

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

Report on the Standalone Ind AS Financial Statements

Opinion

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

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a) in the significant accounting policies which indicates that the Company has not prepared financial statements on going concern basis which indicates that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

The Company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Board's Report including Annexures to Board's Report, Corporate Governance and such other disclosures related Information, excluding the standalone financial statements and auditor's report thereon ('Other Information'). The other information is expected to be made available to us after the date of this auditors' report.

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

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

When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'.

We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the company so far it appears from our examination of those books.
- c) The Balance sheet, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- i) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- j) As stated in Note 5b to the standalone financial statements
- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Gokhale & Sathé
Chartered Accountants
Firm Reg. No.: 103264W

Atul A Kale
Partner
Membership No.109947

Place: Mumbai
Date:
UDIN:

ANNEXURE A

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

We have audited the Internal financial controls over financial reporting of **NSE INFOTECH SERVICES LIMITED** (“the Company”) as of 31st March, 2022 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For Gokhale & Sathe

Chartered Accountants

Firm Reg. No.: 103264W

Atul A Kale

Partner

Membership No.109947

Place: Mumbai

Date:

UDIN:

ANNEXURE B

In the Annexure, as required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government in terms of section 143(11) of the Companies Act 2013, on the basis of checks, as we considered appropriate, we report on the matters specified in paragraph 3 and 4 of the said order to the extent applicable to the company.

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

- i) In respect of the Company's Property, Plant & Equipment and Intangible Assets:
No fixed assets as well as immovable properties are held by the company. Hence reporting under this clause is not applicable to the company.
- ii) a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
b) The Company has not been sanctioned working capital limits in excess of ₹5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii) The company has not made investments in companies, firms, Limited Liability Partnerships, and not granted unsecured loans to other parties, during the year, in respect of which:
 - a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
 - b) Since the company has not made investments and hence reporting under clause 3(iii)(b) of the Order is not applicable.
 - c) Since the company has not granted loans, hence reporting under clause 3(iii)(c), clause 3(iii)(d), clause 3(iii)(e) & clause 3(iii)(f) of the Order is not applicable.
The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

iv) The Company has not granted any loans or provided any guarantees or securities covered under section 185 & section 186 of the Act. In respect of investment made by the company, in our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 186 of the Act.

v) During the year, the company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under (vi) of the Order is not applicable to the company.

vii) a) The company has generally been regular in depositing undisputed statutory dues including the Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Goods and Services Tax, duty of Excise, Value Added Tax, cess and any other statutory dues applicable to it.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

b) Details of statutory dues referred to in sub-clause a) above which have not been deposited as on March 31, 2022 on account of disputes, are given below:

Sr.No	Name of the Statue	Nature of the Dues	Financial Year	Amount	Forum Where dispute is pending
1.	Income Tax Act	Fringe Benefit Tax	2007-08	1,36,143	Income Tax Office – 10(1)(4)
2.	Finance Acts concerning Service Tax	Service Tax	2014-15 to 2016-17	1,58,143	Deputy Commissioner – CGST Audit
			01/04/2017 to 30/06/2017	25,566.32	

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

ix) a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

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

d) On an overall examination of the financial statements of the Company, the company has not raised any funds hence reporting under 3(ix)(d) of the Order is not applicable.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f) The Company has not raised any loans during the year and hence reporting under clause 3(ix)(f) of the Order is not applicable.

x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

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

xi) a) According to the information and explanation given to us, no fraud by the company and no material fraud on the company has been noticed or reported during the year.

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

c) We have not received any whistle blower complaints by the company during the year.

- xii) The Company is not a chit fund or a Nidhi/ mutual benefit fund/ society and hence reporting under clause (xii) of the Order is not applicable.
- xiii) In our opinion, the Company is in compliance with sections 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
- xiv) a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) In our opinion and according to the information and explanation given to us, during the year the company has not entered into non-cash transactions with the Directors or persons connected with the directors and hence the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) a) The company is not required to be registered under Section 45-IA of the Reserve Bank Of India Act, 1934.Hence reporting under clause 3(xvi)(a),(b) and (c) of the Order is not applicable.
b) As per the information and explanation given to us there is only one core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xviii) There has not been any resignation of the statutory auditors of the Company during the year.

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

xx) Corporate Social Responsibility (CSR) Clause is not applicable to the company, Accordingly, reporting under clause 3(xx)(a),(b) of the Order is not applicable for the year.

For Gokhale & Sathe
Chartered Accountants
Firm Reg. No.: 103264W

Atul A Kale
Partner
Membership No.109947
Place: Mumbai
Date:
UDIN:

NSE INFOTECH SERVICES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2022

(Rs in Lakhs)

NOTE	As at 31.03.2022	As at 31.03.2021
ASSETS		
Non-current assets		
Income tax assets (net) 7	0.41	0.40
Total non-current assets	0.41	0.40
Current assets		
Financial assets		
- Investments 2	96.01	182.96
- Cash and cash equivalents 3	3.03	15.02
Other current assets 4	0.45	0.45
Total current assets	99.49	198.43
TOTAL ASSETS	99.90	198.83
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital 5 (a)	5.00	5.00
Other equity 5 (b)	87.00	187.48
TOTAL EQUITY	92.00	192.48
LIABILITIES		
Current liabilities		
Financial Liabilities		
Other current liabilities 8	3.67	3.09
Deferred tax liabilities (net) 6 (c)	4.23	3.26
Income tax liabilities (net) 8	-	-
Total current liabilities	7.90	6.35
TOTAL LIABILITIES	7.90	6.35
TOTAL EQUITY AND LIABILITIES	99.90	198.83

Summary of significant accounting policies (Note 1)

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

NSE INFOTECH SERVICES LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rs in Lakhs)

PARTICULARS	Notes No.	For the year ended 31.03.2022	For the year ended 31.03.2021
Income			
Revenue from operations		-	-
Other income and other gains / (losses)	9	10.01	26.41
Total income		10.01	26.41
Expenses			
Employee benefits expense		-	-
Other expenses	10	6.26	8.71
Total expenses		6.26	8.71
Profit before tax		3.75	17.70
Less : Income Tax expense			
Current tax	6(a)	3.26	4.70
(Excess)/short FBT provision for earlier years		-	0.05
(Excess)/short Income tax provision for earlier years		-	1.96
Deferred tax	6 (c)	0.97	1.95
Total Income Tax expenses	6 (a)	4.23	8.66
Profit after tax (A)		(0.48)	9.04
Other Comprehensive Income			
Total other comprehensive income for the period, net of taxes (B)		-	-
Total comprehensive income for the year/ period (A+B)		(0.48)	9.04
Earning per equity share			
(Face value of Rs. 10 each)			
- Basic and Diluted	11	(0.96)	18.08

NSE INFOTECH SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(A) Equity Share Capital	(Rs in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
Balance as at	5.00	5.00
(B) Other Equity Reserves and Surplus	(Rs in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
Oenining balance as at	187.48	378.44
Add : Total Comprehensive Income for the year	(0.48)	9.04
Less : Dividend Paid to Equity Share Holders	100.00	200.00
Closing Balance as at	87.00	187.48

NSE INFOTECH SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(Rs in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	3.75	17.70
Less : Adjustments for :		
Net gain on sale of investments	(1.20)	(4.60)
Net gain on financial assets mandatorily measured at fair value through profit or loss	(3.85)	(10.30)
Operating Profit before working capital change	(1.30)	2.79
Working Capital Adjustments :		
(Increase)/Decrease in Trade Receivable	-	-
(Increase)/Decrease in other financial assets	-	1.74
Increase/(Decrease) in Trade Payables	-	-
Increase/(Decrease) in Current Liabilities & provisions	0.58	(6.36)
Cash Generated from Operating activities	(0.72)	(1.83)
Taxes Net (Including TDS) (Paid)/ Refund	(3.27)	104.41
Net Cash From Operating Activities - Total (A)	(3.99)	102.58
B) CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds on Sale of Mutual Fund During the Period	92.00	227.16
Payment for Investments in Mutual Fund During the period	-	(120.00)
Cash flow from investing activity - Total (B)	92.00	107.16
C) CASH FLOW FROM FINANCING ACTIVITY		
Dividend Paid to Equity Shareholders	(100.00)	(200.00)
Cash Flow from Financing Activity - Total (C)	(100.00)	(200.00)
Net Increase / (Decrease) In cash & Cash Equivalent	(11.99)	9.74
Opening balance of Cash & Cash Equivalent	15.02	5.28
Closing balance of Cash & Cash Equivalent	3.03	15.02
Net Increase / (Decrease) In cash & Cash Equivalent	(11.99)	9.74

Notes to Cash Flow Statement :

- 1 Cash and cash equivalent represent cash and bank balances.
- 2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the IND AS 7 on Cash Flow Statements notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. and Companies (Indian Accounting Standards) Amendment Rules, 2016
- 3 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current period classification / disclosure.

NSE Infotech Services Limited

Notes to financial statements for the year ended March 31, 2022

Note 1 : Significant accounting policies

a) Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

During the financial year 2018-19, NSE decided to co-opt the technology function internally and desired to absorb all the employees of NSETECH within it. Accordingly, effective 1st June 2018, all the employees of NSETECH were transferred to NSE. Pursuant to the transfer of all the employees of NSETECH to NSE the core operations in the Company in the nature of IT management and support services to NSE and its group Companies ceased to exist. Accordingly, effective 1st June, 2018 there was no revenue generated from the operations. In view of the same, it is not practical for the Company to prepare the financial statements on going concern basis.

(i) Historical cost convention

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

Certain financial assets and liabilities that is measured at fair value, and In addition, for financial reporting purposes, fair value measurements are categorized 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.

NSE Infotech Services Limited

Notes to financial statements for the year ended March 31, 2022

b) Foreign currency translation and transactions

(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 Financial Statements are presented in Indian currency (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

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

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

c) Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 1c – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, incentives, service taxes and amounts collected on behalf of third parties.

NSE Infotech Services Limited

Notes to financial statements for the year ended March 31, 2022

The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue is recognised in the period when the service is provided as per arrangements/agreements with the customers. The sources of revenue are:

- (i) Revenue from IT Services – Revenue from IT Services is recognized based on the terms agreed with the customers.;
- (ii) Dividend income- Dividends are recognised in profit and loss only when the shareholder's 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.
- (iii) Interest income - Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.
- (iv) Others – all other revenue is recognised in the period in which the service is provided.

d) Income taxes

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

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

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

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

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

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

NSE Infotech Services Limited

Notes to financial statements for the year ended March 31, 2022

Current, deferred tax and dividend distribution tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

e) Impairment of assets

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.

f) Cash and cash equivalents

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.

g) Trade receivables

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

h) Investments and other financial assets

(i) Recognition

All financial assets are recognised and de-recognised on a trade date basis where the purchase or

sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned.

NSE Infotech Services Limited

Notes to financial statements for the year ended March 31, 2022

(ii) 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.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and 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 group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is de-recognised 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 fair value through other comprehensive income (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 de-recognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

NSE Infotech Services Limited

Notes to financial statements for the year ended March 31, 2022

- **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 within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

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.

(iv) 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.

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.

(v) 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.

NSE Infotech Services Limited

Notes to financial statements for the year ended March 31, 2022

Dividends

Dividends are recognised in Statement of 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.

i) 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 de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

(v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Restated Statement of Assets and Liabilities 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.

j) Property, plant and equipment (including CWIP)

Office equipments are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. 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. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

NSE Infotech Services Limited

Notes to financial statements for the year ended March 31, 2022

Depreciation methods, estimated useful lives and residual value Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

Office equipment	4 to 5 years
------------------	--------------

Office Equipment is depreciated over the asset's useful life or the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which is higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted on a prospective basis if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss

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

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

k) Intangible assets

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

NSE Infotech Services Limited

Notes to financial statements for the year ended March 31, 2022

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Computer software is amortised over a period of 4 years.

l) 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.

m) Provisions

Provisions for legal claims and discounts/incentives are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

At the end of each reporting period, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at a future date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

n) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

o) 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 Statement of Assets and Liabilities.

NSE Infotech Services Limited

Notes to financial statements for the year ended March 31, 2022

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

The obligations are presented as current liabilities in the Statement of Assets and Liabilities since the company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, and
- (b) defined contribution plans such as provident fund and superannuation.

Gratuity obligations

The Company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised in the Statement of Assets and Liabilities in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to yields on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the Statement of Assets and Liabilities.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

NSE Infotech Services Limited

Notes to financial statements for the year ended March 31, 2022

During the financial year 2018-19 all active employee as on 31st May 2018 are transferred to NSEIL w.e.f 1st June 2018 and gratuity payable to them is fully funded as per valuation received from LIC of India hence no outstanding obligation on account of Gratuity payable is reflecting in the Statement of Assets and Liabilities.

Defined contribution plans

Provident fund

The Company has established 'NSE Infotech Services Limited Employee Provident Fund Trust' to which both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary, respectively. Such contribution to the provident fund for all employees, are charged to the Statement of profit and loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is provided for by the Company.

During Financial Year 2018-19 Regional provident Fund Commissioner (RPFC) had suggested us to surrender of Exemption of the Trust and comply as unexempted trust because of no active members present in trust and major portion of the fund transferred to NSEIL EPF Trust on account of provident fund settlement of transferred Employees.

Accordingly NSETech EPF Trust had surrendered its Exemption to RPFC and transferred balance fund in cash to RPFC and now complying as unexempted trust w.e.f 1st January 2019 hence after said effect NSE Tech EPF Trust have Nil provident Fund balance.

Superannuation

Superannuation benefits for employees designated as managers and above are covered by Company policies with the Life Insurance Corporation of India. Company's contribution payable for the year is charged to statement of profit and loss. There are no other obligations other than the annual contribution payable.

During Financial year 2018-19 all member of the Superannuation Fund had submitted their request to transfer their corpus from LIC Policy of NSETech to NSEIL so after said effect NSETech SA fund has NIL balance towards employees superannuation fund.

(iv) Bonus plans

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

NSE Infotech Services Limited

Notes to financial statements for the year ended March 31, 2022

p) 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.

q) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

r) Earnings per share

(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.

s) Rounding of amounts

All amounts disclosed in the Financial Statements and notes thereon have been rounded off to the rupees in lakhs, unless otherwise stated.

t) Reclassification

Previous year's figures have been reclassified / regrouped wherever necessary.

NSE Infotech Services Limited

Notes to financial statements for the year ended March 31, 2022

u) 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 judgement 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 judgements 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:

Estimation of fair value of unlisted securities Note : 20

Estimation of useful life of intangible asset Note : Not Applicable

Estimation of defined benefit obligation Note : 12

Estimation of contingent liabilities refer Note : 15

Estimates and judgements 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.

Recent Pronouncements

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

a) Ind AS 103 – Reference to Conceptual Framework

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

b) Ind AS 16 – Proceeds before intended use

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

NSE Infotech Services Limited

Notes to financial statements for the year ended March 31, 2022

c) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

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

d) Ind AS 109 – Annual Improvements to Ind AS (2021)

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

e) Ind AS 106 – Annual Improvements to Ind AS (2021)

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

The Company does not expect to have any significant impact on its financial statements.

NSE INFOTECH SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2022

2	Current Investments	As at 31.03.2022		As at 31.03.2021	
		Number of Units	(Rs in Lakhs)	Number of Units	(Rs in Lakhs)
	Particulars				
	Investment in Mutual Funds				
	Unquoted Investments in mutual funds at FVPL				
i	ICICI Prudential Money Market Fund - Direct- Growth	11,881	36.46	42,633	125.88
ii	Aditya Birla Sun Life Savings Fund - Direct - Growth	13,372	59.55	13,372	57.08
	Total Mutual Fund Investments		96.01		182.96
	Aggregate amount of quoted investments and market value thereof		-		-
	Aggregate amount of unquoted investments		96.01		182.96
	Total Current Investments		96.01		182.96
3	Cash and cash equivalents				(Rs in Lakhs)
			As at 31.03.2022	As at 31.03.2021	
	Balances with banks : in current accounts		3.03	15.02	
			3.03	15.02	
	There are no restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior periods.				
4	Other assets (Current)				(Rs in Lakhs)
			As at 31.03.2022	As at 31.03.2021	
	Advance recoverable in cash or kind		0.45	0.45	
	Total		0.45	0.45	
5 (a)	Share Capital				(Rs in Lakhs)
			As at 31.03.2022	As at 31.03.2021	
i)	Authorised		1,000.00	1,000.00	
	1,00,00,000 (Previous Year 1,00,00,000) Equity Shares of Rs 10 Each.				
	Total		1,000.00	1,000.00	
ii)	Issued, Subscribed and Paid-up		5.00	5.00	
	50,000 (Previous year 50,000) Equity shares of Rs.10 each fully paid up.				
	Total		5.00	5.00	

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. They entitle the holder to participate in dividends. 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. There is no change either in the number of equity shares or in amount between previous year and current period.

NSE INFOTECH SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2022

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

	As at 31.03.2022	As at 31.03.2021
	No.	No.
NSE Investments Limited	50,000	50,000

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

	As at 31.03.2022	As at 31.03.2021
	% holding	% holding
NSE Investments Limited	100%	100%

(b) Other Equity

	(Rs in Lakhs)		
	Reserves and surplus		
	Other Reserves (General Reserve)	Retained Earnings	Total
Balance at the beginning of the reporting period 01.04.2020	4.14	374.30	378.44
Total Comprehensive Income for the year	-	9.04	9.04
Less : Dividend Paid to Equity Share Holders	-	200.00	200.00
Balance at the end of the reporting period 31.03.2021	4.14	183.34	187.48
Balance at the beginning of the reporting period 01.04.2021	4.14	183.34	187.48
Total Comprehensive Income for the year	-	(0.48)	(0.48)
Less : Dividend Paid to Equity Share Holders	-	100.00	100.00
Balance at the end of the reporting period 31.03.2022	4.14	82.86	87.00

* During the Financial Year 2021-22, the Members at their 15th Annual General Meeting held on July 28, 2021 declared a Final dividend at the rate of Rs. 200/- per equity share of Rs.10/- each in respect of 50, 000 equity shares amounting to Rs. 100 lakhs (P.Y. Rs.200 Lakhs)

NSE INFOTECH SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2022

6

Income Taxes

(a) Income tax expense
Particulars

Income tax expense

Current Tax

Current tax expense (i)

(Excess)/short Income tax provision for earlier years

Deferred Tax

Decrease / (increase) in deferred tax assets (ii)

(Decrease) / increase in deferred tax liabilities (iii)

Adjustment in other equity or retained earning (iv)

Total deferred tax expense/ (benefit) (v)=(ii)+(iii)+(iv)

Total Income tax expenses* (vi)= (i)+(v)

(Rs in Lakhs)

	As at 31.03.2022	As at 31.03.2021
Income tax expense		
Current Tax		
Current tax expense (i)	3.26	4.70
(Excess)/short Income tax provision for earlier years	-	2.01
Deferred Tax		
Decrease / (increase) in deferred tax assets (ii)	-	-
(Decrease) / increase in deferred tax liabilities (iii)	0.97	1.95
Adjustment in other equity or retained earning (iv)		
Total deferred tax expense/ (benefit) (v)=(ii)+(iii)+(iv)	0.97	1.95
Total Income tax expenses* (vi)= (i)+(v)	4.23	8.66

* This excludes net deferred tax expense/(benefit)on other comprehensive income (vii)

[Deferred tax liability-Deferred tax asset] From Balance Sheet—(a)

Total Deferred tax movement (b)

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:
Particulars

Profit before income tax expense

Tax rate (%)

Tax at the Indian Tax Rate

Tax effect of amounts which are not deductible (taxable) in calculating taxable income

Profit on sale of investments

Business expenses

(Excess)/short Income tax provision for earlier years

Income Tax Expense

Deferred Tax on OCI

(Rs in Lakhs)

	As at 31.03.2022	As at 31.03.2021
Profit before income tax expense	3.75	17.70
Tax rate (%)	25.17%	25.17%
Tax at the Indian Tax Rate	0.94	4.45
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Profit on sale of investments	1.71	0.28
Business expenses	1.58	1.91
(Excess)/short Income tax provision for earlier years	-	2.01
Income Tax Expense	4.23	8.66
Deferred Tax on OCI		-

(c) Deferred tax Asset/(liabilities) (net)

The balance comprises temporary differences attributable to:

Particulars

Deferred income tax assets

Total deferred tax assets (a)

Deferred income tax liabilities

Financial Assets at Fair Value through profit and Loss

Contribution to Core Settlement Guarantee Fund

Total deferred tax liabilities (b)

Net Deferred Tax Assets / (Liabilities) (a)-(b)

(Rs in Lakhs)

	As at 31.03.2022	As at 31.03.2021
Deferred income tax assets		
Total deferred tax assets (a)	-	-
Deferred income tax liabilities		
Financial Assets at Fair Value through profit and Loss	4.23	3.26
Contribution to Core Settlement Guarantee Fund	-	-
Total deferred tax liabilities (b)	4.23	3.26
Net Deferred Tax Assets / (Liabilities) (a)-(b)	(4.23)	(3.26)

(d) Movement in deferred tax liabilities

Financial Assets at Fair Value through profit and Loss

At 1 April 2020

Charged/(credited)

DTA reversal due to tax rate change

- to profit or loss

- to other comprehensive income

At 31 March 2021

Charged/(credited)

DTA reversal due to tax rate change

- to profit or loss

- to other comprehensive income

At 31 March 2022

(Rs in Lakhs)

	As at 31.03.2022	As at 31.03.2021
At 1 April 2020	1.31	-
Charged/(credited)		
DTA reversal due to tax rate change	-	-
- to profit or loss	1.95	1.31
- to other comprehensive income		-
At 31 March 2021	3.26	1.31
Charged/(credited)		
DTA reversal due to tax rate change		-
- to profit or loss	0.97	1.95
- to other comprehensive income		
At 31 March 2022	4.23	3.26

NSE INFOTECH SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2022

		(Rs in Lakhs)	
		As at 31.03.2022	As at 31.03.2021
7	Income tax assets (net)		
	Income Tax paid including TDS (Net of Provisions)	0.41	0.40
	Fringe Benefit Tax (Net of Provisions)	-	-
	Current Tax Assets (Net)	0.41	0.40
8	Other liabilities (Current)		
		(Rs in Lakhs)	
		As at 31.03.2022	As at 31.03.2021
	Statutory dues payable	0.28	0.14
	Other Payable	3.39	2.95
	Total	3.67	3.09
9	Other income		
		(Rs in Lakhs)	
		For the year ended 31.03.2022	For the year ended 31.03.2021
	Other income		
	Interest Received on Income Tax Refund	3.56	11.50
	Income from Short Notice Dues	1.40	-
		4.96	11.50
	Other gains/(losses)		
	Net gain / loss on sale of current Investment	1.20	4.60
	Net gain on financial assets mandatorily measured at fair value through profit or loss	3.85	10.30
		5.05	14.91
	Total other income	10.01	26.41
10	Other expenses		
		(Rs in Lakhs)	
		For the year ended 31.03.2022	For the year ended 31.03.2021
	Rates & Taxes	0.03	0.03
	Professional & Consultancy Charges	4.45	4.37
	Auditors Remuneration		
	- Audit Fees	1.15	1.15
	- Out of Pocket Expenses	0.29	0.21
	Other expenses	0.34	2.96
	Total	6.26	8.71
11	Earning per share		
		(Rs in Lakhs)	
		For the year ended 31.03.2022	For the year ended 31.03.2021
	Profit attributable to the equity holders of the company used in calculating basic earnings per share and Profit for the year	(0.48)	9.04
	Weighted average number of equity shares used as the denominator in calculating basic earnings per	50,000	50,000
	Earnings per equity share (basic and diluted) (Amt in Rs.)	(0.96)	18.08
	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.		
12	Disclosure under Indian Accounting Standard 19 (Ind As 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.		
	Since, there are no employees employed with organisation, there is no disclosure under Indian Accounting Standard 19 (Ind As 19)		
13	Ind AS 108 - "Operating Segments ; There are no reportable business segment hence no disclosures required in terms of Ind AS 108 - "Operating Segments" prescribed under the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 are not applicable.		

NSE INFOTECH SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2022

14

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 relationships

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	The Ultimate Holding Company
2	NSE Investments Ltd	Holding Company
3	NSE Foundation	Subsidiary of the Ultimate Holding Company
4	NSE Clearing Limited	Holding Company's Fellow Subsidiary
5	NSE IFSC Limited	Holding Company's Fellow Subsidiary
6	National Securities Depository Limited	Ultimate Holding Company's Associate
7	BFSI Sector Skill Council of India	Ultimate Holding Company's Associate
8	NSDL e-Governance Infrastructure Limited	Holding Company's Associate Company
9	Power Exchange India Limited	Holding Company's Associate Company
10	Market Simplified India Limited	Holding Company's Associate Company
11	Computer Age Management Services Limited (upto 04.02.2020)	Holding Company's Associate Company
12	Receivable Exchange of India Limited	Holding Company's Associate Company
13	NSE IT Limited	Fellow Subsidiary Company
14	NSE Data & Analytics Limited	Fellow Subsidiary Company
15	NSE Academy Ltd	Fellow Subsidiary Company
16	NSE Indices Limited	Fellow Subsidiary Company
17	NSE IFSC Clearing Corporation Limited	Subsidiary of Holding Company's Fellow Subsidiary
18	NSEIT (US) Inc.	Subsidiary of the Fellow Subsidiary Company
19	Aujas Networks Private Limited	Subsidiary of the Fellow Subsidiary Company
20	Mr. S Sadagopan (up to 30.04.2019)	Non Executive Director
21	Talentsprint Pvt, Ltd (w.e.f 10.11.2020)	Subsidiary of the Fellow Subsidiary Company
22	Talentsprint Inc.(w.e.f. 29-11-2021)	Subsidiary of the Fellow Subsidiary Company
23	Cogencis Information Services Limited (w.e.f 21.01.2021)	Subsidiary of the Fellow Subsidiary Company
24	Capital Quants Solutions Private Limited (w.e.f. 26.02.2021)	Associate of the Fellow Subsidiary Company
25	Indian Gas Exchange Limited (w.e.f. 16.03.2021)	Holding Company's Associate Company
26	CXIO Technologies Private Limited	Subsidiary of the Fellow Subsidiary Company
27	India International Bullion Holding IFSC Ltd (w.e.f. 04-06-2021)	Ultimate Holding Company's Associate Company
28	India International Bullion Exchange IFSC Ltd (w.e.f. 17-08-2021)	Ultimate Holding Company's Associate Company's Subsidiary Company
29	Mr. Yatrik Vin (up to 15.07.2021)	Key Management Personnel
30	Mr. Mukesh Agarwal	Key Management Personnel
31	Mr. Raghavan Putran (up to 26.08.2020)	Key Management Personnel
32	Mr. G. M. Shenoy (up to 29.11.2021)	Key Management Personnel
33	Mr. KS Somasundaram (w.e.f 15.07.2021)	Key Management Personnel
34	Mr. M Vasudev Rao (29.11.2021)	Key Management Personnel

NSE INFOTECH SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2022

b) Details of transactions with related parties as follows:

(Rs in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
i) National Stock Exchange of India Limited		
Nature of transaction		
Expenses incurred by NSEIL reimbursed	5.92	18.78
Closing Balance Debit / (Credit)	(0.85)	(1.24)
ii) NSE Investments Limited		
Nature of transaction		
Dividend Paid	100.00	200.00
Closing Balance Debit / (Credit)	-	-
iii) National Securities Depository Limited		
Nature of transaction		
Annual Custody fees & Misc Charges.	0.14	-
Closing Balance Debit / (Credit)	(0.13)	-

15 Contingent liability:

(Rs in Lakhs)

	As at 31.03.2022	As at 31.03.2021
Income tax matters	-	-
Fringe Benefit Tax matters	1.36	1.36
Services tax matters	1.84	1.84

16 Details of dues to micro and small, medium enterprises as defined

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

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

17 Expenditure in foreign currency:

(Rs in Lakhs)

	For the year ended 31.03.2022	For the year ended 31.03.2021
Expenditure in foreign exchange :	Nil	Nil

18 Earnings in foreign exchange :

	For the year ended 31.03.2022	For the year ended 31.03.2021
Earnings in foreign exchange :	Nil	Nil

19 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.

NSE INFOTECH SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2022

20 A Fair value measurements

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value and are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three level prescribed under the accounting standard. An explanation of each level follows underneath the table.

(Rs in Lakhs)

Financial assets and liabilities measured at fair value - recurring fair value measurements at 31.03.2022	Notes	Level 1	Total
Financial Assets			
Financial Investments at FVPL			
Mutual Fund - Growth Plan	2	96.01	96.01
Total Financial Assets		96.01	96.01
Financial Liabilities		-	-
Total Financial Liabilities			-

(Rs in Lakhs)

Financial assets and liabilities measured at fair value - recurring fair value measurements at 31.03.2021	Notes	Level 1	Total
Financial Assets			
Financial Investments at FVPL			
Mutual Fund - Growth Plan	2	182.96	182.96
Total Financial Assets		182.96	182.96
Financial Liabilities		-	-
Total Financial Liabilities			-

The fair value of financial instruments referred above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

- Level 1:

This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing Net Assets Value (NAV). NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.

ii) Valuation processes :

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).

NSE INFOTECH SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2022

B) Fair Value Measurements

(Rs in Lakhs)

	FVPL	
	31.03.2022	31.03.2021
Financial Assets		
Investments		
Mutual Funds	96.01	182.96
Total Financial Assets	96.01	182.96

21**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 constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Committee of the Company is supported by the Treasury department that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Treasury department activities are designed to:

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

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

A MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the Company's credit rating and impair investor confidence.

The Company maintained a cautious funding strategy, with a positive cash balance throughout the year ended 31st March, 2022 and 31st March, 2021. This was the result of cash delivery from the business. Cash flow from operating activities provides the funds to service the financing of financial liabilities on a day-to-day basis.

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 interest bearing term deposits and other highly marketable debt investments including the government securities with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

NSE INFOTECH SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2022

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

(Rs in Lakhs)

	Carrying amount	Payable on demand	Less than 3 months	3-6 months	6-12 months	More than 12 months	Total
As at March 31, 2022							
Other liabilities	3.67	3.67	-	-	-	-	3.67
As at March 31, 2021							
Other liabilities	3.09	3.09	-	-	-	-	3.09

B MANAGEMENT OF MARKET RISK

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

- price risk; and
- interest rate risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of, these risks is explained below.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
1. PRICE RISK		
The Company is mainly exposed to the price risk due to its investment in mutual funds and exchange traded funds. The price risk arises due to uncertainties about the future market values of these investments. At 31st March 2022, the exposure to price risk due to investment in mutual funds amounted to Rs. 96.01 lakhs (March 31, 2020: Rs. 182.96 lakhs).	In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies. The Treasury department maintains a list of approved financial instruments. The use of any new investment must be approved by the Chief Financial Officer.	As an estimation of the approximate impact of price risk, with respect to mutual funds and exchange traded funds , the Company has calculated the impact as follows. For mutual funds, a 0.25% increase in prices would have led to approximately an additional Rs. 24.00 Lakhs gain in the Statement of Profit and Loss (2020-21: Rs. 45,74 Lakhs) , a 0.25% decrease in prices would have led to an equal but opposite effect.

C MANAGEMENT OF CREDIT RISK

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

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse and also on account of member's deposits kept by the company as collateral which can be utilised in case of member default. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low and so trade receivables are considered to be a single class of financial assets.

Other financial assets

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

The Company's maximum exposure to credit risk as at March 31, 2022, 2021 is the carrying value of each class of financial assets as disclosed in note no. 2 except for derivative financial instruments.

NSE INFOTECH SERVICES LIMITED**Notes to financial statements for the year ended March 31, 2022**

- 22** The Coronavirus (COVID-19) outbreak is an unprecedented global situation. World Health Organization (WHO) has declared the COVID-19 virus a 'pandemic'. The Government of India and various state governments had put in place several measures including instituting a complete lockdown w.e.f March 25, 2020 to combat the spread and transmission of the virus. Effective June 8, 2020 the said lockdown is being partially lifted in a phased manner.

The Company has evaluated the potential impact of COVID-19 on the Company. Based on the current assessment, the Company is of the view that the impact of COVID-19 on the carrying value of its assets and liabilities is not likely to be significant for the year ended March 31, 2022.

The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. Accordingly, going forward, the Company will continue to evaluate any significant changes on its financials.

23	Ratios	Numerator	Denominator	Current Year	Previous Year	Reason for change in ratio by more than 25%
	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	27.11	64.22	Reduction in investments on account of distribution of dividend
	Return on Equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average Total Equity	-0.35%	3.19%	N.A.
	Net profit ratio (in %)	Profit for the year	Total Income	-4.80%	51.07%	Interest on IT Refund received in previous year
	Return on Capital Employed (in %)	Profit before tax and finance cost	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	3.90%	9.04%	N.A.
	Return on Investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	3.52%	5.53%	N.A.

- 24** Previous year's figures have been reclassified / regrouped wherever necessary.