

**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 2020**, 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, 2020, the Profit 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'.

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. Given the level of uncertainty and speed of increasing impact of COVID 19, we have considered the current position at the point of sign off as a part of subsequent events right up to the point of signing off the audit report. 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, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2020 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.

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

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

Atul A Kale
Partner
Membership No.109947



Place: Mumbai
Date: 18th June 2020.
UDIN: 20109947AAAACM9039



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, 2020 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, 2020, 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 : 18th June 2020.

UDIN: 20109947AAAACM9039





NSE INFOTECH SERVICES LIMITED
FINANCIAL YEAR ENDED MARCH 31, 2020
ANNEXURE B

In the Annexure, as required by the Companies (Auditor's Report) Order, 2016 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,

- i) No fixed assets as well as immovable properties are held by the company. Hence, clause a, clause b and clause c are not applicable.
- ii) Considering the nature of the business and services rendered by the company, provisions of clause 3 (ii) of the CARO relating to inventory are not applicable.
- iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Therefore provisions of clause 3 (iii) of the CARO are not applicable.
- iv) During the year, company has not advanced any loan to directors or to any other body corporate. Therefore, the provisions of Clause 3(iv) of the CARO are not applicable.
- v) During the year, the company has not accepted any deposits from public.
- vi) Central Government has not prescribed any service rendered by the company under section 148(1) of the Companies Act for maintenance of Cost records.
- vii) a) The company is regular in depositing with appropriate authorities 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.

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, Goods and Services Tax, custom duty, excise duty, cess which have not been deposited on account of any dispute except the following:

Sr. No.	Name of the Statute	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	2006-07 to 2008-09	28,06,967	Assistant Commissioner of CGST & Central Excise, Vikhroli Mumbai
			2009-10	7,81,711	
			2010-11	2,26,431	
			2014-2015 to 2016-2017	3,41,613	Deputy Commissioner- CGST Audit
			1/04/2017 to 30/06/2017	51,144.32	





- viii) In our opinion and according to the information and explanation given to us, the company does not have any loan or borrowings from a financial institution or bank or government or debenture holders. Therefore, provisions of clause 3 (viii) of the CARO are not applicable.
- ix) During the year, the company has not raised any money by way of Initial Public Offer or further public offer nor obtained any term loans. Therefore, provisions of clause 3 (ix) of the CARO are not applicable.
- x) According to the information and explanation given to us, no fraud on or by the company, by its officers and employees has been noticed or reported during the course of our audit.
- xi) The company's managerial remuneration has been provided with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 3 (xii) of the CARO are not applicable.
- xiii) In our opinion and according to the information and explanation given to us, transactions with the related parties are in compliance with sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Accounting standards.
- xiv) In our opinion and according to the information and explanation given to us, during the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, the provisions of clause 3 (xiv) of the CARO are not applicable.
- 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 Clause 3 (xv) of the CARO are not applicable.
- xvi) The company is not required to be registered under Section 45IA of the Reserve Bank Of India Act, 1934.

For Gokhale & Sathe

Chartered Accountants

Firm Reg. No.: 103264W


Atul A Kale

Partner

Membership No.109947

Place: Mumbai

Date: 18th June 2020.

UDIN: 20109947AAAACM9039



NSE INFOTECH SERVICES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2020

(Rs in Lakhs)

	NOTE	As at 31.03.2020	As at 31.03.2019
ASSETS			
Non-current assets			
Property, plant and equipment	2	-	-
Financial assets			
Deferred tax assets (net)	13d)	-	-
Income tax assets (net)	14	115.81	277.76
Other non-current assets	4	-	-
Total non-current assets		115.81	277.76
Current assets			
Financial assets			
- Investments	5	275.22	-
- Trade receivable	6	-	85.14
- Cash and cash equivalents	7	5.28	28.00
- Other financial assets	3	-	-
Other current assets	8	2.19	2.48
Total current assets		282.69	115.62
TOTAL ASSETS		398.50	393.38
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	9a)	5.00	5.00
Other equity	9b)	378.45	334.48
TOTAL EQUITY		383.45	339.48
LIABILITIES			
Non-current liabilities			
Provisions	10	-	-
Total non-current liabilities		-	-
Current liabilities			
Financial Liabilities			
- Trade payable	12	-	0.81
Other current liabilities	16	9.45	52.61
Provisions	11	-	-
Deferred tax liabilities (net)	13e)	1.31	-
Income tax liabilities (net)	15	4.29	0.48
Total current liabilities		15.05	53.90
TOTAL LIABILITIES		15.05	53.90
TOTAL EQUITY AND LIABILITIES		398.50	393.38

Summary of significant accounting policies (Note 1)

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

For GOKHALE & SATHE
Chartered Accountants
Firm Reg. No : 103264W

Atul Kale

ATUL KALE
Partner
Membership Number: 109947
Place : Mumbai
Date : June 18, 2020



Yatrik Vin
YATRIK VIN
Chairman
(DIN : 07662795)

Mukesh Agarwal
MUKESH AGARWAL
Director
(DIN : 03054853)



NSE INFOTECH SERVICES LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2020

(Rs in Lakhs)

PARTICULARS	Notes No.	For the year ended 31.03.2020	For the year ended 31.03.2019
Income			
Revenue from operations	17	-	1,170.93
Other income and other gains / (losses)	18	73.01	40.13
Total income		73.01	1,211.06
Expenses			
Employee benefits expense	19	-	1,111.08
Depreciation and amortisation expense	2	-	0.02
Other expenses	20	16.15	66.87
Total expenses		16.15	1,177.97
Profit before tax		56.86	33.09
Less : Income Tax expense			
Current tax	13	12.06	6.37
(Excess)/short Income tax provision for earlier years		(0.48)	-
Deferred tax	13	1.31	269.54
Total Income Tax expenses		12.89	275.91
Profit after tax (A)		43.97	(242.82)
Other Comprehensive Income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurements of post-employment benefit obligations	22B(iii)	-	-
<i>Income tax relating to items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations		-	-
Total other comprehensive income for the period, net of taxes (B)		-	-
Total comprehensive income for the year/ period (A+B)		43.97	(242.82)
Earning per equity share (Face value of Rs. 10 each)			
- Basic and Diluted	21	87.94	(485.63)

Summary of significant accounting policies (Note 1)

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

As per our report of even date attached

For and on behalf of the Board of Directors

For GOKHALE & SATHE
Chartered Accountants
Firm Reg. No : 103264W



ATUL KALE
Partner
Membership Number: 109947
Place : Mumbai
Date : June 18, 2020





YATRIK VIN
Chairman
(DIN : 07662795)



MUKESH AGARWAL
Director
(DIN : 03054853)



NSE INFOTECH SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

(A) Equity Share Capital

	(Rs in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
Balance as at	5.00	5.00

(B) Other Equity

	(Rs in Lakhs)	
	31.03.2020	31.03.2019
Reserves and Surplus		
Opening balance as at	334.48	577.30
Total Comprehensive Income for the year	43.97	(242.82)
Closing Balance as at	378.45	334.48

As per our report of even date attached

For and on behalf of the Board of Directors

For GOKHALE & SATHE
Chartered Accountants
Firm Reg. No : 103264W

Atul Kale



ATUL KALE
Partner
Membership Number: 109947
Place : Mumbai
Date : June 18, 2020

Yatrik Vin

YATRIK VIN
Chairman
(DIN : 07662795)

Mukesh Agarwal

MUKESH AGARWAL
Director
(DIN : 03054853)



NSE INFOTECH SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(Rs in Lakhs)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	56.86	33.09
Add: Adjustments for :		
Depreciation	0.02	0.02
Less: Adjustments for :		
Net gain on sale of investments	(2.47)	(72.36)
Net gain on financial assets mandatorily measured at fair value through profit or loss	(5.74)	34.34
Operating Profit before working capital change	48.65	(4.91)
Working Capital Adjustments :		
(Increase)/Decrease in Trade Receivable	85.14	1,755.09
(Increase)/Decrease in other financial assets	0.29	132.75
Increase/(Decrease) in Trade Payables	(0.81)	(947.79)
Increase/(Decrease) in Current Liabilities & provisions	(43.16)	(1,425.38)
Cash Generated from Operating activities	90.11	(490.24)
Taxes Net (Including TDS) (Paid)/ Refund	154.17	(125.20)
Net Cash From Operating Activities - Total (A)	244.28	(615.44)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	0.28
Dividend Received	-	-
Proceeds on Sale of Mutual Fund During the Period	116.47	1,339.18
Payment for Investments in Mutual Fund During the period	(383.47)	(720.66)
Cash flow from investing activity - Total (B)	(267.00)	618.80
C) CASH FLOW FROM FINANCING ACTIVITY		
Share Capital	-	-
Preliminary Expenses	-	-
Share Issues Exps	-	-
Cash Flow from Financing Activity - Total (C)	-	-
Net Increase / (Decrease) In cash & Cash Equivalent	(22.72)	3.36
Opening balance of Cash & Cash Equivalent	28.00	24.64
Closing balance of Cash & Cash Equivalent	5.28	28.00
Net Increase / (Decrease) In cash & Cash Equivalent	(22.72)	3.36

Notes to Cash Flow Statement :

- Cash and cash equivalent represent cash and bank balances.
- 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
- Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current period classification / disclosure.

As per our report of even date attached

For and on behalf of the Board of Directors

For GOKHALE & SATHE
Chartered Accountants
Firm Reg. No : 103264W

ATUL KALE
Partner
Membership Number: 109947
Place : Mumbai
Date : June 18, 2020



Yatrik Vin
Chairman
(DIN : 07662795)

Mukesh Agarwal
Director
(DIN : 03054853)



Background

Information technology has been the backbone of conceptualization, formation, running and the success of National Stock Exchange of India Limited (NSE). NSE has been at the forefront in spearheading technology changes in the securities market. It was important to give a special thrust and focus on Information Technology to retain the primacy in the market. Towards this a wholly owned subsidiary NSE Infotech Services Limited (NSETECH) was incorporated in the year 2006 to cater the technology needs of NSE and all its group companies exclusively by engaging highly skilled employees specialized in the field of Information Technology.

In order to pursue the above objectives, NSETECH, inter-alia entered into the service agreement with NSE and its other subsidiary Companies for providing and delivering various technology product and services. Over the period NSETECH emerged as one of the important technology partners on various fronts.

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 coopt the technology function internally and desired to absorb all the employees of NSETECH within it. Accordingly, effective 1st June 2018, all the employees of NSTECH 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.

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



NSE Infotech Services Limited

Notes to financial statements for the year ended March 31, 2020

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.

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.



Notes to financial statements for the year ended March 31, 2020

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

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

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

Current, 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



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Notes to financial statements for the year ended March 31, 2020

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.

(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 derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.



- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at 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 derecognised, 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.
- **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.

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 derecognised 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 derecognised when replaced. All other repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

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
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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



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Notes to financial statements for the year ended March 31, 2020

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.

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



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Notes to financial statements for the year ended March 31, 2020

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.

(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



NSE Infotech Services Limited

Notes to financial statements for the year ended March 31, 2020

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.

During the previous financial year 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 previous reporting period 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 NSE Tech EPF Trust had surrendered its Exemption to RPFC and transferred balance fund in cash to RPFC and now complying as unexempted trust wef 1st January 2019 hence as on 31st march 2020 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.



NSE Infotech Services Limited

Notes to financial statements for the year ended March 31, 2020

During previous Financial year all member of the Superannuation Fund had submitted their request to transfer their corpus from LIC Policy of NSE Tech to NSEIL so as on 31st march 2020 NSE Tech 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.

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.



NSE Infotech Services Limited

Notes to financial statements for the year ended March 31, 2020

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.

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 : 30

Estimation of useful life of intangible asset Note : Not Applicable

Estimation of defined benefit obligation Note : 22

Estimation of contingent liabilities refer Note : 25

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.

v) Recent Accounting Pronouncements

Ministry of Corporate Affairs has notified new standards or amendments to existing standards. There is no such notification which would be applicable from April 01, 2020.



NSE INFOTECH SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2020

2 OFFICE EQUIPMENTS		(Rs in Lakhs)	
		Office equipments	
Particulars			
Gross carrying amount as of April 01, 2019			
Cost as at the beginning			-
Additions			-
Disposals			-
Closing gross carrying amount as March 31, 2020			-
Accumulated depreciation as of April 01, 2019			
Depreciation charge during the year			-
Disposals			-
Closing accumulated depreciation as of March 2020			-
Net carrying amount as of March 31, 2020			
Office equipments			
Gross carrying amount as of April 01, 2018			
Cost as at the beginning			4.54
Additions			-
Disposals			(4.54)
Closing gross carrying amount as March 31, 2019			-
Accumulated depreciation as of April 01, 2018			
Depreciation charge during the year			0.02
Disposals			(4.26)
Closing accumulated depreciation as of March 2019			-
Net carrying amount as of March 31, 2019			

Note :- Deemed cost of property plant and equipment taken as on 01.04.2011 and 01.04.2015

Management had transferred all the the fixed assets on written down value to NSEIL on June 1st 2018

3 Other financial assets (Current)		(Rs in Lakhs)	
		31.03.2020	31.03.2019
Others			
Security deposit for utilities	-	-	
Total	-	-	
4 Other assets (Non-current)		(Amt in Rs.)	
		31.03.2020	31.03.2019
Prepaid expenses	-	-	
Total	-	-	





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NSE INFOTECH SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2020

6 Trade receivables (Current)		(Rs in Lakhs)	
		31.03.2020	31.03.2019
Outstanding for a period of over six months from the date they			
Secured, considered good*	-	-	
Unsecured, considered good	-	85.14	
includes dues from related parties (refer note 24b)	-	85.14	
Other receivables			
Secured, considered good*	-	-	
Unsecured, considered good	-	-	
Doubtful	-	-	
Total	-	85.14	

7 Cash and cash equivalents		(Rs in Lakhs)	
		31.03.2020	31.03.2019
Balances with banks : in current accounts	5.28	28.00	
Total	5.28	28.00	

There are no restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior periods.

8 Other assets (Current)		(Rs in Lakhs)	
		31.03.2020	31.03.2019
Advance recoverable in cash or kind	2.19	2.19	
Balances with gst/ service tax authorities	-	-	
Prepaid expenses	-	0.29	
Total	2.19	2.48	

9 a) Share Capital		(Rs in Lakhs)	
		31.03.2020	31.03.2019
i) Authorised			
1,00,00,000 (Previous Year 1,00,00,000)	1,000.00	1,000.00	
Equity Shares of Rs 10 Each.			
Total	1,000.00	1,000.00	
ii) Issued, Subscribed and Paid-up			
50,000 (Previous year 50,000) Equity shares of	5.00	5.00	
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, 2020

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

	31.03.2020	31.03.2019
	No.	No.
NSE Investments Limited (formerly known as NSE Strategic Investment Corporation Limited)	50,000	50,000

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

	31.03.2020	31.03.2019
	% holding	% holding
NSE Investments Limited (formerly known as NSE Strategic Investment Corporation 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 01.04.2018	4.14	573.16	577.30
Total Comprehensive Income for the year	-	(242.82)	(242.82)
Balance at the end of the reporting period 31.03.2019	4.14	330.34	334.48
Balance at the beginning of the reporting period 01.04.2019	4.14	330.34	334.48
Total Comprehensive Income for the year	-	43.97	43.97
Balance at the end of the reporting period 31.03.2020	4.14	374.31	378.45

10 Provisions (Non-current)

	(Rs in Lakhs)	
	31.03.2020	31.03.2019
Employee benefits obligation	-	-
Provision for gratuity	-	-
Total	-	-

11 Provision (Current)

	(Rs in Lakhs)	
	31.03.2020	31.03.2019
Employee benefits obligation	-	-
Provision for gratuity	-	-
Provision for leave encashment	-	-
Total	-	-

12 Trade payable (Current)

	(Rs in Lakhs)	
	31.03.2020	31.03.2019
Salaries & Allowances	-	0.81
Total	-	0.81

13 Income Taxes

(A)	(Rs in Lakhs)	
	31.03.2020	31.03.2019
Income tax expense		
Particulars		
Income tax expense		
Current Tax		
Current tax expense (i)	12.06	6.37
(Excess)/short Income tax provision for earlier years	(0.48)	-
Deferred Tax		
Decrease / (increase) in deferred tax assets (ii)	-	295.92
(Decrease) / increase in deferred tax liabilities (iii)	1.31	(26.38)
Adjustment in other equity or retained earning (iv)		
Total deferred tax expense/ (benefit) (v)=(ii)+(iii)+(iv)	1.31	269.54
Total Income tax expenses* (vi)= (i)+(v)	12.89	275.91

* 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)



NSE INFOTECH SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2020

b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		(Rs in Lakhs)	
Particulars	31.03.2020	31.03.2019	
Profit before income tax expense	56.86	33.09	
Tax rate (%)	22.88%	26.00%	
Tax at the Indian Tax Rate	13.01	8.60	
Tax effect of amounts which are not deductible (taxable) in calculating taxable income			
Dividend income			
Interest on tax free bonds			
Expenditure related to exempt income			
Net (gain)/loss on financial assets mandatorily measured at fair value through profit or loss - Exchange traded fund (Profit) / Loss on sale of investments taxed at other than Statutory rate			
Specific Tax deductions			
Others			
Wealth Tax Provision w/back			
Tax on Perquisites [u/s 40(a)(v)]			
Expenditure on CSR activities			
Prior period			
Interest on delayed payment of TDS			
Amortization of Lease Premium			
Expenses incurred on behalf of PF Trust -NSE Infotech	0.36		
Expenses incurred on behalf of SA Trust-NSE Infotech			
Expenses incurred on behalf of GG Trust-NSE Infotech			
Tax rate difference	-	(2.23)	
Business loss set off	-		
Tax rounded off			
(Excess)/short Income tax provision for earlier years	(0.48)	269.54	
Income Tax Expense	12.89	275.91	
Deferred Tax on OCI	-	-	

c) Deferred tax Asset/(liabilities) (net)		(Rs in Lakhs)	
Particulars	31.03.2020	31.03.2019	
Deferred income tax assets			
Property, plant and equipment and investment property	-	-	
Provision for leave encashment	-	-	
Financial Assets at Fair Value through Profit & Loss	-	-	
Financial Assets at Fair Value through OCI	-	-	
Contribution to Core Settlement Guarantee Fund	-	-	
Others	-	-	
Total deferred tax assets (a)	-	-	
Deferred income tax liabilities			
Property, plant and equipment and investment property	-	-	
Financial Assets at Fair Value through OCI	-	-	
Financial Assets at Fair Value through profit and Loss	1.31	-	
Contribution to Core Settlement Guarantee Fund	-	-	
Others (Rate change impact)-DTA reversal	-	-	
Total deferred tax liabilities (b)	1.31	-	
Net Deferred Tax Assets /(Liabilities) (a)-(b)	(1.31)	-	



NSE INFOTECH SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2020

d) Movement in deferred tax assets

(Rs in Lakhs)

	Property, plant and equipment (a)	Provision for leave encashment (b)	Financial Assets at Fair Value through profit and Loss (c)	Financial Assets at Fair Value through OCI (d)	Bonus/Commission (e)	Others (gratuity) (f)	Total (g)=(a)+(b)+(c)+(d)+(e)+(f)
At 1 April 2018	0.40	152.12	-	-	5.75	137.65	295.92
Charged/(credited)							
- to profit or loss	(0.40)	(152.12)			(5.75)	(137.65)	(295.92)
- to other comprehensive income							
At 31 March 2019	-	-	-	-	-	-	-
Charged/(credited)							
- to profit or loss	-	-			-	-	-
- to other comprehensive income							
At 31 March 2020	-	-	-	-	-	-	-

e) Movement in deferred tax liabilities

(Rs in Lakhs)

	Property, plant and equipment (a)	Provision for leave encashment (b)	Financial Assets at Fair Value through profit and Loss (c)	Financial Assets at Fair Value through OCI (c)	Amortization of maintenance charges paid to Suzlon (2)	Others (gratuity/tax rate impact) (d)	Total (e)=(a)+(b)+(c)+(d)
At 1 April 2018	-	-	10.58	-	-	15.80	26.38
Charged/(credited)							
DTA reversal due to tax rate change							
- to profit or loss			(10.58)			(15.80)	(26.38)
- to other comprehensive income							
At 31 March 2019	-	-	-	-	-	-	-
Charged/(credited)							
DTA reversal due to tax rate change							
- to profit or loss			1.31				1.31
- to other comprehensive income							
At 31 March 2020	-	-	1.31	-	-	-	1.31



NSE INFOTECH SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2020

		(Rs in Lakhs)	
		31.03.2020	31.03.2019
14	Income tax assets (net)		
	Income Tax paid including TDS (Net of Provisions)	115.76	277.71
	Fringe Benefit Tax (Net of Provisions)	0.05	0.05
	Current Tax Assets (Net)	115.81	277.76
15	Income tax liabilities (net)		
	Income Tax paid including TDS (Net of Provisions)	4.29	0.48
	Current Tax liabilities (Net)	4.29	0.48
16	Other liabilities (Current)		
	Statutory dues payable	1.11	47.97
	Other Payable	8.34	4.64
	Total	9.45	52.61
17	Revenue from operations		
	Operating revenues		
	Revenue from services :		
	Income From Software Maintenance	-	614.85
	Income From Facility Management & Ops	-	556.08
	Total	-	1,170.93
18	Other income		
	Other income		
	Interest Received on Income Tax Refund	64.80	-
	Income from Short Notice Dues	-	1.94
	Miscellaneous Income	-	0.17
		64.80	2.11
	Other gains/(losses)		
	Net gain / loss on sale of current Investment	2.47	72.36
	Net gain on financial assets mandatorily measured at fair value through profit or loss	5.74	(34.34)
		8.21	38.02
	Total other income	73.01	40.13
19	Employee benefits expenses		
	Salaries, wages and bonus	-	934.84
	Contribution to provident and other fund (Refer note 22)	-	36.25
	Gratuity	-	97.77
	Staff Welfare Expenses	-	42.22
	Total	-	1,111.08



NSE INFOTECH SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2020

20	Other expenses	(Rs in Lakhs)	
		31.03.2020	31.03.2019
	Rent expenses (Net)	-	4.04
	Insurance	-	0.04
	Rates & Taxes	0.03	0.06
	Professional & Consultancy Charges	12.12	9.42
	Training Expenses	-	7.39
	Auditors Remuneration		
	- Audit Fees	1.15	1.15
	- Out of Pocket Expenses	0.16	0.17
	Other expenses	2.69	44.60
	Total	16.15	66.87

21	Earning per share	(Rs in Lakhs)	
		31.03.2020	31.03.2019
	Profit attributable to the equity holders of the company used in calculating basic earnings per share and diluted earnings per share		
	Profit for the year	43.97	(242.82)
	Weighted average number of equity shares used as the denominator in calculating basic earnings per share	50,000	50,000
	Earnings per equity share (basic and diluted) (Amt in Rs.)	87.94	(485.63)

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.

22 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.

i) **Defined Contribution Plan :**

The Company's contribution towards superannuation during the respective period ended is as follows:

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

	(Rs in Lakhs)	
	31.03.2020	31.03.2019
Company's contribution towards superannuation Charged to Profit & Loss account	-	2.38

ii) **Defined Benefit Plan :**

(a) **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. The Company's contribution to the provident fund for all employees is charged to revenue. In case of any liability arising due to short fall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. The Company has contributed the following amounts towards Provident Fund during the respective period ended. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided an actuarial valuation and arrived at the interest shortfall liability as follows for the year ended March 31, 2018 and no provision is required to be made towards the same.



NSE INFOTECH SERVICES LIMITED**Notes to financial statements for the year ended March 31, 2020**

During previous financial year Regional provident Fund Commissioner (RPFC) had suggested to NSETech to surrender its Exemption of the Trust and comply as unexempted trust because of no active members were present in the 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 wef 1st January 2019 hence NSE Tech EPF Trust have Nil provident Fund balance as result afteward there would be no interest shortfall liability in NSE Infotech Books.

	(Rs in Lakhs)	
	31.03.2020	31.03.2019
Company's contribution to the provident fund Charged to Profit & Loss account	-	29.48

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

	31.03.2020	31.03.2019
a. Approach used	Not Applicable	Not Applicable
b. Increase in compensation levels	Not Applicable	Not Applicable
c. Discount Rate	Not Applicable	Not Applicable
d. Attrition Rate	Not Applicable	Not Applicable

(b) Gratuity :

The company provides for gratuity for employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of Gratuity is payable on retirement/termination of the employee's last drawn basic salary per month multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contribution to recognised funds with Life Insurance Corporation of India (LIC).

During the previous financial year 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.

23 In the opinion of the management, the company has only one reportable business segment viz. offering "IT related services". the 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.

This takes into consideration the commonality in the risks and rewards of the services offered, nature of service, type / class of customers for the services, management structure and system of financial reporting. Accordingly, the results of the said segment have been disclosed in the financial statements. Further, the company has no reportable geographical segments and on that basis, no secondary segment information is furnished.



NSE INFOTECH SERVICES LIMITED**Notes to financial statements for the year ended March 31, 2020**

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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 (formerly known as NSE Strategic Investment Corporation Limited)	Holding Company
3	NSE Foundation	Subsidiary of the Ultimate Holding Company
4	NSE Clearing Limited (formerly known as National Securities Clearing Corporation 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 Private Limited	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 (formerly known as DotEx International Limited)	Fellow Subsidiary Company
15	NSE Academy Ltd	Fellow Subsidiary Company
16	NSE Indices Limited (formerly known as India Index Services & Products 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	Non Executive Director



NSE INFOTECH SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2020

b) Details of transactions with related parties as follows:

Particulars	(Rs in Lakhs)	
	31.03.2020	31.03.2019
National Stock Exchange of India Limited		
Nature of transaction		
Income from IT Services (Net)	-	994.92
Expenses incurred by NSETECH	-	81.19
GST/ Service Tax recoverable on above services	-	193.70
Transfer of Employee Benefit Liability	-	625.22
Advance against Services	-	-
Rent Paid	-	9.12
Expenses incurred by NSEIL reimbursed	37.62	1,030.36
Closing Balance Debit / (Credit)	0.13	58.16
NSE Clearing Limited		
Nature of transaction		
Income from IT Services (Net)	-	176.01
Expenses incurred by NSETECH	-	0.05
GST/ Service Tax recoverable on above services	-	31.69
Closing Balance Debit / (Credit)	-	26.88
NSE Investments Limited		
Nature of transaction		
Deposit for directors appointment	-	-
Sale of investment in NSE Foundation	-	10.00
Closing Balance Debit / (Credit)	-	10.00
Mr. N. L. SARDA		
Nature of transaction		
Director Sitting Fees	-	2.00
Closing Balance Debit / (Credit)	-	-
Mr. S Sadagopan		
Nature of transaction		
Director Sitting Fees	1.00	4.00
Closing Balance Debit / (Credit)	-	-

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Contingent liability:

	(Rs in Lakhs)	
	31.03.2020	31.03.2019
Income tax matters	1.93	59.72
Fringe Benefit Tax matters	1.41	1.41
Services tax matters	42.08	38.15



NSE INFOTECH SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2020

26 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.

27 Expenditure in foreign currency:

(Rs in Lakhs)	
31.03.2020	31.03.2019
Travelling expenses	6.01
Training Expense	-
Recruitment Expense	-

28 Earnings in foreign exchange :

31.03.2020	31.03.2019
Earnings in foreign exchange :	Nil
Nil	Nil

29 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.

30 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 31.03.2020	Notes	Level 1	Total
Financial Assets			
<i>Financial Investments at FVPL</i>			
Mutual Fund - Growth Plan	5	275.22	275.22
Total Financial Assets		275.22	275.22
Financial Liabilities			
Total Financial Liabilities		-	-

(Rs in Lakhs)			
Financial assets and liabilities measured at fair value - recurring fair value measurements at 31.03.2019	Notes	Level 1	Total
Financial Assets			
<i>Financial Investments at FVPL</i>			
Mutual Fund - Growth Plan	5	-	-
Total Financial Assets		-	-
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 :

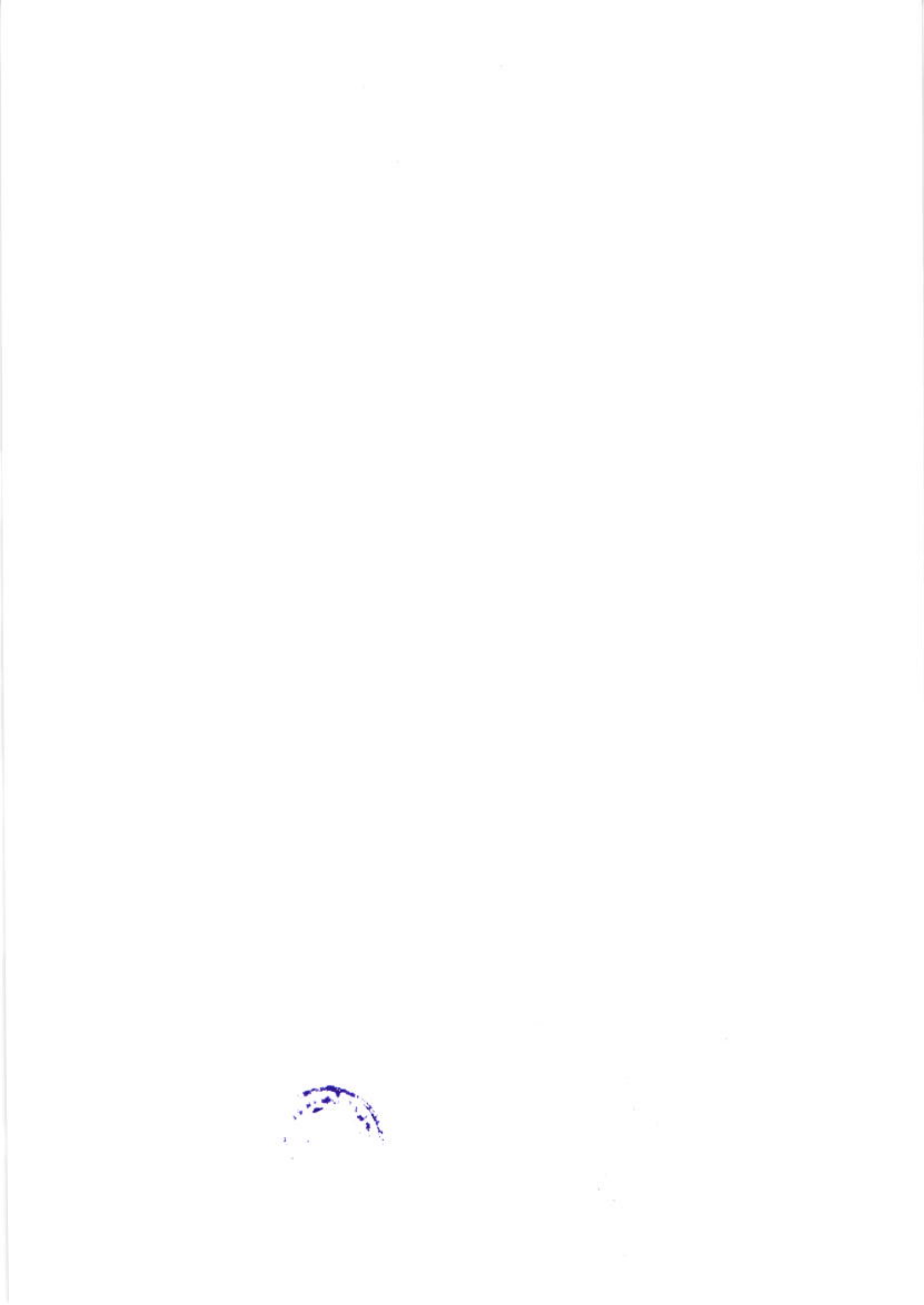
- Level 1:

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).





B) Fair Value Measurements	(Rs in Lakhs)	
	FVPL	
	31.03.2020	01.04.2019
Financial Assets		
Investments		
Mutual Funds	275.22	-
Total Financial Assets	275.22	-

31 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, 2020 and 31st March, 2019. 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, 2020

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undis((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, 2020							
Other liabilities	9.45	9.45	-	-	-	-	9.45
As at March 31, 2019							
Other liabilities	52.56	52.56	-	-	-	-	52.56

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 2020, the exposure to price risk due to investment in mutual funds amounted to Rs. 2,75 crore (March 31, 2019: Rs. Nil).	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. 0.69 Lakhs gain in the Statement of Profit and Loss (2018-19: Rs. Nil), 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, 2020, 2019 is the carrying value of each class of financial assets as disclosed in note 5 except for derivative financial instruments.



NSE INFOTECH SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2020

- 32 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, 2020.

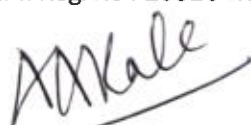
The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. Accordingly, going forward, the Company will continue to evaluate any significant changes on its financials.

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

As per our report of even date attached

For and on behalf of the Board of Directors

For GOKHALE & SATHE
Chartered Accountants
Firm Reg. No : 103264W



ATUL KALE
Partner
Membership Number: 109947
Place : Mumbai
Date : June 18, 2020



YATRIK VIN.
Chairman
(DIN : 07662795)



MUKESH AGARWAL
Director
(DIN : 03054853)

