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NSEIT LIMITED
Standalone
Financial Statement
For F.Y.2021-22

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KHANDELWAL JAIN & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Members of NSEIT Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **NSEIT Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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

The 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 & Analysis and Board's Report including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon.

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

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In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive loss, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability 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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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.

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- 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 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 Company's ability 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 standalone 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 Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure 'A'**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 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 Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its standalone financial statements - Refer Note 43 to the standalone financial statements.

ii. The Company 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 43 to the standalone financial statements.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022 - Refer Note 50 to the standalone financial statements.

iv. a) The 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 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;

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b) The 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 Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the 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.

v. As stated in Note 8 to the standalone financial statements

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

b) The Board of Directors of the 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.

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number:105049W

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

Narendra Jain
Partner
Membership Number: 048725
UDIN: 22048725AIGZZB9102

Place: Mumbai
Date: April 30, 2022

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Annexure A to Independent Auditors' Report

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

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment and right-of-use assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and we have been informed that no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable property and accordingly the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company is in the business of providing software and IT enabled services and does not have any physical inventories. Accordingly, reporting under clause 3(ii) of the Order is not applicable to the Company.

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(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. The Company has made investments in subsidiary companies and granted unsecured loans to subsidiary company during the year, in respect of which:

a) The Company has provided loans to a subsidiary company during the year. The aggregate amount granted during the year is Rs. 550 lakhs to a subsidiary and balance outstanding at the balance sheet date in respect of such loans to a subsidiary is Rs. 1750 lakhs.

b) Based on the information and explanations and in our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f) The Company has granted loans which are repayable on demand to subsidiary company. The required details are as under:

Rs. in lakhs

Particulars	Promoters	Directors	KMP	Subsidiary	Other Related Parties under section 2(76) of the Act
Aggregate amount of loans	NIL	NIL	NIL	1,750.00	NIL
Repayable on demand (A)	NIL	NIL	NIL	1,750.00	NIL
Agreement does not specify any terms or period of repayment (B)	NIL	NIL	NIL	NIL	NIL
Total (A+B)	**NIL**	**NIL**	**NIL**	**1,750.00**	**NIL**
Percentage of loans to the total loans	NIL	NIL	NIL	100.00%	NIL

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iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. In our opinion and according to the information and explanation not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

vii (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, service tax, goods and service tax (GST), duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities. According to the records of the Company, there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service-tax, GST, duty of custom, duty of excise, value added tax, cess and other statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, except the following:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax-Demand u/s 143(1)(a)	Rs. 12.24 Lakhs	FY 2015-16	Assessing Officer
Income Tax Act, 1961	Income Tax-Demand u/s 143(1)(B)	Rs. 1.05 Lakhs	FY 2018-19	Company is in process of filing rectification before Assessing Officer
GST Act	Maharashtra Goods & Services Tax Act, 2017	Rs. 71.55 Lakhs	From 01.07.2017 to 31.03.2018	Jt. Commissioner of State Tax (Appeal) VI, Mumbai
GST Act	Bihar Goods & Services Tax Act, 2017	Rs. 24.63 Lakhs	From 01.04.2019 to 30.06.2019	As informed, Appeal filing is under process

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viii. According to the information and explanation given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The company has not defaulted in repayment of loan or in the payment of interest thereon to its Holding Company.

(b) According to the information and explanation given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and hence, reporting on clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary and hence, reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) We hereby confirm that to the best of our knowledge and belief, there are no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

(b) As per information and explanation given to us, there is only one core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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xx. (a) According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) According to the information and explanations given to us, there is no amount remaining unspent under sub-section (5) of section 135 of the Companies act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number: 105049W

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

Narendra Jain
Partner
Membership Number: 048725
UDIN: 22048725AIGZZB9102

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 B to Independent Auditors' Report

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

1. We have audited the internal financial controls over financial reporting of **NSEIT Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number: 105049W

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

Narendra Jain
Partner
Membership Number: 048725
UDIN: 22048725AIGZZB9102

Place: Mumbai
Date: April 30, 2022

NSEIT Limited

CIN : U72200MH1999PLC122456

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	273.04	549.66
b	Capital work-in-progress	2.1	-	-
c	Intangible assets under development	2.2	99.62	46.91
d	Right of use asset	2.3	1,246.26	1,371.85
e	Other Intangible assets	2	961.98	884.74
f	Financial assets			
i	Investments	3	12,041.11	9,954.00
ii	Other financials assets			
	- Non-current bank balances	4	2,098.34	2,057.95
	- Loans	4	-	1,901.93
	- Others	4	5.21	3.26
g	Deferred tax assets (net)	14	1,060.88	419.83
h	Income tax assets (net)	15	2,766.62	912.87
i	Other assets	5	136.24	117.01
	Total Non-current assets		**20,689.30**	**18,220.01**
2	**Current assets**			
a	Inventories		-	-
b	Financial assets			
i	Investments	3	1,534.53	2,188.06
ii	Trade receivable	6	14,215.40	9,998.86
iii	Cash and cash equivalents	7a	4,583.98	2,346.63
iv	Bank balances other than (iii) above	7b	3,198.98	3,684.94
v	Loans	4a	1,750.00	-
vi	Other financial assets	4	518.42	588.03
c	Other assets	5	911.54	561.76
	Total Current assets		**26,712.85**	**19,368.28**
	TOTAL ASSETS		**47,402.15**	**37,588.29**

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

NSEIT Limited MUMBAI

(Rs in Lakhs)

	Particulars	Notes	As at 31.03.2022	As at 31.03.2021
	EQUITY AND LIABILITIES			
(A)	**EQUITY**			
a	Equity share capital	8	1,000.00	1,000.00
b	Other equity	9	17,718.87	18,819.18
	Total Equity		**18,718.87**	**19,819.18**
(B)	**LIABILITIES**			
1	**Non-current liabilities**			
a	Financial liabilities			
i	Borrowings	10	13,300.00	10,000.00
ii	Lease liabilities	12 ii	722.69	527.49
b	Provisions	13	189.24	263.37
c	Deferred tax liabilities (net)	14	-	-
d	Other Financial liabilities	16	-	-
	Total Non-current liabilities		**14,211.93**	**10,790.86**
2	**Current liabilities**			
a	Financial liabilities			
i	Trade payables	11		
	- Total Outstanding dues of micro enterprises and small enterprises		151.80	19.34
	- Total Outstanding dues of creditors other than micro enterprises and small enterprises		8,547.09	2,472.38
ii	Other financial liabilities	12 i	833.47	703.75
iii	Lease liabilities	12 ii	544.68	917.12
b	Provisions	13	1,693.74	852.29
c	Income tax liabilities (net)	15	29.81	97.68
d	Other liabilities	16	2,670.76	1,915.69
	Total current liabilities		**14,471.35**	**6,978.25**
	TOTAL EQUITY AND LIABILITIES		**47,402.15**	**37,588.29**
	Summary of significant accounting policies	1		

Notes refer to above form an integral part of Balance Sheet

This is the 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)

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

NARENDRA JAIN
Partner
Membership No.048725
Place : Mumbai
Date : April 30, 2022

For and on behalf of 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

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

(Rs in Lakhs)

Particulars	Notes	For the year ended 31.03.2022	For the year ended 31.03.2021
Income			
Revenue from operations	17	39,668.78	25,537.09
Other income	18	849.81	1,698.80
Total Income		**40,518.59**	**27,235.88**
Expenses			
Employee benefits expense	19	14,522.71	9,990.39
Project related expense	21 i	14,004.84	7,731.13
Purchase of equipments & software licenses	21 ii	2,715.32	54.67
Finance cost	20	1,057.66	909.17
Depreciation and amortisation expense	2	1,944.56	1904.61
Other expenses	21 iii	7,104.84	3,291.19
Total Expenses		**41,349.93**	**23,881.16**
Profit before exceptional items and tax		**(831.34)**	**3,354.73**
Exceptional item		-	-
Profit before tax		**(831.34)**	**3,354.73**
Less : Income tax expense	14		
- Current tax		668.15	1,022.00
- Short / (excess) tax for earlier years		-	14.82
- Deferred tax		(617.92)	42.10
Total tax expenses		**50.23**	**1,078.92**
Profit after tax (A)		**(881.57)**	**2,275.81**
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(91.85)	(117.82)
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		23.12	29.65
Total Other Comprehensive Income, net of tax (B)		**(68.73)**	**(88.17)**
Total Comprehensive Income (A+B)		**(950.30)**	**2,187.64**
Earnings per equity share (FV ₹ 10 each)			
- Basic (₹)	22	**(8.82)**	**22.76**
- Diluted (₹)		**(8.82)**	**22.76**
Summary of significant accounting policies	1		

Notes refer to above form an integral part of the Statement of Profit & Loss
This is the Statement of Profit & Loss referred to in our report of even date

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

NARENDRA JAIN
Partner
Membership No.048725
Place : Mumbai
Date : April 30, 2022

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

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

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

(Rs in Lakhs)

(A) Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
1,000.00	-	1,000.00

(B) Other Equity

Particulars	General reserve	Retained Earnings	Total
Balance at the beginning of the reporting period	**5,436.06**	**13,383.12**	**18,819.18**
Profit for the year	-	(881.57)	(881.57)
Other Comprehensive Income for the year		(68.73)	(68.73)
Dividends		(150.00)	(150.00)
Total Other Equity	**5,436.06**	**12,282.81**	**17,718.87**

STATEMENT OF CHANGES IN EQUITY MARCH 31, 2021

(A) Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
1,000.00	-	1,000.00

(B) Other Equity

Particulars	General reserve	Retained Earnings	Total
Balance at the beginning of the reporting period	**5,436.06**	**11,295.47**	**16,731.53**
Profit for the year		2,275.81	2,275.81
Other Comprehensive Income for the year		(88.17)	(88.17)
Dividends		(100.00)	(100.00)
Total Other Equity	**5,436.06**	**13,383.12**	**18,819.18**

This is the 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 : April 30, 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
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

(Rs in Lakhs)

		Year ended March 31, 2022	Year ended March 31, 2021
A)	**CASHFLOW FROM OPERATING ACTIVITIES**		
	PROFIT BEFORE TAX	(831.34)	3,354.73
	Add : Adjustments for :		
	- Depreciation and amortisation expense	1,944.56	1,904.61
	- Provision for Doubtful Debts	1,393.88	257.01
	- Interest on Lease	115.43	156.24
	Less : Adjustments for :		
	- Interest income on Bank deposits	(309.96)	(299.69)
	- Interest income on Others	(106.42)	(137.64)
	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	(64.03)	(137.52)
	- Net Loss on disposal of property,plant and equipment	0.06	4.68
	- Dividend and other cost for issue of peference shares	807.34	715.91
	- Interest on Working Capital	49.42	-
	- Extinguishment of lease liabilities due rent concession	(20.81)	(62.82)
	- Reversal of lease liabilities on account of closer of certain lease	(0.98)	(11.76)
	- Excess provision written back	(307.29)	(898.83)
	Change in Operating Assets and Liabilities		
	- Trade Receivable and Unbilled Receivable	(5,610.42)	(4,384.74)
	- Trade Payable and Provisions	7,189.93	502.65
	- Other Financial & Non-Financial Assets	(275.37)	310.83
	- Other Financial & Non-Financial Liabilities	748.39	1,116.05
	CASH GENERATED / (USED) FROM OPERATIONS	**4,708.90**	**2,284.44**
	- Income Taxes paid (Net of Refunds)	(2,589.78)	(1,190.79)
	NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)	**2,119.12**	**1,093.65**
B)	**CASHFLOW FROM INVESTING ACTIVITIES**		
	- Payment for Property Plant, Equipment	(646.85)	(716.64)
	- Interest received	428.84	577.04
	- Payment from fixed deposits / Bank Balances other than cash & cash equivalents (Net)	445.57	(2,579.91)
	- Payment for investment	-	(1,992.51)
	- Sale Proceeds from investment	731.03	5,369.20
	- Investment in Subsidairies	(2,087.11)	(941.88)
	- Loan given to Subsidairies (net)	151.93	259.56
	NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)	**(976.60)**	**(25.14)**

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

NSEIT Limited MUMBAI

	Year ended March 31, 2022	Year ended March 31, 2021
C) CASHFLOW FROM FINANCING ACTIVITIES		
- Dividend paid on Equity Shares	(150.00)	(100.00)
- Dividend paid on Preference Shares	(700.00)	(700.00)
- Payments towards lease obligation	(1,307.67)	(1,242.87)
- Proceeds from issue of Preference Shares	1,800.00	-
- Loan from Holding Company	1,500.00	-
- Stamp Duty on Investment in subsidairy company	(47.50)	
NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)	**1,094.83**	**(2,042.87)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**2,237.35**	**(974.36)**
CASH AND CASH EQUIVALENTS : OPENING BALANCE	2,346.63	3,320.99
CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE	4,583.98	2,346.63
TOTAL CASH AND CASH EQUIVALENTS AS PER BALANCE SHEET	**2,237.35**	**(974.36)**
- Add: Unrealised exchange (gain)/loss on cash and cash equivalents	-	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	**2,237.35**	**(974.36)**
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	4,583.98	2,346.63
- Bank overdrafts	-	-
Balance as per statement of cash flows	**4,583.98**	**2,346.63**

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

For and on behalf of 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

Place : Mumbai
Date : April 30, 2022

NSEIT Limited MUMBAI

1 Summary of significant accounting policies :

a) Company Overview

The NSEIT Limited ("the Company") 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 Company 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, Integrated Security Response Center, Analytics as a Service and IT Enabled Services (e-Assessments and e-Auctions) for BFSI segment.

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

b) Basis of preparation of Financial Statements

These 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 another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

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

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

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

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

c) 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.

d) Investments and other financial assets

(i) Classification

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

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

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

NSEIT Limited MUMBAI

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 Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.
Debt instruments :-
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company 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) :-

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.
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 (m) 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 company accounts for acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received.

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

NSEIT Limited MUMBAI

(iii) Impairment of financial assets :-

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.
For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 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 Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

(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 Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

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

e) **Financial liabilities**

(i) Classification as debt or equity

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

(ii) Initial recognition and measurement

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

(iii) Subsequent measurement

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

(iv) Derecognition

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

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

NSEIT Limited MUMBAI

f) **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, Company amortises transaction costs over the expected life of the financial instrument.

g) **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

h) **Leases**

As a lessee

The Company'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 Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company 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 Company recognizes the lease payments as an operating expenses on a straight line basis over the term of the lease.

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 Company 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.

i) **Revenue Recognition**

The Company 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 Company 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 Company 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 company 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.

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANT

NSEIT Limited MUMBAI

(vi) The solutions offered by the Company 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 Company is acting as the principal or as an agent of the customer. The Company 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.

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

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

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company 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.

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 Company 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 Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company 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 Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company 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 Company 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

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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.

j) **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 Company 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 Company and the cost of the item can be measured reliably.
All other repair and maintenance costs are recognized in Income statement as incurred.

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

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.

l) **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 Company which have expected longer life are capitalised and depreciated over a period of 3 years on Straight Line Method.

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 Company 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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m) **Impairment of tangible and intangible assets excluding goodwill**

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

n) **Inventory :**

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

o) **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 Company are segregated.

p) **Foreign currency transactions and translation**

Functional and presentation currency

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

Effective April 1, 2018 the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

q) **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 company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

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iii **Post-employment obligations**

The Company operates the following post-employment schemes:
(a) Defined benefit plans such as gratuity, and
(b) Defined contribution plans such as provident fund and superannuation

iv **Gratuity obligations**

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

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

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

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r) **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.

s) **Contributed equity**

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

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

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are 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.

u) **Trade and other payables**

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

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

The Company 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
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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 Company has identified twelve months as its operating cycle.

w) **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 Company's Board of Directors.

x) **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.

y) **Offsetting financial instruments**

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

z) **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 company
• by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.
(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
• the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
• the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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aa) **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 14(D)]
Estimation of defined benefit obligation (Note 23)
Estimation of contingent liabilities and commitments (Note 25 & 26)
Impairment of Assets (Note 1 (m))
Recoverability of Trade Receivables [Note 37 (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 Company and that are believed to be reasonable under the circumstances.

ab) **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.

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.

ac) **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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2: 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	Deductions	As on 31-Mar-22	As on 1-Apr-21	For the year	Deductions	As on 31-Mar-22	As on 31-Mar-22	As on 1-Apr-21
A	**Tangible Assets**										
1	Computer Hardware and Servers & Networks	2,174.22	38.93	57.54	2,155.61	1,870.81	190.17	57.53	2,003.45	152.15	303.40
2	Office Equipment	743.54	42.25	29.75	756.05	581.36	87.05	29.70	638.71	117.34	162.18
3	Furniture & Fixtures	291.54	11.72	23.07	280.19	276.53	23.18	23.07	276.64	3.55	15.00
4	Building - Civil Work	208.99			208.99	139.92	69.07		208.99	0.00	69.07
		3,418.29	**92.90**	**110.36**	**3,400.83**	**2,868.63**	**369.46**	**110.30**	**3,127.79**	**273.04**	**549.66**
B	**Intangible Assets**										
1	Computer Software *	2,194.29	489.97		2,684.26	1,309.55	412.73		1,722.28	961.98	884.74
2	Software copyrights	259.06			259.06	259.06			259.06	0.00	0.00
		2,453.35	**489.97**	**-**	**2,943.32**	**1,568.61**	**412.73**	**-**	**1,981.34**	**961.98**	**884.74**
	GRAND TOTAL	**5,871.64**	**582.87**	**110.36**	**6,344.15**	**4,437.24**	**782.19**	**110.30**	**5,109.12**	**1,235.02**	**1,434.40**
	PREVIOUS YEAR	**5,000.90**	**891.82**	**21.08**	**5,871.64**	**3,715.66**	**737.95**	**16.37**	**4,437.24**	**1,434.40**	
			1,494.99								

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	Deductions	As on 31-Mar-21	As on 1-Apr-20	For the year	Deductions	As on 31-Mar-21	As on 31-Mar-21	As on 1-Apr-20
A	**Tangible Assets**										
1	Computer Hardware and Servers & Networks	2,131.67	46.98	4.43	2,174.22	1,575.04	300.19	4.41	1,870.81	303.40	556.63
2	Office Equipment	631.64	117.31	5.40	743.54	527.15	59.61	5.40	581.36	162.18	104.49
3	Furniture & Fixtures	288.00	14.79	11.25	291.54	272.86	10.23	6.55	276.53	15.00	15.14
4	Building - Civil Work	105.53	103.46	-	208.99	105.53	34.39	-	139.92	69.07	0.00
		3,156.83	**282.54**	**21.08**	**3,418.29**	**2,480.58**	**404.42**	**16.37**	**2,868.63**	**549.66**	**676.25**
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	**5,000.90**	**891.82**	**21.08**	**5,871.64**	**3,715.66**	**737.95**	**16.37**	**4,437.24**	**1,434.40**	**1,285.24**
	PREVIOUS YEAR	**4,306.60**	**785.69**	**91.39**	**5,000.90**	**3,252.16**	**554.87**	**91.37**	**3,715.66**	**1,285.24**	

* 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. 603.17 Lakhs (Previous Year Rs. 490.71 Lakhs). The estimated useful life of these software is 3 years and are amortised over the said period.

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2.1 Capital Work In Progress

Particulars	31-Mar-22	31-Mar-21
Opening Balance - Carrying amount	-	**102.25**
Additions	582.87	186.40
Disposals	-	-
Transfers	582.87	288.65
Closing Balance - Carrying amount	-	-

(a) **Ageing of CWIP March 31,2022**

Particulars	Amounts in capital work-in-progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Ageing of CWIP March 31,2021

Particulars	Amounts in capital work-in-progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

2.2 Intangible assets under development

-

Particulars	31-Mar-22	31-Mar-21
Opening Balance - Carrying amount	46.91	**118.51**
Additions	437.47	531.57
Written off	9.13	-
Transfers	375.63	603.17
Closing Balance - Carrying amount	**99.62**	**46.91**

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Ageing of IAUD March 31, 2022

Particulars	Amounts in capital IAUD for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	99.62				99.62
(ii) Projects temporarily suspended					-
Total	**99.62**	**-**	**-**	**-**	**99.62**

Ageing of IAUD March 31, 2021

Particulars	Amounts in capital IAUD for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	46.91				46.91
(ii) Projects temporarily suspended					-
Total	**46.91**	**-**	**-**	**-**	**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) is shown as Intangible Assets Under Development. This expenditure is towards various softwares under development which will enhance the existing business services as well as new product offerings in the market.

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2.3 : Right of use asset

Notes : Right of use asset

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

Particulars	As at 31 Mar 2022 Category of ROU asset			As at 31 Mar 2021 Category of ROU asset	
	Building	Computer	Total	Total	
Balance as at biginning	1,371.85	-	1,371.85	**1898.51**	**1898.51**
Reclassified on account of adoption of Ind AS 116	-		-	-	-
Additions	793.22	261.44	1,054.66	786.20	786.20
Deletion	(17.88)	-	(17.88)	(146.20)	(146.20)
Depreciation	(1,113.35)	(49.02)	(1,162.37)	(1,166.66)	(1,166.66)
Balance as at end	**1,033.84**	**212.42**	**1,246.26**	**1,371.85**	**1,371.85**

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 Mar 2022 Category of ROU asset	As at 31 Mar 2021 Category of ROU asset
Current lease liabilities	544.67	917.13
Non-current lease liabilitie	722.69	527.49
Total	**1,267.36**	**1,444.62**

The following is the movement in lease liabilities during the year ended 31 March 2021:

Particulars	As at 31 Mar 2022 Category of ROU asset	As at 31 Mar 2021 Category of ROU asset
Balance at the beginning	**1,444.61**	**1,965.82**
Additions	1,054.66	786.20
Finance cost accrued during the year	115.43	156.24
Deletions	(18.86)	(157.96)
Payment / accrual of lease liabilities	(1,307.67)	(1,242.87)
Extinguishment of lease liabilities (refer note 43)	(20.81)	(62.82)
Balance at the end	**1,267.36**	**1,444.61**

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

Particulars	As at 31 Mar 2022 Category of ROU asset	As at 31 Mar 2021 Category of ROU asset
Less than one year	643.57	1,147.91
One to five years	696.00	388.91
More than five years	97.68	-
Total	**1,437.25**	**1,536.82**

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 25.64 Lakhs for the year ended 31 March 2022 (Rs 42.85 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 March 2022	As at 31 March 2021
Less than one year	13.62	10.95

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3 Investments

		Non-current		Current	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
		(Rs in Lakhs)		(Rs in Lakhs)	
A	**Investments in subsidiaries**				
	Investment in Equity Instrument (fully paid up) Unquoted Equity Instrument (at cost)				
i	NSEIT(US) Inc. (refer Note 42) [1000000 Equity share of $ 1 each fully paid] Ownership interest 100% (previous year 100%)	533.69	533.69	-	-
ii	Aujas Cybersecurity Limited (Formerly known as Aujas Networks Limited /Aujas Networks Private Limited) (Refer Note 31)				
	[2010 (previous year 2010) Series A Equity shares of Rs. 1 each fully paid]	0.06	0.06	-	-
	[1000 (previous year 1000) Series B Equity shares of Rs. 1 each fully paid]	0.03	0.03	-	-
	[27,10,78,363 (previous year 26,73,34,100) Equity shares of Rs. 1 each fully paid] Ownership interest 100% (previous year 99.29%)	9,707.32	9,420.21	-	-
	"Series A Equity Shares" of face value of Rs 1/- carry differential voting rights which entitle the owner thereof to 57,732 votes for such equity share				
	"Series B Equity Shares" of face value of Rs 1/- carry differential voting rights which entitle the owner thereof to 77,121 votes for such equity share				
iii	CXIO Technologies Pvt. Ltd. [1,87,500 (previous year Nil) Equity shares of Rs. 10 each fully paid] (Refer Note 38)	1,800.00	-	-	-
B	**Unquoted Equity instrument** NSE Foundation * [1000 Equity share of Rs. 10 each fully paid]	0.00	0.00	-	-
C	**Investments in Mutual Funds** Unquoted Investment in Mutual funds at FVPL (Refer Note 33)	-	-	1,534.53	2,188.06
		12,041.11	**9,954.00**	**1,534.53**	**2,188.06**

* 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.

4 Other Financial Assets

		Non-current		Current	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
		(Rs in Lakhs)		(Rs in Lakhs)	
i	**Non-Current Bank Balances**				
	Fixed deposits with maturity for more than 12 months	65.38	31.43	-	-
	Earmarked fixed deposits with maturity for more than 12 months *	2,032.96	2,026.52	-	-
		2,098.34	**2,057.95**	**-**	**-**

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Financial Assets	Non-current		Current	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	(Rs in Lakhs)		(Rs in Lakhs)	
a **Loans to related parties (Subsidiaries)**				
(unsecured, considered good)				
NSEIT(US) Inc. (USD Nil) (previous year USD 9,55,000)	-	701.93	-	-
Aujas Cybersecurity Limited	-	1,200.00	1,750.00	-
Total	**-**	**1,901.93**	**1,750.00**	**-**

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

Loans repayable on demand

Type of borrower	Loan outstanding	% to Total Loans	Loan outstanding	% to Total Loans
	31.03.2022		31.03.2021	
Related parties (Subsidiary)				
NSEIT(US) Inc.	-	-	701.93	100%
Aujas Cybersecurity Limited	1,750.00	100%	1,200.00	100%
Total	**1,750.00**		**1,901.93**	

b **Other Financial assets**				
i **Loans**				
Security deposit (unsecured, considered good)	-	-	501.67	556.87
ii **Others**				
Interest accrued on Bank deposits	5.21	3.26	16.10	30.50
Other advances (unsecured, considered good)	-	-	0.66	0.66
	5.21	3.26	16.76	31.16
Total	**5.21**	**3.26**	**518.42**	**588.03**

5 **Other assets**	Non-current		Current	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	(Rs in Lakhs)		(Rs in Lakhs)	
Advance to Creditors (unsecured, considered good)	-	-	263.86	157.14
Provision for Doubtful Advances	-	-	(98.95)	-
	-	-	164.91	157.14
Advance to Staff for Expenses (unsecured, considered good)	-	-	92.24	88.57
Capital Advance	19.88	8.60	-	-
Prepaid expenses	48.18	61.85	632.11	301.49
Contract Fulfillment Costs	-	-	-	-
Deferred Transaction Cost	68.18	46.56	20.09	14.55
GST Paid Under Protest	-		2.18	
	136.24	**117.01**	**911.54**	**561.76**

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6 Trade receivables

Particulars	Current 31.03.2022 (Rs in Lakhs)	Current 31.03.2021 (Rs in Lakhs)
Trade Receivables billed	11,131.23	5,527.14
Trade Receivables billed - Related Parties	2,106.46	3,074.62
Trade Receivables unbilled	3,094.87	2,106.63
Trade Receivables unbilled-Related Parties	19.09	32.84
	16,351.65	10,741.23
Less : Loss Allowances	(2,136.26)	(742.37)
Total receivables	**14,215.40**	**9,998.86**
Breakup of security details		
Trade Receivables considered good -Secured	-	-
Trade Receivables considered good -Unsecured	14,215.40	9,998.86
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables credit impaired (Refer note 6.1)	2,136.26	742.37
Total	16,351.65	10,741.23
Loss allowances	(2,136.26)	(742.37)
Total Trade Receivables	**14,215.40**	**9,998.86**

6.1 This includes an amount of Rs. 612.97 Lakhs for Provision for Doubtful Debts (Previous year Rs. 583 Lakhs) and Rs. 1523.29 Lakhs for Provison for Expected Credit Loss (Previous Year Rs. 159.38 Lakhs).

Ageing of trade receivables : March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from the transaction date					Total
			Less tha 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3	
Undisputed trade receivables								
- considered good	2,753.88		10,166.51	239.06	796.56	34.92	1.48	13,992.42
- which have significant increase in credit risk	360.07							360.07
- 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	**3,113.96**	-	**10,448.97**	**304.50**	**1,923.83**	**133.95**	**426.44**	**16,351.65**
Provision for Doubtful Debts								(612.97)
ECL								(1,523.29)
Grand Total								**14,215.40**

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Ageing of trade receivables : March 31, 2021

Particulars	Unbilled	Not due	Outstanding for following periods from the transaction date					Total
			Less tha 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3	
Undisputed trade receivables								
- considered good	2,139.47		7,767.02	61.33	47.84	-	-	10,015.66
- which have significant increase in credit risk			-		-			-
- 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	**2,139.47**	**-**	**7,767.02**	**124.15**	182.14	**80.17**	**448.29**	**10,741.23**
Provision for Doubtful Debts								(583.00)
ECL								(159.38)
Grand Total								**9,998.86**

7 a **Cash and Cash equivalents**

	Non-current 31.03.2022	Non-current 31.03.2021	Current 31.03.2022	Current 31.03.2021
	(Rs in Lakhs)		(Rs in Lakhs)	
Balances with banks				
- In Current Accounts			1,891.68	284.77
- In Flexi Deposits			2,692.21	2,052.75
Fund in transit				9.10
Cash on hand			0.09	-
	-	-	4,583.98	2,346.63

b **Bank Balances other than Cash and cash equivalents**

	Non-current 31.03.2022	Non-current 31.03.2021	Current 31.03.2022	Current 31.03.2021
Fixed deposits				
- with original maturity for more than 3 months but less than 12 months				-
- with original maturity for more than 12 months			-	-
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			3,198.98	3,684.94
	-	-	3,198.98	3,684.94
Total	-	-	**7,782.96**	**6,031.57**

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

8 A **Equity Share Capital**

	31.03.2022	31.03.2021
	(Rs in Lakhs)	
Authorised		
15,000,000 (Previous Year 15,000,000) Equity Shares of Rs 10 each.	**1,500.00**	**1,500.00**
Issued, Subscribed and Paid-up		
10,000,010 (Previous year 10,000,010) 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 April 30,2022, have proposed a final dividend of Re. 1.00 per equity share 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 Lakhs.

The Board of Directors, in their meeting on April 21,2021, proposed a final dividend of Rs 1.50 per equity share which has been approved by the shareholders at the Annual General Meeting held on July 27, 2021. The total dividend paid during the year ended March 31, 2022 amounts to Rs.150 Lakhs.

Details of shareholders holding more than 5% equity shares in the Company

Particulars	31.03.2022		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 promoters' shareholding:

Name of the promoter	Number of share:	% of total number of shares	% of change during the year	Number of shares	% of total number of shares	% of change during the year
		31.03.2022			31.03.2021	
NSE Investments Limited (Holding Company)	1,00,00,010	100%	NIL	1,00,00,010	100%	NIL

	31.03.2022	31.03.2021
B Preference Share Capital	(Rs in Lakhs)	
i) **7% Seven Years, Cumulative Redeemable Preference Shares**		
Authorised, Issued, Subscribed and Paid-up Preference capital 10,000,000 (March 31, 2021: 10,000,000) 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

Particulars	31.03.2022		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 promoters' shareholding:

Name of the promoter	Number of shares	% of total number of shares	% of change during the year	Number of shares	% of total number of shares	% of change during the year
		31.03.2022			31.03.2021	
NSE Investments Limited (Holding Company)	1,00,00,010	100%	NIL	1,00,00,010	100%	NIL

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

	31.03.2022	31.03.2021
	(Rs in Lakhs)	
Authorised Preference capital		
50,00,000 (March 31, 2021: NIL) 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

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

Details of promoters' shareholding:

Name of the promoter	Number of shares	% of total number of shares	% of change during the year	% of total number of shares	% of change during the year	% of change during the year
		31.03.2022			31.03.2021	
NSE Investments Limited (Holding Company)	18,00,000	100%	NIL	-	-	-

9 **Other Equity**

	31.03.2022	31.03.2021
	(Rs in Lakhs)	
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	13,383.12	11,295.47
Add : Profit / (Loss) for the year	(881.57)	2,275.81
Add : Other Comprehensive Income	(68.73)	(88.17)
Less : Equity Dividend Paid	150.00	100.00
	12,282.81	**13,383.12**
Total Other Equity	**17,718.87**	**18,819.18**

10 **Borrowings**

Unsecured

	31.03.2022	31.03.2021
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.

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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.

	31.03.2022	31.03.2021
	(Rs in Lakhs)	
ii **Series 'A' 7% Seven Years, Cumulative optionally convertible, redeemable preference shares (COCRPS)** 18,00,000 (Previous year Nil) Preference shares of Rs.100 each fully paid up	1,800.00	-
iii **Loan from NSE Investments**	1,500.00	-
	13,300.00	**10,000.00**

ii **Series 'A' 7% Seven Years, Cumulative optionally convertible, redeemable preference shares (COCRPS)**
18,00,000 (Previous year Nil) Preference shares of Rs.100 each fully paid up

Terms and conditions for issue of Preference shares

Rate of Dividend : Dividend rate will be 7% pa (on 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 Sec. 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.

iii **Loan from NSE Investments**

Unsecured working capital demand loan repayable on or before 31st March 2023, at interest rate calculated on the basis of twelve months Annual MCLR rate published by SBI plus 0.5%, payable on the 15th day of the subsequent month from the end of the financial year.

11 **Trade Payables**

	Non-current		Current	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	(Rs in Lakhs)		(Rs in Lakhs)	
Trade payables	-	-	8,427.77	2,295.34
Trade payables to MSME (Refer note 28)	-	-	151.80	19.34
Trade payables to related Party (refer note 25)	-	-	119.32	177.04
	-	-	**8,698.89**	**2,491.72**

Aging of trade payables : March 31,2022

Particulars	Provisions	Not due	Outstanding for following periods form the due date: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables							-
-Micro enterpirses and small enterprises			151.80	-	-	-	151.80
-Others	4,177.36		4,215.23	16.34	12.81	125.35	8,547.09
Disputed trade payables							
-Micro enterpirses and small enterprises							
-Others							
Total	**4,177.36**	-	**4,367.03**	**16.34**	12.81	**125.35**	**8,698.89**

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Aging of trade payables : March 31,2021

Particulars	Provisions	Not due	Outstanding for following periods form the due date: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables							
-Micro enterpirses and small enterprises			19.34	-	-		19.34
-Others	1,650.37		675.44	21.83	124.75		2,472.38
Disputed trade payables							
-Micro enterpirses and small enterprises							
-Others							
Total	**1,650.37**	-	**694.79**	**21.83**	**124.75**	-	**2,491.72**

	Non-current 31.03.2022	Non-current 31.03.2021	Current 31.03.2022	Current 31.03.2021
12 i **Other Financial Liabilities**	(Rs in Lakhs)		(Rs in Lakhs)	
Creditors for Capital Expenditure	-	-	2.00	3.75
Interest Payable on Loan from NSE Investment	-	-	44.48	-
Dividend payable on preference shares	-	-	786.99	700.00
	-	-	833.47	703.75
ii Lease Liablility	722.69	527.49	544.68	917.12
	722.69	**527.49**	**1,378.14**	**1,620.87**

13 **Provisions**	Non-current 31.03.2022	Non-current 31.03.2021	Current 31.03.2022	Current 31.03.2021
	(Rs in Lakhs)		(Rs in Lakhs)	
Employee benefits obligation				
Provision for Gratuity (Ref. Note 23)	-	-	217.34	103.77
Provision for Leave Encashment (Ref. Note 23)	88.68	197.99	256.08	75.26
Provision for variable pay and incentives	100.56	65.38	1,220.32	673.26
Total	**189.24**	**263.37**	**1,693.74**	**852.29**

14 **Income Taxes**

(A) The major components of income tax expense are as follows:

Profit or loss section

Particulars	31.03.2022	31.03.2021
	(Rs in Lakhs)	
Current taxes	668.15	1,022.00
Short / Excess Tax for earlier years	-	14.82
Deferred taxes movement of Asset	(617.92)	42.10
Deferred taxes movement of Liability	-	-
Income tax expense reported in the statement of profit or loss	50.23	1,078.92
OCI section		
Deferred tax related to items recognised in OCI during in the year:		
Re-measurement of the defined benefit liability / asset	23.12	29.65
Equity instruments through Other Comprehensive Income	-	-
Income tax charged to Other Comprehensive Income	23.12	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	(831.34)	3,354.73
Tax at the Indian Tax Rate of 25.168% (PY 25.168%)	25.168%	25.168%
Computed expected tax expenses	(209.23)	844.32
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Disallowance due to contribution to NSE Foundation and 80G benefit (net)	20.18	18.19
- Expenditure not allowable	41.42	16.22
- Dividend & other cost for issue of Preference shares	203.19	180.18
- Short / (excess) Tax for earlier years	-	14.82
- Other Impacts	(5.33)	5.18
Current Income Tax for the year	50.23	1,078.92

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

Particulars	31.03.2022	31.03.2021
	(Rs in Lakhs)	
Net current income tax asset/(liability) at the beginning	815.19	661.22
Income tax Paid / (Refund)	2,589.77	1,190.79
Current income tax expense	(668.15)	(1,022.00)
Short / Excess Tax for earlier years	-	(14.82)
Net current income tax asset/(liability) at the end	**2,736.81**	**815.19**

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

Particulars	31.03.2022	31.03.2021
	(Rs in Lakhs)	
Deferred income tax assets		
Impact of difference between depreciation /amortization charged for the financial reporting and tax depreciation	130.23	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 disallow u/s 43 B	409.60	164.90
Imapct of Provision for Doubtful Debts	537.66	186.84
Imapct of Provision for Doubtful Advances	24.90	-
Impact of Income Tax Loss	-	
Impact on account of Lease obligation	5.31	18.31
Total deferred income tax assets	**1,109.21**	**469.05**
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	**1,060.88**	**419.83**

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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**	**231.00**	**17.19**		45.13	488.14
Charged / (Credited)							
- to profit or loss	26.84	(0.51)	(140.88)	1.12			(48.75)
- to other comprehensive income	-	-				29.65	29.65
- to retained earning	-	-					
At 31st March 2021	**97.48**	**1.51**	**90.12**	**18.31**		74.78	469.05
Charged / (Credited)							
- to profit or loss	32.75	-	221.58	(13.00)			617.05
- to other comprehensive income		-				23.12	23.12
- to retained earning	-	-					
At 31st March 2022	**130.23**	**1.51**	**311.70**	**5.31**		97.90	1,109.21

(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	-	-	(0.89)	(0.89)
- to other comprehensive income	-	-		
- to retained earning	-	-		
At 31st March 2022	-	-	48.33	48.33

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15 **Income Tax Liabilities / Assets**

	Non-current		Current	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	(Rs in Lakhs)		(Rs in Lakhs)	
Income Tax Assets (net)	2,766.62	912.87	-	-
Income Tax Liabilities (net)	-	-	29.81	97.68
	2,766.62	**912.87**	**29.81**	**97.68**

16 **Other liabilities**

	Non-current		Current	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	(Rs in Lakhs)		(Rs in Lakhs)	
Statutory dues payable	-	-	1,304.77	1,013.03
Advance received from customers	-	-	944.24	705.37
Income received in advance	-	-	421.75	197.30
Total	-	-	**2,670.76**	**1,915.69**

17 **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	3,009.54	85.27
	3,010.74	98.89
Sale of Services :		
- Software Product Revenues	1,020.72	719.67
- Application Development & Maintenance Services	10,340.01	7,813.28
- Infrastructure Management Services	4,749.04	4,345.72
- ITES - Assessment Services	19,979.76	12,048.27
- Customer Care Services	568.50	511.26
	36,658.03	25,438.19
Total	**39,668.78**	**25,537.09**

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	32,553.58	19,676.39
Time & Materials	7,115.19	5,860.70
Total	**39,668.78**	**25,537.09**

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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 Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company 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. 1365.99 Lakhs (Pevious year Rs. 902.67 lakhs). The 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.

Revenue disaggregation by geography is as follows:

Geography	Year ended 31.03.2022	Year ended 31.03.2021
India	38,697.62	24,752.70
Singapore	84.81	65.29
Sweden	622.38	241.44
UK	-	-
Brunei Darussalam	116.34	179.71
Sydeny (Australia)	8.52	-
US	139.11	297.95
Total	**39,668.78**	**25,537.09**

Information about major customers:

The Company's significant revenue of 34.71% (previous year 35.11%) is derived from a group of entities under common control, the total Operating Revenue from such entities amounted to Rs. 13768.76 lakhs in FY 2021-22 (End to End Solutions Rs. 13177.63 lakhs and ITES-Assessment Service Rs 591.13 lakhs) and Rs. 8966.22 lakhs in FY 2020-21 (End to End Solutions Rs. 8537.67 lakhs and ITES-Assessment Service Rs 429.15 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:	**31.03.2022**	**31.03.2021**
Balance at the beginning of the year	**2,139.47**	**587.99**
Invoices raised during the year	(2,139.47)	(587.99)
Contract assets reversed for financial year 202-21	-	
Revenue recognised during the year	3,113.96	2,139.47
Balance at the end of the year	**3,113.96**	**2,139.47**

Changes in advance received from customer are as follows:	**31.03.2022**	**31.03.2021**
Balance at the beginning of the year	**(705.37)**	**(474.40)**
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	-	-
Advance adjusted against trade receivables	705.37	474.40
Advance received during the year	(944.24)	(705.37)
Balance at the end of the year	**(944.24)**	**(705.37)**

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18 Other income

	Year ended 31.03.2022	Year ended 31.03.2021
	(Rs in Lakhs)	
Interest Income		
- On Bank Deposits	309.96	299.69
- Interest Others	106.42	137.64
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	64.03	137.52
Gain on foreign currency transaction (net)	-	-
Excess provision written back (*)	307.29	898.83
Extinguishment of lease liabilities due rent concession (refer note 47)	20.81	62.82
Miscellaneous Income	27.82	57.03
Total	**849.81**	**1,698.80**

(*) Includes a sum of Rs. 0.25 Lakhs (PY 681.16 Lakhs), being amount of employee performance pay/ variable pay of earlier years no longer payable.

19 Employee benefits expenses

	Year ended 31.03.2022	Year ended 31.03.2021
	(Rs in Lakhs)	
Salaries and wages	13,599.19	9,456.34
Contribution to provident and other funds	523.18	399.74
Gratuity (Refer Note 23)	132.00	6.67
Contribution to Superannuation Scheme	-	0.30
Staff welfare expenses	155.36	59.97
Training Expenses	75.98	38.74
PF Administration charges	37.00	28.63
Total	**14,522.71**	**9,990.39**

20 Finance Cost

	Year ended 31.03.2022	Year ended 31.03.2021
	(Rs in Lakhs)	
Bank Charges	42.73	28.96
Interest on lease liability	115.43	156.24
Interest on Working Capital	49.42	-
Interest Expense (Others)	42.74	8.06
Dividend and other cost for issue of peference shares	807.34	715.91
	1,057.66	**909.17**

21 i Project related expense

Technical & Maintenance Charges	835.93	1,030.79
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	599.77
Content & Translator Fees	580.06	120.49

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	Subcontract Charges	472.16	341.31
	Project related security charges	424.83	229.79
	Bulk SMS Charges	75.97	76.62
	Other Project Expenses	3,224.19	1,585.92
		14,004.84	**7,731.13**
ii	Purchase of Equipments & Software Licenses	2,715.32	54.67
iii	**Other expenses**		
	Power and fuel	292.21	238.76
	Rent - Office Premises	39.04	32.89
	Insurance	254.61	177.51
	Repairs to machinery	93.45	76.52
	Rates and taxes, excluding taxes on income	38.55	22.90
	Travelling expenses	901.65	300.18
	Recruitment Charges	735.30	73.08
	Professional Fees	725.01	287.09
	Conveyance	451.29	223.63
	Telephone & Internet Expenses	236.58	217.93
	Security Services Charges	167.74	155.79
	Fees & Subscription	142.04	82.80
	Payment to Auditors (refer note below)	55.83	65.02
	Directors' Sitting Fees	50.75	69.75
	Office Expenses	359.21	267.72
	Printing & Stationary	64.43	61.15
	Pantry Expenses	77.62	30.93
	Repairs & Maintenance (Others)	71.87	72.60
	Direct Retainership Fees	352.02	301.33
	Hosting Charges	338.23	91.80
	Contribution to NSE Foundation towards CSR (Refer Note 41)	80.16	72.27
	Loss on foreign currency transaction (net)	14.06	32.89
	Provision for Doubtful Debts / Expected Credit Loss model	1,393.88	257.01
	Provision for Dobutful advances	98.95	-
	S/W Product development expenditure	9.13	-
	Miscellaneous expenses	61.21	79.64
	Total	**7,104.84**	**3,291.19**

Note :

Payment to Auditors		
As Auditors :		
Audit Fees	23.00	23.00
Limited Review	9.00	9.00
Tax Audit Fees	3.50	3.50
In Other Capacities		
Taxation matters	4.50	4.50
GST Audit for earlier years	7.50	15.00
Certification matters	7.60	9.25
Out of pocket expenses	0.73	0.77
Total	**55.83**	**65.02**

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22 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)	(881.57)	2,275.81
Weighted Average number of equity shares issued (in nos)	1,00,00,010	1,00,00,010
Basic earnings per share of ₹ 10/- each (in ₹)		
Basic	(8.82)	22.76
Diluted	(8.82)	22.76

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

23 **Disclosure Under Indian Accounting Standard 19 (Ind AS 19) On Employee Benefits:**

(a) **Defined Contribution Plan**

The Company's contribution towards Provident Fund and ESIC during the year ended March 31, 2022 amounting to Rs 523.18 Lakhs (31.03.2021 : Rs 399.74 Lakhs) and superannuation fund during the year ended March 31, 2022 amounting to Rs. Nil (31.03.2021: Rs. 0.30 Lakhs) has been charged to Statement of Profit & Loss.

(b) **Perfomance Pay & Leave Encashment**

i) **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 written back 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**

ii) **Provision for Employee Benefit : Leave Encashment**

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 transferred 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**

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(c) **Gratuity:** Company 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:

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Discount Rate	6.90%	6.48%
Rate of Return on Plan Assets	6.90%	6.48%
Salary Escalation	8.00%	8.00%
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.

(ii) Change in defined benefit obligation:

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Liability at the beginning of the year	757.21	647.92
Interest cost	49.07	42.50
Current Service Cost	125.27	105.65
Past Service Cost	-	(116.49)
Liability transferred out	-	(6.21)
Benefits Paid	(85.22)	(45.98)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic	0.57	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(49.00)	7.96
Actuarial (Gains)/Losses - Due to Experience Adjustments	149.07	121.86
Liability at the end of the year	**946.96**	**757.21**

(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
Expected return on plan assets	-	-
Contributions	110.28	281.41
Transfer from other company	-	-
Benefits paid	(85.22)	(45.98)
Expected return on plan assets	8.79	11.99
Fair Value of plan assets at the end of the year	**729.62**	**653.43**

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(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	946.96	757.21
Net (liability) / asset disclosed in the Balance Sheet	**(217.34)**	**(103.77)**

(v) Net Interest Cost for Current Period

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Interest Cost	49.07	42.50
Interest Income	42.34	25.00
Net Interest Cost for Current Period	**6.72**	**17.51**

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

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Current Service cost	125.27	105.65
Net Interest Cost	6.72	17.51
Past Service cost	-	(116.49)
Expenses recognised in the Statement of Profit & Loss	**132.00**	**6.67**

(vii) Expenses recognised in the Other Comprehensive Income

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Expected return on plan assets	(8.79)	(11.99)
Actuarial (Gain) or Loss	100.64	129.81
Net (Income)/Expense for the Period Recognized in OCI	**91.85**	**117.82**

(viii) Balance Sheet Reconciliation

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Opening Net Liability	103.77	266.90
Expenses Recognized in Statement of Profit or Loss	132.00	6.67
Expenses Recognized in OCI	91.85	117.82
Net (Liability)/Asset Transfer out	-	(6.21)
Employers Contribution	(110.28)	(281.41)
Amount recognised in the Balance Sheet	**217.34**	**103.77**

(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**

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

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
1st Following Year	155.61	69.86
2nd Following Year	21.00	22.31
3rd Following Year	30.95	29.30
4th Following Year	25.28	26.93
5th Following Year	27.95	21.95
Sum of Years 6 To 10	2,000.34	151.58
Sum of Years 11 and above	2,211.11	1,844.30

(xi) Sensitivity Analysis

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Project Benefit Obligation on Current Assumptions	946.96	757.21
Delta Effect of + 1% Change in Rate of Discounting	(102.08)	(91.04)
Delta Effect of - 1% Change in Rate of Discounting	123.57	110.98
Delta Effect of + 1% Change in Rate of Salary Increase	120.96	108.15
Delta Effect of - 1% Change in Rate of Salary Increase	(101.99)	(90.64)
Delta Effect of + 1% Change in Rate of Employer Turnover	(15.36)	(17.38)
Delta Effect of - 1% Change in Rate of Employer Turnover	17.29	19.82

24 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 (formerly known as NSE Strategic Investment Corporation Limited)	Holding Company
3	NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	Holding Company's Fellow Subsidiary
4	NSE IFSC Limited	Holding Company's Fellow Subsidiary
5	NSE IFSC Clearing Corporation Limited	Subsidiary of Holding Company's Fellow Subsidiary
6	NSE Data & Analytics Limited	Fellow Subsidiary
7	NSE Indices Ltd	Fellow Subsidiary
8	NSE Infotech Services Limited	Fellow Subsidiary
9	NSE Academy Limited	Fellow Subsidiary

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10	NSE.IT (US) Inc.	Subsidiary Company
11	Aujas Cybersecurity Limited	Subsidiary Company
12	CXIO Technologies Private Limited (Cloud X)	Subsidiary Company
13	Cogencis Information Services Limited	Fellow Subsidiary's Subsidiary Company
14	Talent Sprint Private Limited	Fellow Subsidiary's Subsidiary Company
15	NSE Foundation	Holding Company's Fellow Subsidiary
16	TalentSprint Inc	Fellow Subsidiary's Subsidiary Subsidiary Company
17	Indian Gas Exchange Limited	Holding Company's Associate Company
18	National Securities Depository Limited	Ultimate Holding Company's Associate Company
19	BFSI Sector Skill Council of India	Ultimate Holding Company's Associate Company
20	Power Exchange India Limited	Holding Company's Associate
21	NSDL e-Governance Infrastructure Limited	Holding Company's Associate
22	Market Simplified India Limited	Holding Company's Associate
23	Receivables Exchange Of India Limited	Holding Company's Associate
24	NSDL Database Management Limited	Holding Company's Associate
25	Capital Quant Solutions Private Limited	Fellow Subsidiary's Associate Company
26	India International Bullion Holding IFSC Limited	Ultimate Holding Company's Associate Company (w.e.f. August 13, 2021)
27	India International Bullion Exchange IFSC Limited	Ultimate Holding Company's Associate Company
28	Mr. Anantharaman Sreenivasan- Managing Director & CEO	Key Management Personnel
29	Dr. N. Muralidaran - Executive Vice Chairman & Whole time Director	Key Management Personnel
30	Mr. Yatrik Rushikesh Vin	Key Management Personnel
31	Mr. R. Chandrasekaran	Key Management Personnel
32	Mr. M. S. Sundararajan	Key Management Personnel
33	Dr. Gulshan Rai	Key Management Personnel
34	Ms. Poornima Shenoy	Key Management Personnel

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

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
	Infrastructure Management Services	3,547.93	3,372.67
	Application Development and Maintenance Services	3,290.36	2,319.95
	Customer Care Services	328.58	360.69
	Integrated Security	313.31	248.71
	Robotic Process Automation		-
	Unbilled Revenue as per Ind AS 115	15.23	-
	Taxes recovered	1,346.43	1,134.36

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National Stock Exchange of India Limited	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	-
	Loan Taken during the Year		-
	Loan Repaid during the Year		-
	Interest on Loan paid during the Year		-
	Closing Balance - Dr./ (Cr.) (Net)	927.90	1,623.42
NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	Application Development and Maintenance Services	765.93	846.12
	Infrastructure Management Services	225.59	29.61
	Software Product Revenue	2,201.08	-
	Customer Care Services	63.60	56.72
	Integrated Security		-
	Taxes recovered	595.44	167.84
	Reimbursement of expenses received		-
	Closing Balance - Dr./ (Cr.)	194.43	369.69
	Closing Balance - Provision for Doubtful Debts	8.02	8.02
National Stock Exchange Investor Protection Fund Trust	Provision for Doubtful debts	23.00	-
	Taxes recovered		-
	Closing Balance - Dr./ (Cr.)	-	23.00
	Closing Balance - Provision for Doubtful Debts	-	23.00
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
	Reimbursement paid for other expenses incurred		-
	Closing Balance - Dr./ (Cr.)	112.34	110.77
NSE Data & Analytics Limited (Formerly known as DotEx International Limited)	Application Development and Maintenance Services	78.07	(1.26)
	Infrastructure Management Services	37.24	19.67
	Taxes recovered	20.75	3.31
	Closing Balance - Dr./ (Cr.)	33.87	-
Power Exchange India Limited	Application Development and Maintenance Services	182.01	16.52
	Taxes recovered	32.76	2.97
	Closing Balance - Provision for Doubtful debts	0.02	
	Closing Balance - Dr./ (Cr.)	28.91	5.05
National Securities Depository Limited	Application Development and Maintenance Services	15.22	25.00
	Taxes recovered	2.74	4.50
	Closing Balance - Provision for Doubtful debts	5.86	
	Closing Balance - Dr./ (Cr.)	6.79	12.74

Protean eGov Technologies Limited (Formerly known as NSDL e-Governance Infrastructure Limited)	Application Development and Maintenance Services	71.99	43.28
	Taxes recovered	12.96	7.79
	Closing Balance - Dr./ (Cr.)	50.40	26.11
	Closinig Balance - Provision For Doubtful Debts	17.65	17.65
			-
NSDL Database Management Limited	Application Development and Maintenance Services	64.63	66.73
	Taxes recovered	11.63	12.01
	Closing Balance - Dr./ (Cr.)	10.23	30.38
	Closinig 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	1,800.00	-
	Dividend paid to equity shareholders	150.00	100.00
	Dividend payable to preference shareholders	700.00	700.00
	Dividend payable to preference shareholders COCRPS	86.99	
	Cummulative - Working Capital Demand Loan (WCDL)	1,500.00	
	Interest Payable on WCDL	49.42	
	Closing Borrowings - Working Capital Demand Loan	1,500.00	
	Closing Borrowings - Series A,7%, Seven Years	1,800.00	
	Closing Borrowings -Preference shares	10,000.00	10,000.00
NSEIT(US) Inc.	Application Development and Maintenance Services	758.06	290.50
	ITES - Assessment Services	3.44	7.45
	Taxes recovered	0.62	1.34
	Interest on Loan	9.66	46.63
	Loan repaid USD 9,55,000 (Previous year USD	715.04	232.69
	Interest on Loan repaid	9.66	74.93
	Closing Balance - Loan given including interest		701.93
	Closing Balance - Unbilled Revenue	-	59.34
	Closing Balance - Investment	533.69	533.69
	Closing Balance - Dr./ (Cr.)	334.12	281.66
	Closing Balance - Provision for Doubtful Debts	152.46	152.46

Aujas Cybersecurity Limited (Formerly known as Aujas Networks Limitd to Aujas Networks Private Ltd)	Short Term Loan to be Given	550.00	-
	Interest on Loan	96.77	90.65
	GRC & Prof Fee Service towards ISRC	363.70	265.70
	ISRC /Project related Income		39.20
	Taxes recovered	23.74	15.48
	Business Support Charges recovered	96.16	48.08
	Investment in Equity Shares	287.11	570.31
	Closing Balance -Trade Receivable	11.32	30.54
	Closing Balance -Trade Payable	-	63.12
	Closing Balance - Unbilled Revenue	-	1.27
	Closing Balance - Provision for Expenses	1.25	12.18
	Closing advance paid		-
	Closing Balance - Investment in Equity Shares	9,707.42	9,420.31
	Closing Balance - Loan given including interest	1,750.00	1,200.00
CXIO Technologies Private Limited	Clould and Hosting Charges Payable	234.92	-
	Interest	0.01	
	Investment in shares of CXIO Technologies P Ltd (*)	1,800.00	-
	Closing Balance -Dr / (Cr)	(82.78)	
	Closing Balance - Investment in Equity Shares	1,800.00	-
Key Management Personnel - Dr N.Muralidaran - MD & CEO	(a) short-term employee benefits includes Rs 3.35 Lakhs (Previous year Rs. 3.68 Lakhs) towards leave	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. Ram Narayanan Colathur	Director Sitting Fees		-
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	13.00	8.25
Ms. Poornima Shenoy	Director Sitting Fees	11.50	12.00
Mr. R Chandrasekaran	Director Sitting Fees	10.00	8.25

As the liabilities for defined benefit plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial

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

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25 **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	47.59
Commitment towards acquisition is Nil (Previous year 19,23,520) equity shares of Rs. 1/- each of Aujas Cybersecurity Ltd, Subsidiary Company	-	147.50
Commitment towards acquisition of equity shares of Aujas Cybersecurity Limited, Subsidiary Company, by way of rights issue	-	139.61
Commitment towards acquisition of 1,25,000 (Previous year Nil) equity shares of CXIO Technologies Pvt. Ltd., Subsidiary Company.	9,082.00	-

26 **Contingent liability:**

(a)

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	4,779.46	4,645.01

(b) The 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 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 Company is in receipt of a Show Cause Notice (SCN) dated 26th March 2021 from SEBI, wherein it has been alleged that the 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 Company thereafter filed a settlement application under the SEBI Settlement Regulations. Based on the settlement order dated 29th December, 2021 passed by SEBI, the Company paid an amount of Rs. 21.67 Lakhs as penalty which is debited to statement of Profit & Loss.

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

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2022 (31 March 2021) has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

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Particulars	Year ended 31.03.2022	Year ended 31.03.2021
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;		
(i) Principal	151.80	19.34
(ii) 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) Principal	-	-
(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	-	-

28 **Expenditure in foreign currency (accrual basis)**

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Travelling expenses	-	-
Direct Fees & Subscription	183.73	4.69
Subcontract / Technical Fees	835.93	1,039.31
Software Licenses	2,749.56	436.91

29 **Earnings in foreign currency (accrual basis) :**

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Application Development and Maintenance Services	1,167.79	810.68
ITES - Assessment Services	3.54	7.45

30 In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business.

31 **Aujas – additional share acquisition and 100% subsidiary**

During the financial year 2021-22, the Company had acquired 19,23,520 equity shares of Re. 1/- each of Aujas Cybersecurity Limited (Formerly known as Aujas Networks Limited) (Formerly known as Aujas Networks Private Limited) (Aujas), its subsidiary company, for aggregate consideration of Rs. 147.50 lakhs. Accordingly as at March 31, 2022, the Company holds 100 % (99.29% as at March 31, 2021) of total equity shares of the said company. Further, during the financial year 2021-22, the Company has acquired 18,20,743 equity shares of Re. 1/- each of Aujas on rights basis, for aggregate consideration of Rs 139.61 Lakhs taking the total investments in Aujas to Rs. 9707.42 lakhs.

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Notes forming integral part of the financial statements

32 Ratios

Sr. No.	Ratio	Numerator	Denominator	(Rs in Lakhs)	(Rs in Lakhs)	% Variance	Reason for variance
				31.03.2022	31.03.2021		
1	Current Ratio	Current Assets	Current Liabilities	1.85	2.78	-33.49	Due to increase in trade payables on account of higher turnover.
2	Debt–Equity Ratio	Total Debt	Shareholder's Equity	0.71	0.50	40.82	Due to higher borrowings
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.90	2.37	-62.09	Due to fall in earnings available for debt service
4	Return on Equity (ROE)	Net Profits after taxes less Pref. Dividend (if any)	Average Shareholder's Equity	(0.06)	0.12	-145.99	Due to loss incurred during the year.
5	Inventory Turnover ratio	Cost of goods sold OR sales	Average Inventory	NA	NA	NA	NA
6	Trade receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	3.28	3.22	1.81	-
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	4.26	4.72	-9.81	-
8	Net capital turnover ratio	Net Sales	Working Capital	3.24	2.06	57.22	Due to higher turnover
9	Net Profit Ratio	Net Profit	Net Sales	(0.02)	0.09	-124.94	Due to loss incurred during the year.
10	Return on capital employed	Earning before interest and taxes	Capital Employed	0.02	0.46	-95.74	Due to fall in earnings and higher capital employed
11	Return on investment	Income generated from invested funds	Average invested funds in treasury investments	4.63	5.07	-8.68	-

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33 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 Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company. The Company 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.

(Rs in Lakhs)

Particulars	2021-22	2020-21
Segment Revenue		
End to End Solution	19,689.01	13,488.81
ITES - Assessment Services	19,979.76	12,048.27
	39,668.78	**25,537.09**
Inter-segment revenue		
End to End Solution	-	-
ITES - Assessment Services	-	-
	-	-
Revenue from external customers		
End to End Solution	19,689.01	13,488.81
ITES - Assessment Services	19,979.76	12,048.27
Total	**39,668.78**	**25,537.09**

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Particulars	2021-22	2020-21
Segment Results		
End to End Solution	3,005.18	3,835.27
ITES - Assessment Services	149.26	1,691.41
Total	**3,154.45**	**5,526.68**
Less: Unallocable Expenses (Net of income)	3,344.51	1,700.11
Less: Finance Cost	1,057.66	909.17
Add: Interest income	416.38	437.33
Profit before Tax	**(831.34)**	**3,354.73**
Less : Income Tax expense		
- Current tax	668.15	1,022.00
- Short / Excess Tax for earlier years	-	14.82
- Deferred tax	(617.92)	42.10
Total Tax Expenses	**50.23**	**1,078.92**
Net profit after tax	**(881.57)**	**2,275.81**

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	38,697.62	24,752.70
Outside India	971.16	784.39
Total	**39,668.78**	**25,537.09**

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	4,280.05	4,894.92
ITES - Assessment Services	12,896.28	7,533.81
Total Segment Assets	**17,176.33**	**12,428.73**
Unallocable Assets	30,225.82	25,159.56
Total Assets	**47,402.15**	**37,588.29**

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	2,781.98	1,174.01
ITES - Assessment Services	7,920.15	3,695.84
Total Segment Liabilities	**10,702.13**	**4,869.85**
Unallocable Liabilities	17,981.15	12,899.26
Total Liabilities	**28,683.28**	**17,769.11**

f Segment Capital Expenditure

Segments	31.03.2022	31.03.2021
End to End Solution	158.59	49.39
ITES - Assessment Services	699.30	1,192.66
Total Segment Capital Expenditure	**857.89**	**1,242.05**

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Particulars	2021-22	2020-21
Add: Unallocable Capital Expenditure	100.61	256.91
Total Capital Expenditure	**958.50**	**1,498.97**

g **Segment Depreciation / Amortisation**

Segments	31.03.2022	31.03.2021
End to End Solution	91.17	21.40
ITES - Assessment Services	1,005.70	1,074.94
Total Segment Depreciation / Amortisation	**1,096.87**	**1,096.34**
Add: Unallocable Depreciation / Amortisation	847.68	808.27
Total Depreciation / Amortisation	**1,944.55**	**1,904.61**

Note :

Information about major customers

The Company's significant revenue of 34.71% (previous year 35.11%) is derived from a group of entities under common control, the total Operating Revenue from such entities amounted to Rs. 13768.76 lakhs in FY 2021-22 (End to End Solutions Rs. 13177.63 lakhs and ITES-Assessment Service Rs 591.13 lakhs) and Rs. 8966.22 lakhs in FY 2020-21 (End to End Solutions Rs. 8537.67 lakhs and ITES-Assessment Service Rs 429.15 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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34 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
Kotak Treasury Advantage Fund - Dir - Growth				
ICICI Prudential Money Market Fund - Dir- Growth			60,957.22	179.99
Invesco India Money Market Fund-Direct -Growth				
Invesco India Liquid Fund - Direct Plan Growth				
UTI Liquid Cash Plan - Direct Growth Plan				
Tata Liquid Fund Direct Plan - Growth				
Kotak Money Market Scheme - Dir - Growth				
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
SBI Savings Fund - Dir - Growth				
HDFC Money Market Fund - Dir - Growth			12,015.53	537.57
Total of Investments		**1,534.53**		**2,188.06**
Aggregate Book value - Quoted Investments		-		-
Aggregate Book Value - Unquoted Investments		1,534.53		2,188.06
Aggregate Market Value of Quoted Investments		-		-

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35 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	-	-	2,188.06	-	-
Trade receivables	-	-	14,215.40	-	-	9,998.86
Cash and Cash equivalents	-	-	4,583.98	-	-	2,346.63
Bank balances other than Cash and Cash equivalents	-	-	3,198.98	-	-	3,684.94
- Non-Current Bank Balances	-	-	2,098.34			2,057.95
- Others	-	-	5.21	-	-	3.26
Loans			1,750.00			1,901.93
Other Financial assets	-	-	518.42	-	-	588.03
Total	**1,534.53**	**-**	**26,370.33**	**2,188.06**	**-**	**20,581.60**
Financial Liabilities						
Borrowings			13,300.00			10,000.00
Trade Payables	-	-	8,698.89	-	-	2,491.72
Other financial liabilities - Non current			722.69			527.49
Other financial liabilities - Current	-	-	1,378.15	-	-	1,620.87
Total	**-**	**-**	**24,099.73**	**-**	**-**	**14,640.08**

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36 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	2,188.06	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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37 FINANCIAL RISK MANAGEMENT

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

The Company has 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 Company, while vesting identified managers with responsibility for each significant risk. Risk Management policy has been formulated with an aim to (a) Overseeing the Company's risk management process and controls, risk tolerance (b) Setting strategic plans and objectives for risk management and review of risk assessment of the Company (c) Review the Company'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 Company 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 Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

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

A. MANAGEMENT OF LIQUIDITY RISK

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

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

(Rs in Lakhs)

Particulars	Carrying amount amount	Less than 12 months	More than 12months	Total
As at 31st March 2022				
Borrowings	13,300.00	-	13,300.00	13,300.00
Trade payables	8,698.89	8,698.89	-	8,698.89
Other financial liabilities-Non Current	722.69	-	722.69	722.69
Other financial liabilities-Current	833.47	833.47	-	833.47
As at 31st March 2021				
Borrowings	10,000.00		10,000.00	10,000.00
Trade payables	2,491.72	2,491.72	-	2,491.72
Other financial liabilities-Non Current	527.49	-	527.49	527.49
Other financial liabilities-Current	1,620.87	1,620.87		1,620.87

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B MANAGEMENT OF MARKET RISK

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

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

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
1. PRICE RISK		
The Company 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 2188.06 lakhs)	In order to manage its price risk arising from investments in mutual funds, the Company 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 Company has calculated the impact as follows. For mutual funds, a 0.25% increase in prices would have led to approximately Rs. 3.84 Lakhs (Previous year Rs 5.47 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 Company 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 Company's customer base being large and diverse

Trade receivables

The Company 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.

Reconciliation of loss allowance (ECL) provision for Trade Receivables

Particulars	March 31, 2022	March 31, 2021
Balance as at the beginning of the year	159.38	76.42
Add: Provision on trade receivables based on Expected credit loss model	1,363.92	82.96
Balance at end of the year	**1,523.29**	**159.38**

Particulars	March 31, 2022	March 31, 2021
Balance as at the beginning of the year	583.00	408.94
Add: Provision for Doubtful Debts	29.97	174.06
Balance at end of the year	**612.97**	**583.00**

Other financial assets

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

Derivative Instruments - Forward Contracts

The Company 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 Company's strategy. The Company does not use forward contracts for speculative purposes. There were no outstanding Hedging Contracts as at March 31, 2022.

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38 **CXIO Acquisition and note on forward premium**

The Company had 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 Company acquired a controlling stake viz. 60% of the total equity shares on July 07, 2021 for a consideration of Rs. 1,800 lakhs in first tranche. As per the terms of the said agreement, the Company is entitled to purchase the balance 40% equity shares in subsequent tranches on variable consideration based on the financial performance of CXIO. The fair value of the forward contract is Rs. 9082 lakhs based on the third party valuation report.

39 **Impact of COVID 19 (Global Pandemic) :**

The Coronavirus (COVID-19) outbreak is an unprecedented global situation. World Health Organization (WHO) has declared the COVID-19 virus a 'Pandemic'. The Government of India and various state governments had put in place several measures including instituting a complete lockdown w.e.f March 25, 2020 to combat the spread and transmission of the virus. Effective June 8, 2020 the said lockdown has being partially lifted in a phased manner. Post unlock advisory issued by the Government, COVID-19 continued to impact the business operations and revenue of the Company in respect of ITES-Assessment Services (On-Line Examination Services).

The Company has taken into account the possible impacts of COVID-19 in preparation of the standalone financial statements including but not limited to its assessment of impact on revenues, operating costs and impact on leases. Based on the current indicators of future economic conditions and the impact of COVID-19 on its operations, the Company has also made an assessment of its liquidity position, recoverability and carrying values of its assets and ability to pay its liabilities as they become due and is of the view that there is no material impact or adjustments required to be made in these financial results. The impact assessment of COVID-19 may be different from that presently estimated and the Company will continue to evaluate any significant changes to its operations and its resultant impact on the financial performance.

40 The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent on 28th September 2020. The Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

41 **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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42 The Company holds an investment of Rs.533.69 lakhs (USD 1,000,000) in NSEIT (US) Inc., a wholly owned subsidiary company. The said subsidiary company has earned profit during the year amounting to Rs. 675.17 lakhs (USD 9,44,042) [PY loss of Rs. 6.11 Lakhs (USD 8,698). It has accumulated losses of Rs 463.84 lakhs (USD 9,07,858) [PY accumulated losses of Rs. 1159.86 lakhs (USD 18,51,900)] and has net worth of Rs. 69.85 lakhs (USD 92,142) as at March 31, 2022 [PY negative net worth of Rs. 626.17 lakhs (USD 8,51,900) as at March 31, 2021]. Considering long term and strategic nature of the investments and future business plans, no provision for impairment has been made in the value of investment in the said subsidiary company.

43 The Company's pending litigations comprise of proceedings pending with Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position (Refer note no. 26 for details on contingent liabilities).

44 During the financial year 2021-22, the Company has received two orders from Regional PF Commissioner- I Kandivali (RPFC), levying damages u/s 14B for an amount of appx. Rs. 163.07 Lakhs and interest u/s 7Q of appx. Rs. 79.18 Lakhs of Employees Provident Fund and Misc. Provisions Act, 1952 (the Act) for delays in transfer of funds from the erstwhile NSEIT Employees Provident Fund (a Recognised Provident Fund under Income Tax Act, 1961) at the time of voluntary surrender of the fund to RPFC. The Company has already received interim stay orders on the appeal filed by the Company against the above mentioned orders with the relevant appellant authorities. The Company's management reasonably expects that the impact of these orders, when ultimately concluded and determined, will not have material impact on the Company's Statement of Profit & Loss.

45 During the financial year 2021-22, the Company has received a notice from one of its customers about its intention to terminate the contract entered into with them and also levy a penalty of Rs. 600 Lakhs along with recovery of expenses to be incurred for conduct of re-examination based on an alleged breach of the RFP conditions. The Company subsequently received a termination order vide order dated 16th December, 2021. The Company has preferred an appeal with District Court, Bhopal and High Court, Jabalpur which has currently granted an interim stay until further hearing.

The Company is of the opinion that these notices and the termination order are premature and prejudicial in nature and no specific provision towards penalty is considered necessary. However, considering the above litigation, during the twelve months ended March 31, 2022, the Company has made a provision of Rs.1100 Lakhs as provision for doubtful debts in its books of account on a conservative basis.

46 During the financial year 2021-22, the Company had incurred a sum of Rs 1,238.95 lakhs with respect to execution of a contract. The said contract was mutually terminated in the month of March 2022 without realization of any revenue. Accordingly, the Company has charged the said amount in the statement of profit and loss under the relevant heads of expenses.

47 During the year ended March 31, 2022, the Company has negotiated with various landlords on the rent reduction / wavier due to COVID 19 pandemic. The Management believes that such reduction/ waiver in rent is short term in nature and also meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial Reporting Authority dated July 24, 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from April 1, 2020. Thus, in accordance with the said notification, the Company has elected to apply the exemption, as the reduction/ waiver does not necessitate a lease modification as envisaged in the Standard by recording the same in the "Other income". Accordingly, during the year, the Company has recognised ₹ 20.81 Lakhs as an extinguishment of lease liability being lease rent concession on account of COVID 19 pandemic and the same has been disclosed as 'Other Income' in the Statement of Profit and Loss.).

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48 Additional regulatory information required by Schedule III

(i) Details of benami property held
No proceedings have been initiated on or are pending against the Company 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 Company does not have borrowings from banks and financial institutions on the basis of security of current assets.

(iii) Wilful defaulter
None of the group companies have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies
The Company 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 Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements
The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium
The Company 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 Company (Ultimate Beneficiaries) or

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

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

(x) Valuation of PP&E, intangible asset and investment property
The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

49 In accordance with the relevant provisions of the Companies Act, 2013, the Company did not have any long term contracts as of March 31, 2022 and March 31, 2021 including derivatives contracts for which there were any material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2022 and March 31, 2021.

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50 For the year ended March 31, 2022 and March 31, 2021, the Company is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of the Companies Act, 2013.

51 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. * CHARTERED ACCOUNTANT * MUMBAI

NARENDRA JAIN
Partner
Membership No.048725
Place : Mumbai
Date : April 30, 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

NSEIT Limited * MUMBAI *