28, 2021 to purchase 100% equity shares of CXIO in multiple tranches. In accordance with the terms of the said agreement, the Holding Company acquired a controlling stake viz. 60% of the total equity shares on July 08, 2021 for a consideration of Rs. 1,800 lakhs in first tranche. As per the terms of the said agreement, the Holding Company is entitled to purchase the balance 40% equity shares in subsequent tranches on variable consideration based on the financial performance of CXIO. The commitment to purchase the balance equity shares has been considered as a Forward Contract. The Holding Company has estimated Rs. 9,082 lakhs as forward liability for balance consideration and has accounted the same by debiting other equity and crediting forward contract liability by Rs 9,082 lakhs in its consolidated financial statement.

a The assets and liabilities recognised as a result of the acquisition are as follows:

(Rs in Lakhs)

Details of Assets and Liabilities of acquired	Fair Value of CXIO as on 31 March 22
Tangible and Intangible Fixed Assets	705.75
Financial Assets	1,376.37
Other Assets	420.67
Financial Liabilities	(1,106.55)
Other Liabilities & Provisions	(243.00)
Net Identifiable Assets acquired	**1,153.24**

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(Rs in Lakhs)

Calculation of Goodwill	March 31, 2022			March 31, 2021
	CXIO	AUJAS	TOTAL	AUJAS
Consideration	1,800.00			-
Non Controlling Interest acquired	461.30			-
Less :- Net Identifiable Assets acquired	(1,153.24)			-
Goodwill as at	**1,108.05**	**6,524.05**	**7,632.10**	**6,121.51**
Reversal on reduction in Shareholding of Non-controling parties	-	(1.39)	(1.39)	7.02
Adjustment towards equity investment and related share premium	-	(19.24)	(19.24)	(174.79)
Cost of Additional acquisition	-	147.50	147.50	570.31
Closing as at balance sheet date	**1,108.05**	**6,650.91**	**7,758.97**	**6,524.05**

b **Movement in Non Controling Interest**

(Rs in Lakhs)

Particulars	2021-22	2020-21
Opening as at balance sheet date	(20.02)	(72.25)
Share in losses and total equity	(335.90)	(3.84)
Pre acquisition profit	(461.30)	-
Reversal on reduction in Shareholding of Non-controling parties	20.62	56.07
Closing as at balance sheet date	**(796.60)**	**(20.02)**

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44 Derivative instruments and unhedged foreign currency exposure

The Subsidiary, namely Aujas Cybersecurity Limited is not using derivative instruments such as foreign exchange forward contracts to hedge its exposure to movements in foreign exchange and interest rates. The details of items that are denominated in foreign currency are as follows:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Amount in USD (Rs. in lakhs)	Amount (Rs. in lakhs)	Amount	Amount (Rs. in lakhs)
Trade receivables	29.77	2,247.89	20.35	1,495.73
Trade payables	(6.56)	(495.17)	(29.62)	(2,177.07)

45 INTERESTS IN OTHER ENTITIES

Subsidiaries

The Group's subsidiaries are set out below. Share capital consisting solely of equity shares that are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Ownership Interest	With effect from	Place of business / country of incorporation	Owership interest held by the Group		Principle Activity
			31-Mar-22	31-Mar-21	
NSEIT (US) Inc.	04-12-2006	United States of America	100	100	IT Services
Aujas Cybersecurity Limited	22-03-2019	India	100	99.29	IT Security Services
CXIO Technologies Private Limited	08-07-2021	India	60	-	IT Cloud services

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46 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net Assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company								
NSEIT Limited								
31-Mar-22	48.99	5,063.50	(187.61)	(1,218.91)	88.29	(67.28)	(224.27)	(1,286.20)
31-Mar-21	88.16	16,356.19	87.22	2,272.46	2,450.57	(88.66)	83.93	2,183.80
Indian Subsidiary								
Aujas Cybersecurity Ltd								
31-Mar-22	28.37	2,931.83	2.19	14.25	32.44	(24.72)	(1.83)	(10.47)
31-Mar-21	15.11	2,802.75	12.89	335.77	(1,907.21)	69.00	15.56	404.77
Indian Subsidiary								
CXIO Technologies Private Limited								
31-Mar-22	14.25	1,473.19	129.57	841.88	4.75	(3.62)	146.16	838.26
31-Mar-21	-	-	-	-	-	-	-	-
Foreign Subsidiary								
NSEIT (US) Inc.								
31-Mar-22	0.68	69.85	103.92	675.17	(27.37)	20.86	121.36	696.03
31-Mar-21	(3.38)	(626.17)	(0.23)	(6.11)	(429.81)	15.55	0.36	9.44
Non-Controlling Interest in all subsidiaries								
31-Mar-22	7.71	796.60	51.92	337.35	1.90	(1.45)	58.57	335.90
31-Mar-21	0.11	20.02	(2.08)	3.35	(0.85)	0.49	(2.18)	3.85
Total								
31-Mar-22	**100.00**	**10,334.97**	**100.00**	**649.72**	**100.00**	**(76.21)**	**100.00**	**573.51**
31-Mar-21	**100.00**	**18,552.80**	**100.00**	**2,605.47**	**100.00**	**(3.62)**	**100.00**	**2,601.86**

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58 Additional regulatory information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The group does not have borrowings from banks and financial institutions on the basis of security of current assets.

(iii) Wilful defaulter

None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The group has complied with the number of layers prescribed under the Companies Act, 2013.

(vii) Utilisation of borrowed funds and share premium

The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

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(x) Valuation of PP&E, intangible asset and investment property

The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

59 Previous years figures have been regrouped, rearranged and reclassified wherever necessary to confirm to the current year / period classifications.

As per our report of even date attached

For Khandelwal Jain & Co.
Chartered Accountants
(Reg No : 105049W)

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

NARENDRA JAIN
Partner
Membership No.048725

Place : Mumbai
Date : 30 April 2022

For and on behalf of the Board of Directors

R Chandrasekaran
Chairman
DIN: 00580842

ANANTHARAMAN SREENIVASAN
Managing Director & CEO
DIN: 09262583

Dr. Gulshan Rai
Director
DIN: 01594321

M. N. HARIHARAN
Chief Financial Officer

Vaibhav

VAIBHHAV KULKARNI
Company Secretary

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