



NSEIT US (INC)

Financial Statements

For F.Y.2022-23

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Mumbai - 400 020.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of NSEIT (US) INC

Report on the Special Purpose Financial Statements

1. We have audited the accompanying special purpose financial statements ("special purpose financial statements") of NSEIT US INC ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information. The accompanying special purpose financial statements have been prepared by the management in accordance with the generally accepted accounting principles applicable in India, including Indian Accounting Standards, solely to enable its holding company, NSEIT Limited ("NSEIT") to prepare its consolidated financial statements.

Management's Responsibility for the Special Purpose Financial Statements

2. The Management is responsible for the preparation of these special purpose financial statements to give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.
4. We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free from material misstatement.



5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the special purpose financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the special purpose financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the special purpose financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements of the Company for the year ended March 31, 2023 are prepared in all material respects, in accordance with the accounting principles generally accepted in India, to enable its holding company, NSEIT to prepare its consolidated financial statements.

Restriction on distribution and use

8. This report is addressed to the Board of Directors and provided in connection with the audit of the consolidated financial statements of NSEIT, the holding company for the year ended March 31, 2023. These special purpose financial statements are prepared solely to enable its holding company, NSEIT to prepare its consolidated financial statements. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

Our opinion is not modified in respect of this matter.

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

Narendra Jain

Narendra Jain
Partner
Membership Number: 048725
UDIN: 23048725BQYVQH7319



Place: Mumbai
Date: April 18, 2023

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of NSEIT (US) INC

Report on the Special Purpose Financial Statements

1. We have audited the accompanying special purpose financial statements ("special purpose financial statements") of NSEIT US INC ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information. The accompanying special purpose financial statements have been prepared by the management in accordance with the generally accepted accounting principles applicable in India, including Indian Accounting Standards, solely to enable its holding company, NSEIT Limited ("NSEIT") to prepare its consolidated financial statements.

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2. The Management is responsible for the preparation of these special purpose financial statements to give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.
4. We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free from material misstatement.



5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the special purpose financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the special purpose financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the special purpose financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements of the Company for the year ended March 31, 2023 are prepared in all material respects, in accordance with the accounting principles generally accepted in India, to enable its holding company, NSEIT to prepare its consolidated financial statements.

Restriction on distribution and use

8. This report is addressed to the Board of Directors and provided in connection with the audit of the consolidated financial statements of NSEIT, the holding company for the year ended March 31, 2023. These special purpose financial statements are prepared solely to enable its holding company, NSEIT to prepare its consolidated financial statements. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

Our opinion is not modified in respect of this matter.

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

Narendra Jain

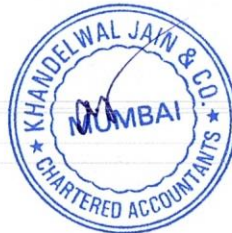
Narendra Jain
Partner
Membership Number: 048725
UDIN: 23048725BQYVQH7319



Place: Mumbai
Date: April 18, 2023

NSEIT (US) INC.
(Formerly known as NSE.IT (US) INC)
BALANCE SHEET AS AT MARCH 31, 2023

| Particulars | Notes | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
|---------------------------------|-------|---------------------|---------------------|---------------------|---------------------|
| | | As at 31.03.2023 | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2022 |
| ASSETS | | | | | |
| 1 Non-current assets | | | | | |
| a Property, Plant and Equipment | 2 | 1,485 | 1.22 | - | - |
| b Financial Assets | | | | | |
| i Other Financial assets | | | | | |
| - Security Deposit | | - | - | - | - |
| Total Non-current assets | | 1,485 | 1.22 | - | - |
| 2 Current assets | | | | | |
| a Financial Assets | | | | | |
| i Trade receivable | 3 | 5,38,548 | 442.79 | 2,95,172 | 223.72 |
| ii Cash and Cash equivalents | 4 | 8,61,071 | 707.97 | 47,365 | 35.90 |
| iii Other Financial assets | 5 | 225 | 0.18 | - | - |
| b Other assets | 6 | 7,840 | 6.45 | 12,651 | 9.59 |
| Total Current assets | | 14,07,684 | 1,157.40 | 3,55,188 | 269.21 |
| TOTAL ASSETS | | 14,09,169 | 1,158.62 | 3,55,188 | 269.21 |



EQUITY AND LIABILITIES

| | | | | | | |
|-------------------------------------|------------------------------------------------------------------------------------------|----|------------------|-----------------|-----------------|---------------|
| (A) EQUITY | | | | | | |
| a | Equity Share capital | 7 | 10,00,000 | 533.69 | 10,00,000 | 533.69 |
| b | Other Equity | 8 | (6,39,537) | (237.31) | (9,07,858) | (463.84) |
| | | | 3,60,463 | 296.37 | 92,142 | 69.85 |
| (B) LIABILITIES | | | | | | |
| 1 Non-current liabilities | | | | | | |
| a | Financial Liabilities | | | | | |
| i | Borrowings | | - | - | - | - |
| | Total Non-current liabilities | | - | - | - | - |
| 2 Current liabilities | | | | | | |
| a | Financial Liabilities | | | | | |
| i | Trade Payables | 9 | | | | |
| | - Total Outstanding dues of micro enterprises and small enterprises | | - | - | - | - |
| | - Total Outstanding dues of creditors other than micro enterprises and small enterprises | | 10,26,520 | 844.00 | 2,39,676 | 181.66 |
| ii | Other financial liabilities | 10 | 625 | 0.51 | 22,870 | 17.32 |
| b | Income Tax Liabilities (net) | 11 | 12,762 | 10.49 | 500.00 | 0.38 |
| c | Other liabilities | 12 | 7,586 | 6.24 | - | - |
| | Total Current liabilities | | 10,47,494 | 861.24 | 2,63,046 | 199.36 |
| | Liabilities directly associated with discontinued operations | 23 | 1,212 | 1.00 | - | - |
| TOTAL EQUITY AND LIABILITIES | | | 14,09,169 | 1,158.61 | 3,55,188 | 269.21 |

Summary of significant accounting policies 1

Notes refer to above form an intergral 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
(Firm Reg No : 105049W)



Narendra Jain

NARENDRA JAIN
Partner
Membership No.048725

Place : Mumbai

Date : April 18, 2023



For and on behalf of Board of Directors

Anantharaman Sreenivasan

ANANTHARAMAN SREENIVASAN
Director
DIN : 09262583

NSEIT (US) INC.
(Formerly known as *NSE.IT (US) INC*)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

| Particulars | Notes | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
|--------------------------------------------------------------------|--------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | | For the year ended 31.03.2023 | For the year ended 31.03.2023 | For the year ended 31.03.2022 | For the year ended 31.03.2022 |
| Income | | | | | |
| Revenue from operations | 13 | 23,33,721 | 1,879.72 | 12,72,798 | 947.57 |
| Other income | 14 | 7,420 | 6.10 | 3,476 | 2.58 |
| Total Income | | 23,41,141 | 1,885.82 | 12,76,275 | 950.15 |
| Expenses | | | | | |
| Technical & Sub Contract Charges | 17(i) | 18,66,977 | 1,503.77 | 10,18,239 | 758.05 |
| Employee Benefit Expenses | 15 | 1,23,944 | 101.93 | - | - |
| Finance Cost | 16 | 1,549 | 1.25 | 14,455 | 10.76 |
| Depreciation and amortisation expense | 2 | 282 | 0.23 | - | - |
| Other expenses | 17(ii) | 64,935 | 52.55 | 55,605 | 55.32 |
| Total Expenses | | 20,57,687 | 1,659.73 | 10,88,299 | 824.13 |
| Profit before exceptional items and tax | | 2,83,454 | 226.09 | 1,87,975 | 126.02 |
| Exceptional item | 32 | - | - | 7,53,280 | 547.03 |
| Profit before tax | | 2,83,454 | 226.09 | 9,41,255 | 673.05 |
| Less : Income Tax expense | | | | | |
| - Current tax | 11 | 12,762 | 10.44 | 500 | 0.37 |
| - Short / (Excess) for earlier years | 11 | 2,452 | 2.00 | (3,475) | (2.63) |
| Total tax expenses | | 15,214 | 12.44 | (2,975) | (2.26) |
| Profit after tax from continuing operations (A) | | 2,68,240 | 213.65 | 9,44,230 | 675.31 |
| Profit / (Loss) before tax from discontinuing operations | 23 | 85 | 0.07 | (188) | (0.14) |
| Less : Income Tax expense | | | | | |
| - Current tax | 23 | 4 | 0.00 | (0) | (0.00) |
| Profit / (Loss) after tax from discontinuing operations (B) | | 81 | 0.07 | (188) | (0.14) |
| Profit for the year (C) = (A) + (B) | | 2,68,321 | 213.72 | 9,44,042 | 675.17 |



Other Comprehensive Income (OCI)

Items that will be reclassified to profit or loss

- Foreign Currency Translation Reserve

Total Other Comprehensive Income, net of tax (D)

| | | | | | |
|--|--|-----------------|---------------|-----------------|---------------|
| | | 12.80 | | 20.86 | |
| | | <u>12.80</u> | | <u>20.86</u> | |
| | | | | | |
| | | <u>2,68,321</u> | <u>226.52</u> | <u>9,44,042</u> | <u>696.03</u> |

Total Comprehensive Income (C) + (D)

Earnings per equity share (FV USD 1 each) - Continuing operations

| | | | | | |
|-----------|----|---------|----------|---------|----------|
| - Basic | 18 | \$ 0.27 | Rs 21.36 | \$ 0.94 | Rs 67.53 |
| - Diluted | 18 | \$ 0.27 | Rs 21.36 | \$ 0.94 | Rs 67.53 |

Earnings per equity share (FV USD 1 each) - Discontinuing operations

| | | | | | |
|-----------|----|-----------|----------|------------|-----------|
| - Basic | 18 | \$ 0.0001 | Rs 0.007 | \$ -0.0002 | Rs -0.014 |
| - Diluted | 18 | \$ 0.0001 | Rs 0.007 | \$ -0.0002 | Rs -0.014 |

Earnings per equity share (FV USD 1 each) - Continuing and Discontinuing operations

| | | | | | |
|-----------|----|---------|----------|---------|----------|
| - Basic | 18 | \$ 0.27 | Rs 21.37 | \$ 0.94 | Rs 67.52 |
| - Diluted | 18 | \$ 0.27 | Rs 21.37 | \$ 0.94 | Rs 67.52 |

Summary of significant accounting policies 1

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

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

For Khandelwal Jain & Co.

Chartered Accountants
(Firm Reg No : 105049W)

Narendra Jain

NARENDRA JAIN
Partner
Membership No.048725

Place : Mumbai
Date : April 18, 2023



For and on behalf of Board of Directors

Anantharaman Sreenivasan

ANANTHARAMAN SREENIVASAN
Director
DIN : 09262583



NSEIT (US) INC.

(Formerly known as NSE.IT (US) INC)

STATEMENT OF CHANGES IN EQUITY MAR 31, 2023

(A) Equity Share Capital

Amount in USD

| Balance at the beginning of the reporting period | Changes in equity share capital during the year | Balance at the end of the reporting period |
|--------------------------------------------------|-------------------------------------------------|--------------------------------------------|
| 10,00,000 | - | 10,00,000 |

(Rs in Lakhs)

| Balance at the beginning of the reporting period | Changes in equity share capital during the year | Balance at the end of the reporting period |
|--------------------------------------------------|-------------------------------------------------|--------------------------------------------|
| 533.69 | - | 533.69 |

(B) Other Equity

| | Amount in USD | (Rs in Lakhs) | Amount in USD | (Rs in Lakhs) | Amount in USD | (Rs in Lakhs) |
|-------------------------------------------------------------------------------|-------------------|-------------------|--------------------------------------|--------------------------------------|-------------------|-----------------|
| Particulars | Retained Earnings | Retained Earnings | Foreign Currency Translation Reserve | Foreign Currency Translation Reserve | Total | Total |
| Balance at the beginning of the reporting period | (9,07,858) | (507.32) | - | 43.49 | (9,07,858) | (463.84) |
| Amount transferred from the surplus balance in the statement of profit & loss | 2,68,321 | 213.72 | - | 12.80 | 2,68,321 | 226.52 |
| Total Other Equity | (6,39,537) | (293.60) | - | 56.29 | (6,39,537) | (237.31) |



STATEMENT OF CHANGES IN EQUITY MARCH 31, 2022

(A) Equity Share Capital

Amount in USD

| Balance at the beginning of the reporting period | Changes in equity share capital during the year | Balance at the end of the reporting period |
|--------------------------------------------------|-------------------------------------------------|--------------------------------------------|
| 10,00,000 | - | 10,00,000 |

(Rs in Lakhs)

| Balance at the beginning of the reporting period | Changes in equity share capital during the year | Balance at the end of the reporting period |
|--------------------------------------------------|-------------------------------------------------|--------------------------------------------|
| 533.69 | - | 533.69 |

(B) Other Equity

| Particulars | Amount in USD | (Rs in Lakhs) | Amount in USD | (Rs in Lakhs) | Amount in USD | (Rs in Lakhs) |
|-------------------------------------------------------------------------------|-------------------|-------------------|--------------------------------------|--------------------------------------|-------------------|-----------------|
| | Retained Earnings | Retained Earnings | Foreign Currency Translation Reserve | Foreign Currency Translation Reserve | Total | Total |
| Balance at the beginning of the reporting period | (18,51,900) | (1,182.49) | - | 22.63 | (18,51,900) | (1,159.86) |
| Amount transferred from the surplus balance in the statement of profit & loss | 9,44,042 | 675.17 | - | 20.86 | 9,44,042 | 696.02 |
| Total Other Equity | (9,07,858) | (507.32) | - | 43.49 | (9,07,858) | (463.84) |

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

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

Narendra Jain

NARENDRA JAIN
Partner
Membership No.048725

Place : Mumbai
Date : April 18, 2023



For and on behalf of Board of Directors

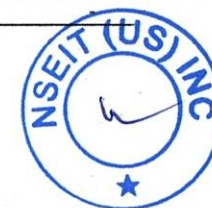
Anantharaman Sreenivasan

ANANTHARAMAN SREENIVASAN
Director
DIN : 09262583



NSEIT (US) INC.
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023
(Formerly known as *NSE.IT (US) INC*)

| | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
|------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | For the year ended | For the year ended | For the year ended | For the year ended |
| | 31.03.2023 | 31.03.2023 | 31.03.2022 | 31.03.2022 |
| A) CASHFLOW FROM OPERATING ACTIVITIES | | | | |
| NET PROFIT BEFORE TAX FROM CONTINUING OPERATIONS | 2,83,454 | 226.09 | 9,41,255 | 673.05 |
| NET PROFIT BEFORE TAX FROM DISCONTINUING OPERATIONS | 81 | 0.07 | (188) | (0.14) |
| Add : Adjustments for : | | | | |
| - Depreciation and amortisation expense | 282 | 0.23 | - | - |
| - Exchange Difference on repayment of borrowings | - | - | - | 13.98 |
| - Sundry Balance W/ off | - | - | 510 | 0.38 |
| - Interest Expense | - | - | 12,971 | 9.66 |
| Less : Adjustments for : | | | | |
| - Sundry Balance W/ Back | (7,420) | (6.10) | - | - |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 2,76,397 | 220.29 | 9,54,548 | 696.93 |
| Adjustments for : | | | | |
| - Trade Receivable and Unbilled Revenue | (2,43,376) | (219.04) | 5,237 | (2.93) |
| - Trade Payable including provisions | 8,03,063 | 675.66 | 53,519 | 44.80 |
| - Other Assets | 4,586 | 2.96 | (3,881) | (3.15) |
| - Other Liabilities | (22,245) | (16.81) | (77,592) | (56.51) |
| CASH GENERATED FROM OPERATIONS | 8,18,425 | 663.05 | 9,31,831 | 679.14 |
| - Direct Taxes paid (Net of Refunds) | (2,952) | (2.33) | (500) | (0.27) |
| NET CASH FROM OPERATING ACTIVITIES - Total (A) | 8,15,473 | 660.72 | 9,31,331 | 678.87 |
| B) CASHFLOW FROM INVESTING ACTIVITIES | | | | |
| - Purchase of Property, plant and equipment | (1,767) | (1.45) | - | - |
| NET CASH USED IN INVESTING ACTIVITIES - Total (B) | (1,767) | (1.45) | - | - |



C) CASHFLOW FROM FINANCING ACTIVITIES

| | | | | |
|-----------------------------------------------------------------------|-----------------|---------------|-------------------|-----------------|
| - Interest payment | - | - | (12,971) | (9.66) |
| - Repayment of Borrowings | - | - | (9,55,000) | (715.91) |
| NET CASH USED IN FINANCING ACTIVITIES - Total (C) | - | - | (9,67,971) | (725.56) |
| Changes in Foreign Currency Translation Reserve | - | 12.80 | - | 20.86 |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | 8,13,706 | 672.07 | (36,640) | (25.84) |
| CASH AND CASH EQUIVALENTS : OPENING BALANCE | 47,365 | 35.90 | 84,005 | 61.74 |
| CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE | 8,61,071 | 707.97 | 47,365 | 35.90 |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT | 8,13,706 | 672.07 | (36,640) | (25.84) |

Notes to Cash Flow Statement :

- 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.
- 2 Previous years figures have been regrouped, rearranged and reclassified wherever necessary to confirm to the current period 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
(Firm Reg No : 105049W)

Narendra Jain

NARENDRA JAIN
Partner
Membership No.048725

Place : Mumbai

Date : April 18, 2023



For and on behalf of Board of Directors

Anantharaman Sreenivasan

ANANTHARAMAN SREENIVASAN
Director
DIN : 09262583



NSEIT (US) INC.

Notes forming integral part of the financial statements

1 Summary of significant accounting policies :

a) Company Overview

The NSEIT (US) INC. ("the Company") is a Subsidiary of the NSEIT Limited, NSEIT Limited 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 Digital Technology Services covering the entire gamut of Application Services, Testing Center of Excellence, Infrastructure Services, Integrated Security Response Center, Analytics as a Service and Digital Examination 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 18, 2023.

b) Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (including Ind AS), solely to enable its holding Company, NSEIT Limited to prepare its consolidated financial statements. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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 estimates are based on management's best knowledge of current events and actions, uncertainty 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.

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. However, trade receivables that do not contain a significant financing component are measured at transaction price. 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 Comprehensive 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 (l) below. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

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



(iii) Impairment of financial assets

The 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.



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 period.

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 a 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 Digital Technology Services covering the entire gamut of Application Services, Testing Center of Excellence, Infrastructure Services, Integrated Security Response Center, Analytics as a Service and Digital Examination 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.
- (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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. 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 industry verticals, 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

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 CENVAT and Value Added Tax, 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.

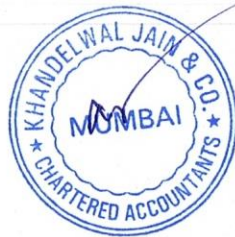
All other repair and maintenance costs are recognized in Income statement as incurred.

k) Depreciation

- (i) Depreciation on tangible fixed assets is provided on Straight Line Method as per the useful life in line with holding company.
- 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
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available

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.

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 insignificant 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 :

(i) Functional and presentation currency

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

The financial statements are presented in Indian currency (INR), which is the Company's presentation currency, to enable its holding company, NSEIT Limited to prepare its consolidated Ind AS financial statements. Further, the Company also presented its accounts in functional currency which is USD.

(ii) Transactions and balances

Foreign currency transactions are translated into the presentation currency using the exchange rates at the dates of 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 a part of the fair value gain or loss. For example, translation differences on non monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

(iii) Translation to the presentation currency

The financial statements are translated from functional currency to presentation currency by using the following procedures:

- (a) assets and liabilities for each balance sheet presented (ie including comparatives) shall be translated at the closing rate at the date of the balance sheet;
- (b) income and expenses for each statement of profit and loss presented (ie including comparatives) shall be translated at exchange rates at the dates of the transactions; and
- (c) all resulting exchange differences shall be recognised in other comprehensive income.

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.

r) Income tax

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.

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. 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.



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**

All trade receivables are recognized initially at fair value, plus in the case of trade receivables not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the trade receivables. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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.



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 [Note-i (ix)]

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

Estimation of capital commitments and contingent liabilities (Note -28 and 30)

Impairment of Assets [Note - i) (m)]

Recoverability of Trade Receivables [Note -25 (b)]

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) Asset for sale and discontinued operations

The Company classifies non-current assets held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn and management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable and it will genuinely be sold. The Company treats sale of the asset to be highly probable when

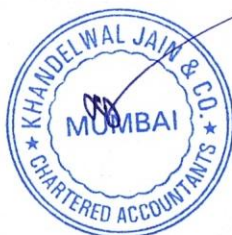
- The appropriate level of management is committed to a plan to sell the asset.
- An active programme to locate a buyer and complete the plan has been initiated.
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value.
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit/ loss after tax from discontinued operations in the Statement of Profit and Loss.

As mandated by Ind AS 105-Non-current Assets Held for Sale and Discontinued Operations, assets and liabilities has not been classified or re-presented for prior period ie year ended March 31, 2022.

Basis of segregation into discontinued operations and additional disclosures in respect of discontinued operations are provided in Note 23 to the financial statements.



ac) **Recent Accounting 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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(1) Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

(2) Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

(3) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

ad) **Rounding of amounts**

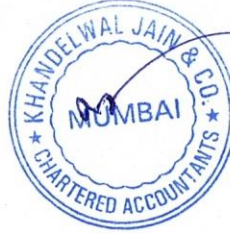
All amounts disclosed in the financial statements and notes have been rounded off to the nearest USD and INR in Lakhs.



NSEIT (US) INC.
Notes forming integral part of the financial statements

2 Property, Plant & Equipment

| Sr No. | Category | GROSS BLOCK | | | | | | | | DEPRECIATION | | | | | | NET BLOCK | | | | | |
|--------|------------------------------------------|-------------------|-------------------|--------------|---------------|--------------|---------------|--------------------|--------------------|-------------------|-------------------|-----------------|-----------------|--------------|---------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | As on 1-Apr-22 | As on 1-Apr-22 | Additions | Additions | Deductions | Deductions | As on 31-Mar-23 | As on 31-Mar-23 | As on 1-Apr-22 | As on 1-Apr-22 | For the year | For the year | Deductions | Deductions | As on 31-Mar-23 | As on 31-Mar-23 | As on 31-Mar-23 | As on 31-Mar-23 | As on 31-Mar-22 | As on 31-Mar-22 |
| | | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| 1 | Computer Hardware and Servers & Networks | - | - | 1,767 | 1.45 | - | - | 1,767 | 1.45 | - | - | 282 | 0.23 | - | - | 282 | 0.23 | 1,485 | 1.22 | - | - |
| | GRAND TOTAL | - | - | 1,767 | 1.45 | - | - | 1,767 | 1.45 | - | - | 282 | 0.23 | - | - | 282 | 0.23 | 1,485 | 1.22 | - | - |
| | PREVIOUS YEAR | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |



NSEIT (US) INC.

Notes forming integral part of the financial statements

| 3 | Trade receivables | Current | | Current | |
|---|------------------------------------------------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|
| | | 31.03.2023 (Amt in USD) | 31.03.2023 (Rs in Lakhs) | 31.03.2022 (Amt in USD) | 31.03.2022 (Rs in Lakhs) |
| | Trade Receivables (Refer Note 20 for ageing details) | 5,38,548 | 442.79 | 2,95,172 | 223.72 |
| | Less : Loss Allowances | - | - | - | - |
| | Total | 5,38,548 | 442.79 | 2,95,172 | 223.72 |
| | Breakup of security details | | | | |
| | Trade Receivables considered good -Secured | - | - | - | - |
| | Trade Receivables considered good -Unsecured | 5,38,548 | 442.79 | 2,95,172 | 223.72 |
| | Trade Receivables which have significant increase in credit risk | - | - | - | - |
| | Trade Receivables credit impaired | - | - | - | - |
| | | 5,38,548 | 442.79 | 2,95,172 | 223.72 |
| | Loss allowances | - | - | - | - |
| | Total | 5,38,548 | 442.79 | 2,95,172 | 223.72 |
| 4 | Cash and Cash equivalents | Current | | Current | |
| | | 31.03.2023 (Amt in USD) | 31.03.2023 (Rs in Lakhs) | 31.03.2022 (Amt in USD) | 31.03.2022 (Rs in Lakhs) |
| | Balances with banks | | | | |
| | - In Current Accounts | 8,57,113 | 704.72 | 43,407 | 32.90 |
| | - In Savings Accounts | 3,958 | 3.25 | 3,958 | 3.00 |
| | Total | 8,61,071 | 707.97 | 47,365 | 35.90 |
| 5 | Other Financial Assets | Current | | Current | |
| | | 31.03.2023 (Amt in USD) | 31.03.2023 (Rs in Lakhs) | 31.03.2022 (Amt in USD) | 31.03.2022 (Rs in Lakhs) |
| | Security deposit | 225 | 0.18 | - | - |
| | Total | 225 | 0.18 | - | - |
| 6 | Other assets | Current | | Current | |
| | | 31.03.2023 (Amt in USD) | 31.03.2023 (Rs in Lakhs) | 31.03.2022 (Amt in USD) | 31.03.2022 (Rs in Lakhs) |
| | Prepaid expenses | 7,840 | 6.45 | 12,651 | 9.59 |
| | Total | 7,840 | 6.45 | 12,651 | 9.59 |



| 7 | Equity Share Capital | 31.03.2023 | 31.03.2023 | 31.03.2022 | 31.03.2022 |
|---|------------------------------------------------------------------------|--------------|---------------|--------------|---------------|
| | | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| | <u>Authorised</u> | | | | |
| | 10,00,000 (P.Y. 10,00,000) Equity Shares of USD 1/- each | 10,00,000 | 533.69 | 10,00,000 | 533.69 |
| | <u>Issued, Subscribed and Paid-up</u> | | | | |
| | 10,00,000 (P.Y. 10,00,000) Equity shares of USD 1/- each fully paid up | 10,00,000 | 533.69 | 10,00,000 | 533.69 |

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

(A) Terms and rights attached to equity shares:

The company has only one class of equity shares having a par value of USD 1/- 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.

(B) Details of shareholders holding more than 5% share in the Company:

| | 31.03.2023 | 31.03.2023 | 31.03.2022 | 31.03.2022 |
|-----------------------------------------------------------|------------|------------|------------|------------|
| | No. | % holding | No. | % holding |
| Equity shares of USD 1/- each fully paid NSEIT Limited | 10,00,000 | 100% | 10,00,000 | 100% |

(C) Details of shares held by Promoters:

(i) at the end of the current year:

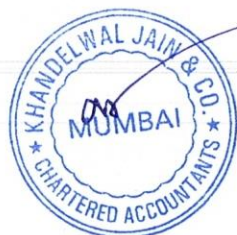
| | 31.03.2023 | 31.03.2023 | % change during the year |
|-----------------------------------------------------------|---------------|-------------------|--------------------------|
| | No. of shares | % of total shares | |
| Equity shares of USD 1/- each fully paid NSEIT Limited | 10,00,000 | 100% | - |

(ii) at the end of the previous year:

| | 31.03.2022 | 31.03.2022 | % change during the year |
|-----------------------------------------------------------|---------------|-------------------|--------------------------|
| | No. of shares | % of total shares | |
| Equity shares of USD 1/- each fully paid NSEIT Limited | 10,00,000 | 100% | - |



| 8 | Other Equity | 31.03.2023 | 31.03.2023 | 31.03.2022 | 31.03.2022 |
|----|----------------------------------------------------------------|-------------------|-----------------|-------------------|-----------------|
| | | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| | Surplus / (deficit) in the statement of profit and loss | | | | |
| | As per last balance sheet | (9,07,858) | (507.32) | (18,51,900) | (1,182.49) |
| | Add : Profit / (Loss) for the year | 2,68,321 | 213.72 | 9,44,042 | 675.17 |
| | | <u>(6,39,537)</u> | <u>(293.60)</u> | <u>(9,07,858)</u> | <u>(507.32)</u> |
| | Foreign Currency Translation Reserve | | | | |
| | As per last balance sheet | | 43.49 | | 22.63 |
| | Add: Foreign Currency Translation Reserve | - | 12.80 | - | 20.86 |
| | | | <u>56.29</u> | | <u>43.49</u> |
| | Total Other Equity | <u>(6,39,537)</u> | <u>(237.31)</u> | <u>(9,07,858)</u> | <u>(463.84)</u> |
| 9 | Trade Payables (Refer Note 21 for ageing details) | Current | | Current | |
| | | 31.03.2023 | 31.03.2023 | 31.03.2022 | 31.03.2022 |
| | | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| | Trade payables to MSME | - | - | - | - |
| | Trade payables to other | 1,300 | 1.07 | - | - |
| | Trade payables to related Party (NSEIT Limited) | 10,25,220 | 842.93 | 2,39,676 | 181.66 |
| | Total | <u>10,26,520</u> | <u>844.00</u> | <u>2,39,676</u> | <u>181.66</u> |
| 10 | Other Financial Liabilities | Current | | Current | |
| | | 31.03.2023 | 31.03.2023 | 31.03.2022 | 31.03.2022 |
| | | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| | Liabilities for Expenses (Refer Note 22 for ageing details) | 625 | 0.51 | 22,870 | 17.32 |
| | Total | <u>625</u> | <u>0.51</u> | <u>22,870</u> | <u>17.32</u> |



11 **Income Taxes**

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

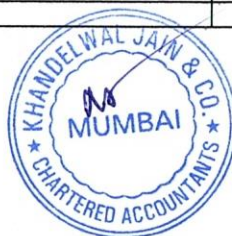
| Particulars | For the year ended 31.03.2023 | For the year ended 31.03.2023 | For the year ended 31.03.2022 | For the year ended 31.03.2022 |
|-----------------------------------------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| Current taxes from Continuing operations | 12,762 | 10.44 | 500 | 0.37 |
| Current taxes from Discontinuing operations | 4 | 0.00 | (0) | (0.00) |
| Short / (Excess) for earlier years | 2,452 | 2.00 | (3,475) | (2.63) |
| Deferred taxes movement of Asset | - | - | - | - |
| Deferred taxes movement of Liability | - | - | - | - |
| Income tax expense reported in the statement of profit or loss | 15,218 | 12.44 | (2,975) | (2.26) |

(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 | For the year ended 31.03.2023 | For the year ended 31.03.2023 | For the year ended 31.03.2022 | For the year ended 31.03.2022 |
|-----------------------------------------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| Profit before income tax expense from Continuing operations | 2,83,454 | 226.09 | 9,41,255 | 673.05 |
| Profit before income tax expense from Discontinuing operations | 85 | 0.07 | (188) | (0.14) |
| Tax at the US Tax Rate | 21.46% | 21.46% | 21.05% | 21.05% |
| Computed expected tax expenses | 60,843 | 48.52 | 1,98,124 | 141.67 |
| Adjustment for tax purpose: - | | | | |
| - Brought forward of losses adjustment | (45,625) | (36.07) | (2,01,099) | (143.93) |
| Income tax expense reported in the statement of profit or loss | 15,218 | 12.44 | (2,975) | (2.26) |
| - Current taxes from Continuing operations | 12,762 | 10.44 | 500 | 0.37 |
| - Current taxes from Discontinuing operations | 4 | - | (0) | (0.00) |
| - Short / (Excess) for earlier years | 2,452 | 2.00 | (3,475) | (2.63) |
| Tax expense for the year | 15,218 | 12.44 | (2,975) | (2.26) |

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

| Particulars | For the year ended 31.03.2023 | For the year ended 31.03.2023 | For the year ended 31.03.2022 | For the year ended 31.03.2022 |
|------------------------------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| Net current income tax asset/(liability) at the beginning | (500) | (0.38) | (3,975) | (2.92) |
| Income tax paid (including TDS and net of refund) | 2,952 | 2.33 | 500 | 0.28 |
| Current income tax expense | (15,214) | (12.44) | 2,975 | 2.26 |
| Income tax on other comprehensive income | - | - | - | - |
| Net current income tax asset/(liability) at the end | (12,762) | (10.49) | (500) | (0.38) |



11 **Income Tax Liabilities / Assets**

| | Current | | Current | |
|------------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|
| | 31.03.2023 (Amt in USD) | 31.03.2023 (Rs in Lakhs) | 31.03.2022 (Amt in USD) | 31.03.2022 (Rs in Lakhs) |
| Income Tax Liabilities (net) | 12,762 | 10.49 | 500 | 0.38 |
| Total | 12,762 | 10.49 | 500 | 0.38 |

12 **Other liabilities**

| | Current | | Current | |
|------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|
| | 31.03.2023 (Amt in USD) | 31.03.2023 (Rs in Lakhs) | 31.03.2022 (Amt in USD) | 31.03.2022 (Rs in Lakhs) |
| Statutory dues payable | 7,586 | 6.24 | - | - |
| Total | 7,586 | 6.24 | - | - |



13 Revenue from operations

| | For the year ended 31.03.2023 | For the year ended 31.03.2023 | For the year ended 31.03.2022 | For the year ended 31.03.2022 |
|-------------------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| Sale of Services : Continuing operations | | | | |
| - Digital Technology Services | 23,33,721 | 1,879.72 | 12,72,798 | 947.57 |
| Total | 23,33,721 | 1,879.72 | 12,72,798 | 947.57 |

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31,2023 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 | For the year ended 31.03.2023 | For the year ended 31.03.2023 | For the year ended 31.03.2022 | For the year ended 31.03.2022 |
|----------------------------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| Revenues by contract type - Continuing operations | | | | |
| Time & Materials | 23,33,721 | 1,879.72 | 12,72,798 | 947.57 |
| Total | 23,33,721 | 1,879.72 | 12,72,798 | 947.57 |

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.

| Revenue disaggregation by geography is as follows: | For the year ended 31.03.2023 | For the year ended 31.03.2023 | For the year ended 31.03.2022 | For the year ended 31.03.2022 |
|------------------------------------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Revenue from operations is derived from the following countries: | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| Continuing operations: - | | | | |
| - United States of America | 4,51,446 | 363.35 | 2,27,098 | 169.60 |
| - Sweden | 18,82,275 | 1,516.37 | 10,45,700 | 777.97 |
| Total | 23,33,721 | 1,879.72 | 12,72,798 | 947.57 |



Information about major customers: (Refer Note 24)

| Changes in Contract assets are as follows: | For the year ended 31.03.2023 | For the year ended 31.03.2023 | For the year ended 31.03.2022 | For the year ended 31.03.2022 |
|--------------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| Balance at the beginning of the year | - | - | 99,720 | 73.29 |
| Invoices raised during the year | - | - | (99,720) | (73.29) |
| Contract assets reversed | - | - | - | - |
| Revenue recognised during the year | - | - | - | - |
| Balance at the end of the year | - | - | - | - |

| Changes in advance received from customer are as follows: | For the year ended 31.03.2023 | For the year ended 31.03.2023 | For the year ended 31.03.2022 | For the year ended 31.03.2022 |
|--------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| Balance at the beginning of the year | - | - | 1,251 | 0.92 |
| Advance received from Customers written back | - | - | (1,251) | (0.92) |
| Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year | - | - | - | - |
| Increase due to invoicing during the year, excluding amounts recognised as revenue during the year | - | - | - | - |
| Advance adjusted against trade receivables | - | - | - | - |
| Advance received during the year | - | - | - | - |
| Balance at the end of the year | - | - | - | - |

14 Other income

| | For the year ended 31.03.2023 | For the year ended 31.03.2023 | For the year ended 31.03.2022 | For the year ended 31.03.2022 |
|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| Interest income on Savings Bank | 0 | 0.00 | 0 | 0.00 |
| Sundry Balance W/ Back (Net) | 7,420 | 6.10 | 3,441 | 2.55 |
| Miscellaneous Income | - | - | 35 | 0.03 |
| Total | 7,420 | 6.10 | 3,476 | 2.58 |

15 Employee Benefit Expenses

| | For the year ended 31.03.2023 | For the year ended 31.03.2023 | For the year ended 31.03.2022 | For the year ended 31.03.2022 |
|--------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | (Amt in USD) | (Rs in Lakhs) # | (Amt in USD) | (Rs in Lakhs) |
| Salaries and Wages | 1,14,359 | 94.04 | - | - |
| Company's Contribution - Payroll Tax | 9,585 | 7.88 | - | - |
| Total | 1,23,944 | 101.93 | - | - |



| 16 | Finance Cost | For the year | For the year | For the year | For the year |
|----|--------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| | | ended 31.03.2023 | ended 31.03.2023 | ended 31.03.2022 | ended 31.03.2022 |
| | | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| | Bank Charges | 1,549 | 1.25 | 1,484 | 1.10 |
| | Interest Expense | - | - | 12,971 | 9.66 |
| | Total | 1,549 | 1.25 | 14,455 | 10.76 |
| 17 | i Technical & Sub Contract Charges (Continuing operations) | 18,66,977 | 1,503.77 | 10,18,239 | 758.05 |
| | ii Other expenses (Continuing operations) | | | | |
| | Rent | 1,800 | 1.45 | - | - |
| | Insurance | 47,249 | 38.15 | 51,744 | 38.47 |
| | Travelling expenses | 1,501 | 1.23 | - | - |
| | Legal and Professional Fees | 14,039 | 11.43 | 3,861 | 2.87 |
| | Conveyance | 102 | 0.08 | - | - |
| | Fees & Subscription | 151 | 0.12 | - | - |
| | General Expenses | 94 | 0.08 | - | - |
| | Forex loss on repayment of borrowings | - | - | - | 13.98 |
| | Total | 64,935 | 52.55 | 55,605 | 55.32 |



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

Earning per share (Continuing operations)

| Particulars | For the year ended 31.03.2023 | For the year ended 31.03.2023 | For the year ended 31.03.2022 | For the year ended 31.03.2022 |
|------------------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| Net Profit attributable to Shareholders | | | | |
| Profit / (Loss) after tax | 2,68,240 | 213.65 | 9,44,230 | 675.31 |
| Weighted Average number of equity shares issued (in nos) | 10,00,000 | 10,00,000 | 10,00,000 | 10,00,000 |
| Basic earnings per share of \$ 1/- each | | | | |
| Basic | 0.27 | 21.36 | 0.94 | 67.53 |
| Diluted | 0.27 | 21.36 | 0.94 | 67.53 |

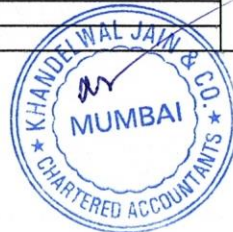
The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same.

Earning per share (Discontinuing operations)

| Particulars | For the year ended 31.03.2023 | For the year ended 31.03.2023 | For the year ended 31.03.2022 | For the year ended 31.03.2022 |
|------------------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| Net Profit attributable to Shareholders | | | | |
| Profit / (Loss) after tax | 81 | 0.07 | (188) | (0.14) |
| Weighted Average number of equity shares issued (in nos) | 10,00,000 | 10,00,000 | 10,00,000 | 10,00,000 |
| Basic earnings per share of \$ 1/- each | | | | |
| Basic | 0.0001 | 0.007 | (0.0002) | (0.014) |
| Diluted | 0.0001 | 0.007 | (0.0002) | (0.014) |

Earning per share (Continuing and Discontinuing operations)

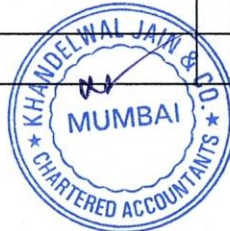
| Particulars | For the year ended 31.03.2023 | For the year ended 31.03.2023 | For the year ended 31.03.2022 | For the year ended 31.03.2022 |
|------------------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| Net Profit attributable to Shareholders | | | | |
| Profit / (Loss) after tax | 2,68,321 | 213.72 | 9,44,042 | 675.17 |
| Weighted Average number of equity shares issued (in nos) | 10,00,000 | 10,00,000 | 10,00,000 | 10,00,000 |
| Basic earnings per share of \$ 1/- each | | | | |
| Basic | 0.27 | 21.37 | 0.94 | 67.52 |
| Diluted | 0.27 | 21.37 | 0.94 | 67.52 |



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's Holding Company |
| 3 | NSEIT Limited | Holding Company |
| 4 | NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited) | Fellow Subsidiary of Holding Company's Holding Company |
| 5 | NSE IFSC Limited | Fellow Subsidiary of Holding Company's Holding Company |
| 6 | National Securities Depository Limited | Ultimate Holding Company's Associate Company |
| 7 | NSDL Database Management Limited | Ultimate Holding Co.'s Associate Co's Subsidiary |
| 8 | NSDL e-Governance Infrastructure Limited | Associate Company of Holding Company's Holding Company |
| 9 | Power Exchange India Limited | Associate Company of Holding Company's Holding Company |
| 10 | NSE Data & Analytics Limited (formerly known as DotEx International Limited) | Fellow Subsidiary of Holding Company |
| 11 | NSE Infotech Services Limited | Fellow Subsidiary of Holding Company |
| 12 | NSE Indices Limited (formerly known as India Index Services & Products Limited) | Fellow Subsidiary of Holding Company |
| 13 | NSE Academy Limited | Fellow Subsidiary of Holding Company |
| 14 | NSE IFSC CLEARING Corporation Limited | Subsidiary of Holding Company's Fellow Subsidiary |
| 15 | TalentSprint Private Limited (w.e.f. 10th November 2020) | Holding Company's Fellow Subsidiary's Subsidiary Company |
| 16 | Cogencis Information Services Limited (w.e.f. 21st January 2021) | Holding Company's Fellow Subsidiary's Subsidiary Company |
| 17 | Indian Gas Exchange Limited (w.e.f. 16th March 2021) | Holding Company's Holding Company's Associate Company |
| 18 | Capital Quant Solutions Private Limited (w.e.f. 3rd March 2021) | Holding Company's Fellow Subsidiary's Subsidiary Company |
| 19 | NSE Foundation (w.e.f 5th March 2018) | Fellow Subsidiary of Holding Company's Holding Company |
| 20 | Aujas Cybersecurity Limited (Formerly known as Aujas Networks Limited / Aujas Networks Pvt. Ltd. (w.e.f. 22nd March 2019) | Fellow subsidiary Company |
| 21 | CXIO Technologies Private Limited (w.e.f. 08th July 2021) | Fellow Subsidiary Company |
| 22 | TalentSprint Inc | Holding Company's Fellow Subsidiary's Subsidiary Subsidiary Company |
| 23 | BFSI Sector Skill Council of India | Ultimate Holding Company's Associate Company |
| 24 | Market Simplified India Limited | Holding Company's Holding Company's Associate |
| 25 | Receivables Exchange Of India Limited | Holding Company's Holding Company's Associate |
| 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 | Dr. N. Muralidaran - Director (upto 31st March 2022) | Key Management Personnel |
| 29 | Mr. Anantharaman Sreenivasan - Director (w.e.f. 22nd January 2022) | Key Management Personnel |



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

| Nature of Transactions | For the year ended 31.03.2023 | For the year ended 31.03.2023 | For the year ended 31.03.2022 | For the year ended 31.03.2022 |
|---------------------------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| Name of the Related Party -NSEIT Limited | | | | |
| Digital Technology Services - Continuing operations | 18,66,977 | 1,503.77 | 10,18,239 | 758.06 |
| Digital Examination Services - Discontinuing operations | 1,209 | 1.00 | 4,598 | 3.44 |
| Taxes recovered - Discontinuing operations | 218 | 0.18 | 827 | 0.62 |
| Loan repaid | - | - | (9,55,000) | (715.91) |
| Interest on Loan | - | - | 12,971 | 9.66 |
| Interest paid on Loan | - | - | (12,971) | (9.66) |
| Closing Balance - Loan taken including interest accrued | - | - | - | - |
| Closing Balance - Dr./ (Cr.) - Continuing operations | (10,25,220) | (842.93) | (2,39,676) | (181.66) |
| Closing Balance - Dr./ (Cr.) - Discontinuing operations | (1,209) | (1.00) | - | - |

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, 2023 and March 31, 2022. The Company has not recorded any impairment of receivables relating to amount owed by related parties.



NSEIT (US) INC.
Notes forming integral part of the financial statements

20 Trade Receivables Aging for current and previous year:

Current Year:- 31.03.2023

| Particulars | Less than 6 months | | 6 months - 1 year | | 1-2 years | | 2-3 years | | More than 3 years | | Total | Total |
|---------------------------------------------------------------------------------|--------------------|---------------|-------------------|---------------|--------------|---------------|--------------|---------------|-------------------|---------------|-----------------|---------------|
| | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| - Undisputed Trade Receivables - considered good | 5,38,548 | 442.79 | - | - | - | - | - | - | - | - | 5,38,548 | 442.79 |
| - Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - | - | - | - | - | - |
| - Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - | - | - | - | - | - | - |
| - Disputed Trade Receivables - considered good | - | - | - | - | - | - | - | - | - | - | - | - |
| - Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - | - | - | - | - | - |
| - Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 5,38,548 | 442.79 | - | - | - | - | - | - | - | - | 5,38,548 | 442.79 |

Previous Year:- 31.03.2022

| Particulars | Less than 6 months | | 6 months - 1 year | | 1-2 years | | 2-3 years | | More than 3 years | | Total | Total |
|---------------------------------------------------------------------------------|--------------------|---------------|-------------------|---------------|--------------|---------------|--------------|---------------|-------------------|---------------|-----------------|---------------|
| | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| - Undisputed Trade Receivables - considered good | 2,95,172 | 223.72 | - | - | - | - | - | - | - | - | 2,95,172 | 223.71 |
| - Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - | - | - | - | - | - |
| - Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - | - | - | - | - | - | - |
| - Disputed Trade Receivables - considered good | - | - | - | - | - | - | - | - | - | - | - | - |
| - Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - | - | - | - | - | - |
| - Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 2,95,172 | 223.72 | - | - | - | - | - | - | - | - | 2,95,172 | 223.71 |



NSEIT (US) INC.
Notes forming integral part of the financial statements

21 Trade Payables ageing for current and previous year:

Current Year:- 31.03.2023

| Particulars | Less than 6 months | | 6 months - 1 year | | 1-2 years | | 2-3 years | | More than 3 years | | Total | Total |
|---------------------------------|--------------------|-----------------|-------------------|---------------|--------------|---------------|--------------|---------------|-------------------|---------------|--------------------|-----------------|
| | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| - MSME | - | - | - | - | - | - | - | - | - | - | - | - |
| - Others | (1,300) | (1.07) | - | - | - | - | - | - | - | - | (1,300.00) | (1.07) |
| - Disputed dues (MSME) | - | - | - | - | - | - | - | - | - | - | - | - |
| - Disputed dues (Others) | - | - | - | - | - | - | - | - | - | - | - | - |
| - Related party (NSEIT Limited) | (10,25,220) | (842.93) | - | - | - | - | - | - | - | - | (10,25,220) | (842.93) |
| Total | (10,26,520) | (844.00) | - | - | - | - | - | - | - | - | (10,26,520) | (844.00) |

Previous Year:- 31.03.2022

| Particulars | Less than 6 months | | 6 months - 1 year | | 1-2 years | | 2-3 years | | More than 3 years | | Total | Total |
|---------------------------------|--------------------|-----------------|-------------------|---------------|--------------|---------------|--------------|---------------|-------------------|---------------|-------------------|-----------------|
| | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| - MSME | - | - | - | - | - | - | - | - | - | - | - | - |
| - Others | - | - | - | - | - | - | - | - | - | - | - | - |
| - Disputed dues (MSME) | - | - | - | - | - | - | - | - | - | - | - | - |
| - Disputed dues (Others) | - | - | - | - | - | - | - | - | - | - | - | - |
| - Related party (NSEIT Limited) | (2,39,676) | (181.66) | - | - | - | - | - | - | - | - | (2,39,676) | (181.66) |
| Total | (2,39,676) | (181.66) | - | - | - | - | - | - | - | - | (2,39,676) | (181.66) |

22 Liabilities for expenses ageing for current and previous year:

Current Year:- 31.03.2023

| Particulars | Less than 6 months | | 6 months - 1 year | | 1-2 years | | 2-3 years | | More than 3 years | | Total | Total |
|----------------------------|--------------------|---------------|-------------------|---------------|--------------|---------------|--------------|---------------|-------------------|---------------|--------------|---------------|
| | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| - Liabilities for Expenses | 625 | 0.51 | - | - | - | - | - | - | - | - | 625 | 0.51 |
| Total | 625 | 0.51 | - | - | - | - | - | - | - | - | 625 | 0.51 |

Previous Year:- 31.03.2022

| Particulars | Less than 6 months | | 6 months - 1 year | | 1-2 years | | 2-3 years | | More than 3 years | | Total | Total |
|----------------------------|--------------------|---------------|-------------------|---------------|--------------|---------------|--------------|---------------|-------------------|---------------|---------------|---------------|
| | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
| - Liabilities for Expenses | 1,800 | 1.36 | 1,800 | 1.36 | 3,600 | 2.73 | 3,600 | 2.73 | 12,070 | 9.14 | 22,870 | 17.32 |
| Total | 1,800 | 1.36 | 1,800 | 1.36 | 3,600 | 2.73 | 3,600 | 2.73 | 12,070 | 9.14 | 22,870 | 17.32 |



NSEIT (US) INC.**Notes forming integral part of the financial statements****23 Notes for discontinuing operations:**

The management has classified the business operations of DEX as discontinuing operations and non-current assets as held for sale. Pending completion of the disposal process of "Digital Examination Services", the financial results are presented as discontinuing operations in the statement of Profit and Loss for the previous year. Disclosure of discontinuing operations results are given as under.

As mandated by Indian Accounting Standard (Ind AS) 105 Asset Held for Sale and Discontinued Operations ("Ind AS 105"), the Statement of Profit and Loss for the year ended March 31, 2022 has been restated to make it comparable. However, assets and liabilities have not been reclassified or re-presented for prior period i.e. year ended March 31, 2022.

A Results for the discontinuing operations for the year are presented below:-

| Particulars | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
|--------------------------------------------------------|--------------|---------------|--------------|---------------|
| | 31.03.2023 | 31.03.2023 | 31.03.2022 | 31.03.2022 |
| Income | | | | |
| Revenue from operations | 1,511 | 1.25 | 5,747 | 4.30 |
| Other income | - | - | - | - |
| Total Income | 1,511 | 1.25 | 5,747 | 4.30 |
| Expenses | | | | |
| Technical & Sub Contract Charges | 1,209 | 1.00 | 4,598 | 3.44 |
| Employee Benefit Expenses | - | - | - | - |
| Finance Cost | - | - | - | - |
| Depreciation and amortisation expense | - | - | - | - |
| Other expenses | 218 | 0.18 | 1,337 | 1.00 |
| Total Expenses | 1,426 | 1.18 | 5,935 | 4.44 |
| Profit before exceptional items and tax | 85 | 0.07 | (188) | (0.14) |
| Exceptional item | - | - | - | - |
| Profit before tax from discontinuing operations | 85 | 0.07 | (188) | (0.14) |
| Less : Income Tax expense | | | | |
| - Current tax | 4 | 0.00 | (0) | (0.00) |
| - Short / (Excess) for earlier years | - | - | - | - |
| Total tax expenses | 4 | 0.00 | (0) | (0.00) |
| Profit after tax from discontinuing operations | 81 | 0.07 | (188) | (0.14) |



B Major Class of assets and liabilities of the discontinuing operations are as follows: -

| ASSETS | | (Amt in USD) | (Rs in Lakhs) |
|--------------------|------------------------------------------------------------------------------------------|---------------------|----------------------|
| | | 31.03.2023 | 31.03.2023 |
| 1 | Non-current assets | | |
| a | Property, Plant and Equipment | - | - |
| b | Financial Assets | | |
| i | Other Financial assets | | |
| | - Security Deposit | - | - |
| | Total Non-current assets | - | - |
| 2 | Current assets | | |
| a | Financial Assets | | |
| i | Trade receivable | - | - |
| ii | Cash and Cash equivalents | - | - |
| iii | Other Financial assets | - | - |
| b | Other assets | - | - |
| | Total Current assets | - | - |
| | Total assets classified as held for sale | - | - |
| LIABILITIES | | | |
| 1 | Non-current liabilities | | |
| a | Financial Liabilities | | |
| i | Borrowings | - | - |
| | Total Non-current liabilities | - | - |
| 2 | Current liabilities | | |
| a | Financial Liabilities | | |
| i | Trade Payables | | |
| | - Total Outstanding dues of micro enterprises and small enterprises | - | - |
| | - Total Outstanding dues of creditors other than micro enterprises and small enterprises | 1,209 | 1.00 |
| ii | Other financial liabilities | - | - |
| b | Income Tax Liabilities (net) | 4 | 0.00 |
| c | Other liabilities | - | - |
| | Total Current liabilities | 1,212 | 1.00 |
| | Liabilities directly associated with discontinued operations | 1,212 | 1.00 |
| | NET LIABILITIES | 1,212 | 1.00 |



C Cash Flow Statement of Discontinued operations are as follows: -

| | (Amt in USD) 31.03.2023 | (Rs in Lakhs) 31.03.2023 |
|-------------------------------------------------------|----------------------------|-----------------------------|
| - Net Cash Flow (used in) / from Operating Activities | 1,293 | 1.07 |
| - Net Cash Flow (used in) / from Investing Activities | - | - |
| - Net Cash Flow (used in) / from Financing Activities | - | - |
| Net increase in Cash and Cash equivalents | 1,293 | 1.07 |



NSEIT (US) INC.

Notes forming integral part of the financial statements

24 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 by the management of the Company. The Company has identified two segments i.e. "Digital Technology Services" and "Digital Examination Services" as reporting segments based on the information reviewed by CODM.

Reportable business segment viz. offering "Digital Technology Services" 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 "Digital 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 :

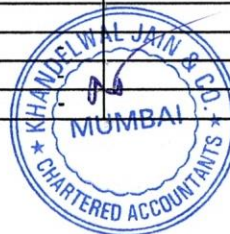
- a) the nature of products and services
- b) the differing risks
- c) the internal organisation and management structure, and
- d) the internal financial reporting systems.

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.

| Particulars | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
|---------------------------------------------------------|------------------|-----------------|------------------|---------------|
| | 2022-23 | 2022-23 | 2021-22 | 2021-22 |
| Segment Revenue | | | | |
| Digital Technology Services - Continuing operations | 23,33,721 | 1,879.72 | 12,72,798 | 947.57 |
| Digital Examination Services - Discontinuing operations | 1,511 | 1.25 | 5,747 | 4.30 |
| | 23,35,232 | 1,880.96 | 12,78,545 | 951.87 |
| Inter-segment revenue | | | | |
| Digital Technology Services - Continuing operations | | - | - | - |
| Digital Examination Services - Discontinuing operations | | - | - | - |



| | | | | |
|---------------------------------------------------------|------------------|---------------|------------------|---------------|
| Revenue from external customers | | | | |
| Digital Technology Services - Continuing operations | 23,33,721 | 1,879.72 | 12,72,798 | 947.57 |
| Digital Examination Services - Discontinuing operations | 1,511 | 1.25 | 5,747 | 4.30 |
| | 23,35,232 | 1,881 | 12,78,545 | 952 |
| Segment Results | | | | |
| Digital Technology Services - Continuing operations | 2,85,003 | 227.34 | 9,55,710 | 683.80 |
| Digital Examination Services - Discontinuing operations | 85 | 0.07 | (188) | (0.14) |
| | 2,85,087 | 227.41 | 9,55,522 | 683.66 |
| Less: Unallocable Expenses (Net of income) | 1,549 | 1.25 | 14,455 | 10.75 |
| Add: Interest income | 0 | 0.00 | 0 | 0.00 |
| Profit before Tax | 2,83,539 | 226.16 | 9,41,067 | 672.91 |

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 | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
|------------------------------------------|------------------|-----------------|------------------|---------------|
| | 2022-23 | 2022-23 | 2021-22 | 2021-22 |
| India | - | - | - | - |
| Outside India - Continuing Operations | 23,33,721 | 1,879.72 | 12,72,798 | 947.57 |
| Outside India - Discontinuing Operations | 1,511 | 1.25 | 5,747 | 4.30 |
| Total | 23,35,232 | 1,880.96 | 12,78,545 | 951.87 |

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.

| Segment | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
|-----------------------------------------------------|------------------|-----------------|-----------------|---------------|
| | 2022-23 | 2022-23 | 2021-22 | 2021-22 |
| Digital Technology Services - Continuing operations | 5,48,098 | 450.65 | 2,95,172 | 223.72 |
| Total Segment Assets | 5,48,098 | 450.65 | 2,95,172 | 223.72 |
| Unallocable Assets | 8,61,071 | 707.97 | 60,016 | 45.49 |
| Total Assets | 14,09,169 | 1,158.62 | 3,55,188 | 269.21 |

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



e Segment Liabilities

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

| Segment | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
|---------------------------------------------------------|------------------|---------------|-----------------|---------------|
| | 2022-23 | 2022-23 | 2021-22 | 2021-22 |
| Digital Technology Services - Continuing operations | 10,34,731 | 850.75 | 2,39,676 | 181.66 |
| Digital Examination Services - Discontinuing operations | 1,208 | 1.00 | - | - |
| Total Segment Liabilities | 10,35,940 | 851.74 | 2,39,676 | 181.66 |
| Unallocable Liabilities | 12,766 | 10.50 | 23,370 | 17.70 |
| Total Liabilities | 10,48,706 | 862.24 | 2,63,046 | 199.36 |

f Segment Capital Expenditure

| Segments | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
|-----------------------------------------------------|--------------|---------------|--------------|---------------|
| | 2022-23 | 2022-23 | 2021-22 | 2021-22 |
| Digital Technology Services - Continuing operations | 1,767 | 1.45 | - | - |
| Total Segment Capital Expenditure | 1,767 | 1.45 | - | - |
| Add: Unallocable Capital Expenditure | - | - | - | - |
| Total Capital Expenditure | 1,767 | 1.45 | - | - |

g Segment Depreciation / Amortisation

| Segments | (Amt in USD) | (Rs in Lakhs) | (Amt in USD) | (Rs in Lakhs) |
|-----------------------------------------------------|--------------|---------------|--------------|---------------|
| | 2022-23 | 2022-23 | 2021-22 | 2021-22 |
| Digital Technology Services - Continuing operations | 282 | 0.23 | - | - |
| Total Segment Depreciation / Amortisation | 282 | 0.23 | - | - |
| Add: Unallocable Depreciation / Amortisation | - | - | - | - |
| Total Depreciation / Amortisation | 282 | 0.23 | - | - |

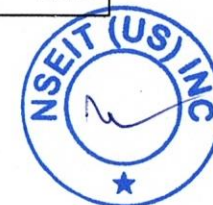
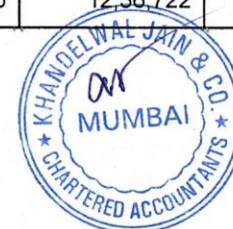
Information about major customers

Company's significant revenues have been derived from 2 customers (Previous year 2 customers). Details of the same are given as under:

| Forming part of segment | 2022-23 | | | 2021-22 | | |
|----------------------------------------------------------------------|--------------|---------------|-----------------------------|--------------|---------------|-----------------------------|
| | (Amt in USD) | (Rs in Lakhs) | % of revenue from operation | (Amt in USD) | (Rs in Lakhs) | % of revenue from operation |
| Digital Technology Services - Customer 2. (Previous year Customer 2) | 22,24,597 | 1,792.26 | 95.26 | 12,36,722 | 920.33 | 97.13 |

Notes:-

- (1) No other single customer contributed 10% or more to the Company's revenue for FY 2022-23 and FY 2021-22.
- (2) Revenue From operations includes revenue from continuing as well as discontinuing operations.



NSEIT (US) INC.

Notes forming integral part of the financial statements

25 Fair Value Measurements

a) Financial Instruments by category

| Particulars | (Amt in USD) | | | (Rs in Lakhs) | | | (Amt in USD) | | | (Rs in Lakhs) | | |
|------------------------------|------------------|-------|------------------|------------------|-------|-----------------|------------------|-------|-----------------|------------------|-------|----------------|
| | As at 31.03.2023 | | | As at 31.03.2023 | | | As at 31.03.2022 | | | As at 31.03.2022 | | |
| | FVPL | FVOCI | Amortised Cost | FVPL | FVOCI | Amortised Cost | FVPL | FVOCI | Amortised Cost | FVPL | FVOCI | Amortised Cost |
| Financial Assets | | | | | | | | | | | | |
| Investments | | | | | | | | | | | | |
| Trade receivables | - | - | 5,38,548 | - | - | 442.79 | - | - | 2,95,172 | - | - | 223.72 |
| Unbilled Revenue | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash and Cash equivalents | - | - | 8,61,071 | - | - | 707.97 | - | - | 47,365 | - | - | 35.90 |
| Other Financial assets | - | - | 225 | - | - | 0.18 | - | - | - | - | - | - |
| Total | - | - | 13,99,844 | - | - | 1,150.95 | - | - | 3,42,537 | - | - | 259.62 |
| Financial Liabilities | | | | | | | | | | | | |
| Borrowings | - | - | - | - | - | - | - | - | - | - | - | - |
| Trade Payables | - | - | 10,26,520 | - | - | 844.00 | - | - | 2,39,676 | - | - | 181.66 |
| Other financial liabilities | - | - | 625 | - | - | 0.51 | - | - | 22,870 | - | - | 17.32 |
| Total | - | - | 10,27,145 | - | - | 844.51 | - | - | 2,62,546 | - | - | 198.98 |

b) Fair Value Measurements

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 at approximate their fair values.



26 Ratios

| Sr. No. | Ratio | Numerator | Denominator | CURRENT YEAR | PREVIOUS YEAR | % Variance (for amounts in USD) | Explanation for variance more than 25% |
|---------|----------------------------------|------------------------------------------------------|------------------------------------------------|--------------------|--------------------|---------------------------------|----------------------------------------------------------------------------------------|
| | | | | Ratio based on USD | Ratio based on USD | | |
| | | | | As at 31.03.2023 | As at 31.03.2022 | | |
| 1 | Current Ratio | Current Assets | Current Liabilities | 1.34 | 1.35 | -0.48% | |
| 2 | Debt–Equity Ratio | Total Debt | Shareholder's Equity | - | - | Note ¹ | |
| 3 | Debt Service Coverage Ratio | Earnings available for debt service | Debt Service | - | - | Note ² | |
| 4 | Return on Equity (ROE) | Net Profits after taxes less Pref. Dividend (if any) | Average Shareholder's Equity | 1.19 | - | Note ³ | |
| 5 | Inventory Turnover ratio | Cost of goods sold OR sales | Average Inventory | - | - | | Not Applicable |
| 6 | Trade receivables turnover ratio | Net Credit Sales | Avg. Accounts Receivable | 5.60 | 5.16 | 8.56% | |
| 7 | Trade payables turnover ratio | Net Credit Purchases | Average Trade Payables | 3.05 | 5.21 | -41.41% | Increase in Credit Purchases, Average Trade Payable. |
| 8 | Net capital turnover ratio | Net Sales | Working Capital | 6.48 | 13.88 | -53.31% | Increase in Working Capital. |
| 9 | Net Profit Ratio | Net Profit | Net Sales | 0.11 | 0.74 | -84.51% | Increase in expenses. |
| 10 | Return on capital employed | Earning before interest and taxes | Capital Employed | 0.79 | 10.37 | -92.40% | Reduction in profits in comparison to last year which had an exceptional income item.. |
| 11 | Return on investment | Income generated from invested funds | Average invested funds in treasury investments | - | - | | Not Applicable |

Note¹ The Company has negative total equity balance as a result, debt-equity ratio cannot be presented.

Note² The Company does not have any closing outstanding debt. Hence, Debt Service Coverage Ratio cannot be presented.

Note³ The Company's average total equity is negative. Hence, return on equity ratio cannot be presented.



NSEIT (US) INC.**Notes forming integral part of the financial statements****27 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. 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.

The core business & operational risk is managed through cross functional involvement and communication across businesses.

The Finance department activities are designed to:

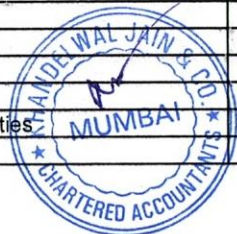
- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

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.

| Particulars | (Amt in USD) | | | | (Rs in Lakhs) | | | |
|-----------------------------|-----------------|---------------------|---------------------|-----------|-----------------|---------------------|---------------------|--------|
| | Carrying amount | Less than 12 months | More than 12 months | Total | Carrying amount | Less than 12 months | More than 12 months | Total |
| As at 31.03.2023 | | | | | | | | |
| Borrowings | - | - | - | - | - | - | - | - |
| Trade payables | 10,26,520 | 10,26,520 | - | 10,26,520 | 844.00 | 844.00 | - | 844.00 |
| Other financial liabilities | 625 | 625 | - | 625 | 0.51 | 0.51 | - | 0.51 |
| As at 31.03.2022 | | | | | | | | |
| Borrowings | - | - | - | - | - | - | - | - |
| Trade payables | 2,39,676 | 2,39,676 | - | 2,39,676 | 181.66 | 181.66 | - | 181.66 |
| Other financial liabilities | 22,870 | 22,870 | - | 22,870 | 17.32 | 17.32 | - | 17.32 |



B : 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 is high, due to the Company's customer base being small.

Trade receivables

All trade receivables are reviewed and assessed for default on a quarterly basis.

Based on historical experience of collecting receivables, supported by the level of default, our assessment of credit risk is low.

- 28 Capital and other commitments - Nil. (Previous year : Nil)
- 29 The Company has accumulated losses of USD 6,39,537 (Rs.237.31 lakhs) as at March 31, 2023. Considering long term and strategic nature of the business and future business plans, the accounts of the company has been prepared on a going concern basis.
- 30 Contingent liability - NIL (Previous year :- Nil)
- 31 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.
- 32 The Company had entered into a contract with NASDAQ Technology AB, Sweden (Nasdaq) for provision of software services vide contract dated December 09, 2020. During the previous year, the said contract was terminated by Nasdaq and the Company has received a sum of USD 753,280 (Rs. 547.03 lakhs) as compensation towards cancellation of the contract in accordance with the terms of the contract. The said amount received has been disclosed as an "Exceptional Item" in the financial statements.
- 33 **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.
- 34 Previous years figures have been regrouped, rearranged and reclassified wherever necessary to confirm to the current year classifications. As required by Indian Accounting Standard (Ind AS) 105 "Asset Held for Sale and Discontinued Operations", the Statement of Profit and Loss for the year ended March 31, 2023 has been restated to make it comparable.

As per our report of even date attached

For Khandelwal Jain & Co.

Chartered Accountants

(Firm Reg No : 105049W)

Narendra Jain

NARENDRA JAIN

Partner

Membership No.048725

Place : Mumbai

Date : April 18, 2023



For and on behalf of Board of Directors

Anantharaman Sreenivasan

ANANTHARAMAN SREENIVASAN

Director

DIN : 09262583

