



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NSEIT LIMITED
(FORMERLY KNOWN AS NSE.IT LIMITED)**

Report on the consolidated financial statements

We have audited the accompanying consolidated Ind AS financial statements of NSEIT LIMITED (Formerly known as NSE.IT LIMITED) ("the Holding Company") and NSEIT (US) INC. ("its Subsidiary Company incorporated outside India), Holding Company and its subsidiaries together referred to as "the Group", which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred as "the Consolidated Financial Statements").

Management's responsibility for the consolidated financial statements

The Holding Company's board of directors is responsible for the preparation of these consolidated financial statements in the terms of requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income) and consolidated cash flow and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective board of directors of the companies (which are incorporated in India) included in the Group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the respective assets of the Group and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these consolidated financial statements by the board of directors of the Holding Company, as aforesaid.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.





We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company preparation of the consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act of the consolidated state of affairs (financial position) of the Group as at 31st March 2017, and their consolidated **profit** (financial performance including other comprehensive income) and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, 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 of the consolidated financial statements.
 - b) In our opinion proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as appears from our examination of those books.
 - c) The consolidated balance sheet, consolidated statement of profit and loss, consolidated cash flow statement and the consolidated statement of changes in equity dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.





- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
- e) On the basis of written representations received from the directors of the Holding Company as on 31 March, 2017, taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company is disqualified as on 31 March, 2017, 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 Holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"
- g) 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 our best of our information and according to the explanations given to us :
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group— Refer Note 24 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2017.
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Holding Company.
 - iv. The Holding Company had provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representation we report that the same disclosures are in accordance with the books of accounts maintained by the Holding Company and as produced to us by the Management – Refer Note 30 to the consolidated financial statements.

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



Kedar A Mehendale
Partner
Membership No116065



Place: Mumbai
Date: April 24, 2017



NSEIT LIMITED
(Formerly known as NSE.IT LIMITED)

FINANCIAL YEAR ENDED 31ST MARCH 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

(Referred to in Paragraph 1(f) of the section 'Other legal & regulatory requirements' of our Report of even date on consolidated financial statements of NSEIT Ltd. (Formerly known as NSE.IT LIMITED) as at 31st March 2017.)

We have audited the internal financial controls over financial reporting of **NSEIT LIMITED** (Formerly known as NSE.IT LIMITED) ("the Holding Company") as of March 31, 2017 in conjunction with our audit of the consolidated 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. 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 Institute of Chartered Accountants of India. 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 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

K A Mehendale

Kedar A Mehendale
Partner
Membership No 116065



Place: Mumbai
Date: April 24, 2017

NSEIT Limited
(Formerly known as *NSE.IT LIMITED*)
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

				(Amt in ₹)	
Particulars	Notes	As at 31.03.2017 (Audited)	As at 31.03.2016 (Audited)	As at 1.04.2015 (Audited)	
ASSETS					
1	Non-current assets				
a	Property, Plant and Equipments	2	3,24,27,636	3,40,81,671	5,29,71,737
b	Other Intangible assets	2	46,15,327	55,38,854	92,91,566
c	Capital work-in-progress	2	56,59,636	1,35,000	-
d	Financial Assets				
i	Investments	3	-	-	-
			4,27,02,599	3,97,55,525	6,22,63,303
f	Deferred Tax Assets (net)	11	2,25,07,046	71,02,986	9,75,392
g	Other non-current assets	4	5,06,19,752	4,39,86,272	4,58,57,990
h	Income Tax Assets (net)	12	-	2,20,75,062	6,44,06,990
	Total Non-current assets		11,58,29,397	11,29,19,845	17,35,03,675
2	Current assets				
a	Inventories	4	2,23,917	2,63,462	3,65,539
b	Financial Assets				
i	Investments	3	3,37,29,770	5,12,33,957	4,74,48,750
ii	Trade receivable	5	35,92,40,559	24,56,32,032	12,05,02,213
iii	Cash and Cash equivalents	6	67,78,84,825	42,27,76,936	27,60,31,526
iv	Bank balances other than (iii) above	6	9,32,70,385	21,33,34,997	18,48,77,518
v	Advances	4	64,35,266	39,82,534	65,80,446
			1,17,07,84,722	93,72,23,918	63,58,05,992
c	IncomeTax Assets (net)	12	-	-	-
d	Other current assets	4	13,39,11,013	4,02,95,143	9,19,98,311
	Total Current assets		1,30,46,95,735	97,75,19,061	72,78,04,303
	TOTAL ASSETS		1,42,05,25,132	1,09,04,38,906	90,13,07,978



Particulars	Notes	As at 31.03.2017 (Audited)	As at 31.03.2016 (Audited)	As at 1.04.2015 (Audited)
EQUITY AND LIABILITIES				
(A) EQUITY				
a Equity Share capital	7	10,00,00,100	10,00,00,100	10,00,00,100
b Other Equity	8	97,26,59,733	78,18,66,856	63,10,39,706
Total Equity		1,07,26,59,833	88,18,66,956	73,10,39,806
(B) LIABILITIES				
1 Non-current liabilities				
a Financial Liabilities				
i Other financial liabilities (Other than Provisions in (b) below)	9	-	-	-
b Provisions	10	67,21,656	56,60,716	45,49,483
c Deferred tax liabilities (net)	11	-	-	-
Total Non-current liabilities		67,21,656	56,60,716	45,49,483
2 Current liabilities				
a Financial Liabilities				
i Other financial liabilities (Other than Provisions in (b) below)	9	4,79,98,236	3,90,28,926	2,90,20,396
		4,79,98,236	3,90,28,926	2,90,20,396
b Provisions	10	10,03,61,241	6,65,34,029	3,73,04,711
c Other current liabilities	13	17,42,46,083	9,73,48,279	9,93,93,582
d Income Tax Liabilities (net)	12	1,85,38,083	-	-
Total Current liabilities		34,11,43,643	20,29,11,234	16,57,18,689
TOTAL EQUITY AND LIABILITIES		1,42,05,25,132	1,09,04,38,906	90,13,07,978

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For Gokhale & Sathe.

Chartered Accountants

(Reg No : 103264W)

Kedar Mehendale
KEDAR MEHENDALE

Partner

Membership No.116065

For and on behalf of Board of Directors

Prof. S. Sadagopan
Prof. S. SADAGOPAN
Chairman

S. M. Suvagia

SHIRISH SUVAGIA
Chief Financial Officer

N. Muralidaran
N. MURALIDARAN
Managing Director & CEO

M.S. Sundara Rajan
M.S. SUNDARA RAJAN
Director



Place : Mumbai

Date : April 24, 2017

NSEIT Limited
(Formerly known as *NSE.IT LIMITED*)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Notes	For the year ended 31.03.2017	For the year ended 31.03.2016
Income			
Revenue from operations	14	1,52,00,82,651	1,45,31,28,773
Other income	15	7,37,82,087	5,36,36,836
Total Income		1,59,38,64,738	1,50,67,65,609
Expenses			
Employee benefits expense	16	60,54,36,304	49,52,23,071
Finance Cost	17	43,48,159	25,35,199
Repairs & maintenance	17	1,10,17,051	98,00,123
Depreciation and amortisation expense	2	2,28,49,462	3,18,14,622
Other expenses	17	64,78,16,985	63,91,70,605
Total Expenses		1,29,14,67,961	1,17,85,43,620
Profit before exceptional item		30,23,96,777	32,82,21,989
Exceptional item		-	-
Profit before tax		30,23,96,777	32,82,21,989
Less : Tax expenses			
- Current tax	11	11,56,32,967	12,04,24,668
- Deferred tax	11	(78,10,252)	(59,74,048)
Total tax expenses		10,78,22,715	11,44,50,620
Profit after tax (A)		19,45,74,062	21,37,71,369
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		27,14,043	(4,43,671)
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(9,39,276)	1,53,546
Total Other Comprehensive Income (B)		17,74,767	(2,90,125)
Total Comprehensive Income (A+B)		19,63,48,829	21,34,81,244
Earnings per equity share (FV ₹ 10 each)			
- Basic (₹)		19.46	21.38
- Diluted (₹)		19.46	21.38

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For Gokhale & Sathe,
Chartered Accountants
(Reg No : 103264W)

Kedar Mehendale

KEDAR MEHENDALE

Partner

Membership No.116065

Place : Mumbai

Date : April 24, 2017

For and on behalf of the Board of Directors

S. Sadagopan
Prof. S. SADAGOPAN
Chairman



N. Muralidaran
N. MURALIDARAN
Managing Director & CEO

Shirish Suwagia
SHIRISH SUWAGIA
Chief Financial Officer

M.S. Sundara Rajan
M.S. SUNDARA RAJAN
Director



NSEIT Limited
(Formerly known as **NSE.IT LIMITED**)
CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

	2016-17	2015-16
(Amt in ₹)		
A) CASHFLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX (including component of OCI)	30,51,10,820	32,77,78,318
Add : Adjustments for :		
- Depreciation	2,28,49,462	3,18,14,622
Less : Adjustments for :		
- Interest income on Current Investments	(4,25,70,309)	(4,11,10,358)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	28,53,89,973	31,84,82,582
Adjustments for :		
- Trade Receivable	(11,36,08,527)	(12,51,29,819)
- Trade Payable	89,69,310	1,00,08,530
- Other Financial Assets	(86,86,706)	18,03,663
- Other Assets	(13,68,77,124)	4,92,20,016
- Other Financial Liabilities	10,60,940	11,11,233
- Other Provisions	11,07,25,016	2,71,84,015
CASH GENERATED FROM OPERATIONS	14,69,72,882	28,26,80,220
- Direct Taxes paid (Net of Refunds)	(7,50,19,822)	(7,80,92,740)
NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)	7,19,53,060	20,45,87,480
B) CASHFLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets/Capital work-in-progress	(2,57,96,536)	(93,06,844)
- Interest received	4,25,70,309	4,11,10,358
- (Increase)/Decrease in Fixed deposit & Certificate of deposits	16,09,12,679	(2,32,74,338)
- (Increase)/Decrease in Investment	1,75,04,187	(37,85,207)
NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)	19,51,90,639	47,43,969
C) CASHFLOW FROM FINANCING ACTIVITIES		
- Dividend paid	(1,00,00,010)	(5,20,00,052)
- Dividend distribution tax paid	(20,35,800)	(1,05,85,987)
NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)	(1,20,35,810)	(6,25,86,039)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	25,51,07,889	14,67,45,410
CASH AND CASH EQUIVALENTS : OPENING BALANCE [includes Certificate of deposits with banks of ₹ Nil (Previous Year ₹ Nil)]	42,27,76,936	27,60,31,526
CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE [includes Certificate of deposits with banks of ₹ Nil (Previous Year ₹ Nil)]	67,78,84,825	42,27,76,936
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	25,51,07,889	14,67,45,410

Notes to Cash Flow Statement :

- 1 Cash and cash equivalent represent cash, bank balances and certificate of deposits with original maturity of less than three months.
- 2 The above Cash Flow Statement has been prepared under the "Indirect Method" as per requirement of INDAS -7
- 3 Previous years figures have been regrouped, rearranged and reclassified wherever necessary to confirm to the current period classifications



As per our report of even date attached
For Gokhale & Sathe,
Chartered Accountants
(Reg No : 103264W)

Kedar Mehendale
KEDAR MEHENDALE
Partner

Membership No.116065
Place : Mumbai
Date : April 24, 2017

For and on behalf of Board of Directors

Prof. S. Sadagopan
Prof. S. SADAGOPAN
Chairman

Shirish Suwagia
SHIRISH SUWAGIA
Chief Financial Officer

N. Muralidaran
N. MURALIDARAN
Managing Director & CEO

M.S. Sundara Rajan
M.S. SUNDARA RAJAN
Director



NSEIT LIMITED

Notes forming integral part of the financial statements

1 Summary of significant accounting policies :

a) Company Overview

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

The Financial Statements are approved for issue by the Company's Board of Directors on April 24, 2017.

b) Basis of preparation of Financial Statements

The financial statements of the Company have been 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 value, 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. These financial statements are the Company's first Ind AS financial statements. The Company has adopted all the Ind AS standards and the adoption is carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition is carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Accordingly the restatement of financial statements have been carried out based on the audited financial statements of the Company for the year ended March 31, 2016 (prepared under previous GAAP i.e. IGAAP) by applying the Ind AS effective 1st April, 2015. Reconciliations and descriptions of the effect of the transition has been summarized in Notes. 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. These consolidated financial statements include the financial statements of NSEIT LTD., INDIA & its wholly owned subsidiary NSEIT (US) Inc., USA.

c) Use of estimates

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

d) Investments and other financial assets

(i) Classification

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

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

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

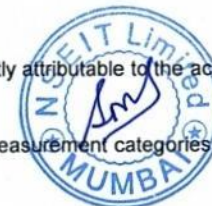
For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether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

(ii) Measurement

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

Debt instruments :-

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



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

· **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at 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 net gain on sale of financial assets measured at FVOCI under other income. Interest income from these financial assets is included in other income using the effective interest rate method.

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

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

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is de-recognised only when

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

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

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

(iv) Income recognition

Interest income :-

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

Dividends :-

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

e) Financial liabilities

(i) Classification as debt or equity

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

(ii) Initial recognition and measurement

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



(iii) Subsequent measurement

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

(iv) Derecognition

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

f) Derivatives

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

g) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Operating lease payments are recognised as an expense on a straight line basis over the lease term in the statement of Profit & Loss.

h) Revenue Recognition

- (i) Revenue from sale of software product licenses and sale of digital certificates is recognised upon delivery.
- (ii) Revenue from resale of hardware and software is recognised upon delivery.
- (iii) Revenue from Contracts priced on a time and material basis are recognised when services are rendered. Revenues from software development on time and material basis is recognised based on the terms of specific contracts.
- (iv) Revenue from fixed price contracts is recognised on the basis of the deliverables / milestone executed and delivered.
- (v) Revenues from maintenance contracts are recognised on a pro-rata basis over the period of the contract.
- (vi) Revenue from E-Learning activity is recognised on the basis of enrollment.
- (vii) Revenue from Online examination services are recognized on the basis of exams conducted.
- (viii) Revenue is exclusive of taxes and other levies, wherever applicable.

(ix) Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

(x) Dividend income

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

i) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation/amortization and impairment loss, if any. The cost is inclusive of freight, installation cost, duties, taxes, borrowing cost and other incidental expenses for bringing the asset to its working conditions for its intended use but net of CENVAT and Value Added Tax, wherever input credit is claimed.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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



j) Depreciation

- (i) Depreciation on tangible fixed assets is provided on Straight Line Method as per the useful life and in the manner prescribed in Schedule II to Companies Act, 2013, except for the Individual Low Cost Assets and Fixed Assets located at leasehold premises as stated below:
- Individual low cost assets (acquired for less than ₹ 5000/-) are depreciated / amortised at the rate of 100% in the year of acquisition.
 - Fixed Furniture and fixtures, Electrical installation and Office equipment including civil improvements at lease hold premises are depreciated over the lease period.

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

- (ii) Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.
- (iii) The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

k) Intangible assets

Intangible assets comprising of software are recorded at acquisition cost and are amortized over the estimated useful life on straight line basis. Software products/ licenses purchased/ acquired for internal use of the Company which have expected longer life are capitalised and depreciated over a period of 3 years on Straight Line Method, which is higher than the rates prescribed in Schedule II to Companies Act, 2013.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Development costs

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

- The technical feasibility of completing the intangible asset so that the asset will be available for use
- Its intention to complete and its ability and intention to use the asset
- How the asset will generate future economic benefits
- The ability to measure reliably the expenditure during development

l) Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

m) Inventory :

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

n) Foreign currency transactions and translation

Functional and presentation currency

The financial statements of the company are presented in Indian Rupees ('INR') which is the functional currency of the Company.

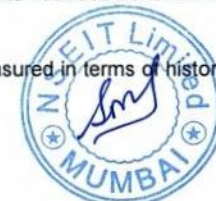
Transactions and translations

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the respective functional currency at the rates prevailing on the reporting period date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting period-end date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

The premium or discount on forward exchange contract are amortised and recognized in the Statement of Profit and Loss over the period of contract.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.



o) **Retirement benefit costs**

(i) **Gratuity**

The Company has maintained a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India towards which it annually contributes a sum determined by Life Insurance Corporation of India. The Company has made provision for gratuity liability estimated as per actuarial report as on the balance sheet date to comply with the INDAS 19 for employee benefits.

(ii) **Superannuation**

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

(iii) **Provident Fund**

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

(iv) **Leave Encashment**

Leave encashment paid to the employees while in service is charged to revenue as the same is considered as a short term benefit. Provision for leave encashment on retirement is made on the basis of actuarial valuation at the end of the year.

(v) Short term employee benefits are charged to revenue in the year in which the related service is rendered.

p) **Income tax**

Income tax expense represents the sum of the tax currently payable and deferred tax.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax liabilities are recognised for all taxable temporary differences, except, in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Tax for the Current Year has been calculated on the estimated profit for the year

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

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



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

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

all other liabilities as non-current.

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

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

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

Cash and cash equivalent in the balance sheet comprise cash at banks balances

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

t) **Earnings per share**

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

u) **Dividends**

Final dividends on shares are recorded in the year in which the final dividend is paid.

1.1 **First-Time Adoption of Ind AS**

These consolidated financial statements of NSEIT Limited for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the company has followed the guidance prescribed in Ind AS 101 - First Time Adoption of Indian Accounting Standard, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the standalone financial statements for the year ended March 31, 2017 and the comparative information. Explanation of how the transition from previous GAAP to Ind AS has affected the company's balance sheet, statement of profit & loss is set out in Note 1.3 and Note 1.4. Exemptions on the first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in Note 1.2.

1.2 **Exemptions availed on first time adoption of Ind AS 101**

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The company has accordingly applied for the following exemptions:

a) **Property, Plant and Equipment**

Para D7AA of Ind AS 101 provides the company the option to use the carrying values of all assets as on the date of transition to Ind AS, in accordance with the previous GAAP as a starting point under Ind AS.



Note 2: Property, Plant & Equipments

Sr No.	Category	GROSS BLOCK				DEPRECIATION					NET BLOCK	
		As on 1-Apr-16	Additions	Deductions	As on 31-Mar-17	As on 1-Apr-16	For the year	Deductions	Adjusted against Reserves	As on 31-Mar-17	As on 31-Mar-17	As on 31-Mar-16
A	Tangible Assets											
1	Computer Hardware & Server	12,99,63,879	1,51,20,016	39,43,557	14,11,40,338	11,74,69,296	94,21,827	39,43,523		12,29,47,600	1,81,92,738	1,24,94,583
2	Office Equipment	5,89,02,764	19,46,891	2,45,529	6,06,04,126	5,36,01,449	34,13,703	2,45,524		5,67,69,628	38,34,498	53,01,315
3	Furniture & Fixtures	3,89,47,807	3,18,498		3,92,66,305	2,59,24,007	49,81,571			3,09,05,578	83,60,727	1,30,23,800
4	Building - Civil Work	88,57,194			88,57,194	55,95,221	12,22,300			68,17,521	20,39,673	32,61,973
		23,66,71,644	1,73,85,405	41,89,086	24,98,67,963	20,25,89,973	1,90,39,401	41,89,047	-	21,74,40,327	3,24,27,636	3,40,81,671
B	Intangible Assets											
1	Computer Software	6,70,76,718	28,86,534		6,99,63,252	6,15,37,865	38,10,061			6,53,47,926	46,15,326	55,38,853
2	Software copyrights	2,59,06,099			2,59,06,099	2,59,06,098				2,59,06,098	1	1
		9,29,82,817	28,86,534	-	9,58,69,351	8,74,43,963	38,10,061	-	-	9,12,54,024	46,15,327	55,38,854
	GRAND TOTAL	32,96,54,461	2,02,71,939	41,89,086	34,57,37,314	29,00,33,936	2,28,49,462	41,89,047	-	30,86,94,351	3,70,42,963	3,96,20,525
	PREVIOUS YEAR	32,42,76,234	92,10,944	38,32,717	32,96,54,461	26,20,12,931	3,18,14,622	37,93,617	-	29,00,33,936	3,96,20,525	6,22,63,303
	Capital Work in Progress										56,59,636	

SI No.	Category	GROSS BLOCK				DEPRECIATION					NET BLOCK	
		As on 1-Apr-15	Additions	Deductions	As on 31-Mar-16	As on 1-Apr-15	For the year	Deductions	Adjusted against Reserves	As on 31-Mar-16	As on 31-Mar-16	As on 31-Mar-15
A	Tangible Assets											
1	Computer Hardware & Server	12,51,08,259	52,95,719	4,40,099	12,99,63,879	10,87,75,984.00	90,94,352	4,01,040		11,74,69,296	1,24,94,583	1,63,32,275
2	Office Equipment	6,11,50,716	11,44,666	33,92,618	5,89,02,764	4,70,04,499.00	99,89,527	33,92,577		5,36,01,449	53,01,315	1,41,46,217
3	Furniture & Fixtures	3,89,09,507	38,300		3,89,47,807	2,09,03,884.00	50,20,123			2,59,24,007	1,30,23,800	1,80,05,623
4	Building - Civil Work	88,57,194			88,57,194	43,69,572.00	12,25,649			55,95,221	32,61,973	44,87,622
		23,40,25,676	64,78,685	38,32,717	23,66,71,644	18,10,53,939.00	2,53,29,651	37,93,617	-	20,25,89,973	3,40,81,671	5,29,71,737
B	Intangible Assets											
1	Computer Software	6,43,44,459	27,32,259		6,70,76,718	5,50,52,894.00	64,84,971			6,15,37,865	55,38,853	92,91,565
2	Software copyrights	2,59,06,099			2,59,06,099	2,59,06,098.00				2,59,06,098	1	1
		9,02,50,558	27,32,259	-	9,29,82,817	8,09,58,992.00	64,84,971	-	-	8,74,43,963	55,38,854	92,91,566
	GRAND TOTAL	32,42,76,234	92,10,944	38,32,717	32,96,54,461	26,20,12,931.00	3,18,14,622	37,93,617	-	29,00,33,936	3,96,20,525	6,22,63,303
	PREVIOUS YEAR	30,61,92,522	2,37,80,962	56,97,250	32,42,76,234	19,14,76,420.00	4,87,34,832	55,75,138	2,73,76,817	26,20,12,931	6,22,63,303	11,47,16,102
	Capital Work in Progress										1,35,000	



SI No.	Category	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		As on 1-Apr-14	Additions	Deductions	As on 31-Mar-15	As on 1-Apr-14	For the year	Deductions	Adjusted against Reserves	As on 31-Mar-15	As on 31-Mar-15	As on 31-Mar-14
A	<u>Tangible Assets</u>											
1	Computer Hardware & Server	11,74,62,178	1,31,07,994	54,61,913	12,51,08,259	7,90,24,522	1,66,93,387	54,61,845	1,85,19,920	10,87,75,984	1,63,32,275	3,84,37,656
2	Office Equipment	5,94,42,459	17,18,634	10,377	6,11,50,716	1,79,14,897	2,02,83,059	10,376	88,16,919	4,70,04,499	1,41,46,217	4,15,27,562
3	Furniture & Fixtures	3,45,44,261	45,90,206	2,24,960	3,89,09,507	1,59,31,186	50,35,637	1,02,917	39,978	2,09,03,884	1,80,05,623	1,86,13,075
4	Building - Civil Work	76,03,550	12,53,644		88,57,194	32,07,722	11,61,850		-	43,69,572	44,87,622	43,95,828
		21,90,52,448	2,06,70,478	56,97,250	23,40,25,676	11,60,78,327	4,31,73,933	55,75,138	2,73,76,817	18,10,53,939	5,29,71,737	10,29,74,121
B	<u>Intangible Assets</u>											
1	Computer Software	6,12,33,975	31,10,484	-	6,43,44,459	4,94,91,995	55,60,899	-	-	5,50,52,894	92,91,565	1,17,41,980
2	Software copyrights	2,59,06,099			2,59,06,099	2,59,06,098	-			2,59,06,098	1	1
		8,71,40,074	31,10,484	-	9,02,50,558	7,53,98,093	55,60,899	-	-	8,09,58,992	92,91,566	1,17,41,981
	GRAND TOTAL	30,61,92,522	2,37,80,962	56,97,250	32,42,76,234	19,14,76,420	4,87,34,832	55,75,138	2,73,76,817	26,20,12,931	6,22,63,303	11,47,16,102
	PREVIOUS YEAR	28,65,78,924	1,98,47,578	2,33,980	30,61,92,522	16,42,20,730	2,74,09,812	1,54,122	-	19,14,76,420	11,47,16,102	12,23,58,194



3 Other Financial Assets

31.03.2017	Non-current		Current		
	31.03.2016 (Amt in ₹)	01.04.2015	31.03.2017	31.03.2016 (Amt in ₹)	01.04.2015
-	-	-	3,37,29,770	5,12,33,957	4,74,48,750
-	-	-	3,37,29,770	5,12,33,957	4,74,48,750

Non-trade Investments
(Quoted Mutual Fund at FVTPL) (Refer Note no 26)

4 Other Non Current Assets

i Security deposit	4,85,26,736	4,23,84,142	4,48,21,776	-	-	-
	4,85,26,736	4,23,84,142	4,48,21,776	-	-	-

ii Other assets

31.03.2017	Non-current		Current		
	31.03.2016 (Amt in ₹)	01.04.2015	31.03.2017	31.03.2016 (Amt in ₹)	01.04.2015
Capital advances					
Advances to Creditors	-	-	13,71,591	1,30,844	1,53,758
Advance for Expenses (Staff)	-	-	46,36,390	33,78,321	58,90,523
Other advances	-	-	4,26,009	4,26,009	4,26,009
Salary Advance	-	-	1,276	47,360	1,10,156
Advances	-	-	64,35,266	39,82,534	65,80,446
Prepaid expenses	14,01,036	7,89,565	1,97,979	1,04,34,045	1,00,42,668
Service Tax Input Credit	-	-	-	2,17,359	12,88,986
Sales Tax Refund	6,91,980	8,12,565	8,38,235	-	-
Unbilled Revenue	-	-	-	10,92,45,100	2,75,59,620
Interest accrued on Bank deposits	-	-	-	1,40,14,509	14,03,869
	20,93,016	16,02,130	10,36,214	13,39,11,013	4,02,95,143
Inventories - Traded Goods	-	-	-	2,23,917	2,63,462
	5,06,19,752	4,39,86,272	4,58,57,990	14,05,70,196	4,45,41,139
					9,89,44,296

5 Trade receivables

31.03.2017	Non-current		Current		
	31.03.2016 (Amt in ₹)	01.04.2015	31.03.2017	31.03.2016 (Amt in ₹)	01.04.2015
Unsecured, considered good unless stated otherwise					
Outstanding for a period of over six months from the date they are due for payment					
Secured, considered good	-	-	-	-	-
Unsecured, considered good	-	-	4,95,94,876	1,74,50,172	3,39,21,045
	-	-	4,95,94,876	1,74,50,172	3,39,21,045
Other debts					
Secured, considered good	-	-	-	-	-
Unsecured, considered good	-	-	31,89,46,047	22,81,81,860	8,65,81,168
Doubtful	-	-	-	-	-
	-	-	31,89,46,047	22,81,81,860	8,65,81,168
Less : Provision for Doubtful Debts	-	-	93,00,364	-	-
	-	-	30,96,45,683	22,81,81,860	8,65,81,168
Total	-	-	35,92,40,559	24,56,32,032	12,05,02,213



6 **Cash and Bank Balances**

	Non-current			Current		
	31.03.2017	31.03.2016 (Amt in ₹)	01.04.2015	31.03.2017	31.03.2016 (Amt in ₹)	01.04.2015
Cash and cash equivalents						
Balances with banks in current Accounts including auto FD	-	-	-	67,78,73,029	42,27,48,300	27,59,82,713
Cash on hand	-	-	-	11,796	28,636	48,813
	-	-	-	67,78,84,825	42,27,76,936	27,60,31,526
Other bank balances						
Bank Deposits with original maturity for more than 12 months	-	-	-	2,90,79,525	18,99,92,204	16,67,17,866
Escrow Account with State Bank of India	-	-	-	6,41,90,860	2,33,42,793	1,81,59,652
	-	-	-	9,32,70,385	21,33,34,997	18,48,77,518
Amount disclosed under non-current assets	-	-	-	-	-	-
Total	-	-	-	77,11,55,210	63,61,11,933	46,09,09,044

7 **Equity Share Capital**

	31.03.2017	31.03.2016 (Amt in ₹)	01.04.2015
<u>Authorised</u> 15,000,000 (Previous Year 15,000,000) Equity Shares of Rs 10 each.	15,00,00,000	15,00,00,000	15,00,00,000
<u>Issued, Subscribed and Paid-up</u> 10,000,010 (Previous year 10,000,010) Equity shares of Rs.10 each fully paid up.	10,00,00,100	10,00,00,100	10,00,00,100

Note :

There is no movement either in the number of shares or in amount between previous year and current year. The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of Directors in the meeting on April 24, 2017, have proposed a final dividend of Rs. 1,00,00,010 for the Financial Year ended March 31, 2017. The proposal is subject to approval of the shareholders at the ensuing annual general meeting to be held and if approved would result in a cash outflow of approximately Rs. 1,20,35,777/- including corporate dividend tax

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

	31.03.2017		31.03.2016		01.04.2015	
	No.	% holding	No.	% holding	No.	% holding
Equity shares of Rs 10/- each fully paid NSE Strategic Investment Corporation Ltd.	1,00,00,010	100%	1,00,00,010	100%	1,00,00,010	100%



8 Other Equity

	31.03.2017	31.03.2016 (Amt In ₹)	01.04.2015
General reserve			
As per last balance sheet	54,36,06,069	53,85,06,069	46,85,06,069
Add : Transferred from surplus balance in the Statement of Profit & Loss	-	51,00,000	7,00,00,000
	54,36,06,069	54,36,06,069	53,85,06,069
Surplus/(deficit) in the statement of profit and loss			
As per last balance sheet	23,67,85,256	9,13,46,595	1,67,10,195
Add : Profit / (Loss) for the year	19,45,74,062	21,37,71,369	15,51,49,953
Add: Deferred Tax reversal adjustment on account of sale of investments acquired prior to 31-3-2015	85,33,084	-	-
Add : Opening Retained Earning adjustments for the INDAS conversion			1,85,84,489
Less : Other Comprehensive Income	(17,74,767)	2,90,125	16,09,416
Less : Adjustment of carrying amount of assets whose useful life has expired	-	-	2,73,76,817
Less : Expenditure incurred towards Corporate Social Responsibility - CSR	18,52,786	3,56,543	1,11,810
Less : Transfer to General Reserve	-	51,00,000	7,00,00,000
Less : Equity Dividend Paid	1,00,00,010	5,20,00,052	
Less : Tax on paid equity dividend	20,35,800	1,05,85,987	
	42,77,78,572	23,67,85,256	9,13,46,594
Foreign Currency Translation Reserve	12,75,092	14,75,531	11,87,042
Total Other Equity	97,26,59,733	78,18,66,856	63,10,39,705

9 Other financial liabilities

	Non-current			Current		
	31.03.2017	31.03.2016 (Amt In ₹)	01.04.2015	31.03.2017	31.03.2016 (Amt In ₹)	01.04.2015
Trade payables (Refer note no.25)	-	-	-	4,79,98,236	3,90,28,926	2,90,20,396
	-	-	-	4,79,98,236	3,90,28,926	2,90,20,396

10 Provisions

	Non-current			Current		
	31.03.2017	31.03.2016 (Amt In ₹)	01.04.2015	31.03.2017	31.03.2016 (Amt In ₹)	01.04.2015
Provision for employee benefits						
Provision for Gratuity (Ref. Note 19)	-	-	-	63,60,402	89,20,456	59,34,908
Provision for Leave Encashment (Ref. Note 19)	67,21,656	56,60,716	45,49,483	7,88,328	6,48,814	19,54,344
Provision for other Employee Benefits	-	-	-	6,99,45,445	4,07,35,698	1,56,06,660
	67,21,656	56,60,716	45,49,483	7,70,94,175	5,03,04,968	2,34,95,912
Other Provisions						
Provision for outstanding expenses	-	-	-	2,32,67,066	1,62,29,061	1,38,08,799
	-	-	-	2,32,67,066	1,62,29,061	1,38,08,799
Total	67,21,656	56,60,716	45,49,483	10,03,61,241	6,65,34,029	3,73,04,711



Income Taxes

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

Profit or loss section

Particulars	31.03.2017	31.03.2016	01.04.2015
	(Amt in ₹)		
Current taxes	11,56,32,967	12,04,24,668	7,10,04,549
Deferred taxes movement of Asset	(78,10,252)	(59,74,048)	(1,94,32,497)
Deferred taxes movement of Liability	-	-	-
Income tax expense reported in the statement of profit or loss	10,78,22,715	11,44,50,620	5,15,72,052

OCI section

Deferred tax related to items recognised in OCI during in the year:

Particulars	31.03.2017	31.03.2016	01.04.2015
	(Amt in ₹)		
Re-measurement of the defined benefit liability / asset	(9,39,276)	1,53,546	8,51,766
Equity instruments through Other Comprehensive Income	-	-	-
Income tax charged to Other Comprehensive Income	(9,39,276)	1,53,546	8,51,766

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

Particulars	Year ended 31.03.2017	Year ended 31.03.2016	As at 01.04.2015
Profit before income tax expense	30,23,96,777	32,82,21,989	21,29,86,693
Tax at the Indian Tax Rate of 34.608%	34.61%	34.61%	33.99%
Computed expected tax expenses	10,46,53,477	11,35,91,066	7,23,94,177
Tax effect of amounts which are not deductible (taxable) in calculating taxable income			
Additions / Deductions : Others - rounding off differences/Excess or Short Provision	31,69,238	8,59,554	(1,95,05,808)
Current Income Tax for the year	10,78,22,715	11,44,50,620	5,28,88,369

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

Particulars	31.03.2017	31.03.2016	01.04.2015
	(Amt in ₹)		
Net current income tax asset/(liability) at the beginning	2,20,75,062	6,44,06,990	7,75,59,731
Income tax paid (including TDS and net of refund)	7,40,80,546	7,82,46,286	5,87,03,574
Current income tax expense	(11,56,32,967)	(12,04,24,668)	(7,10,04,549)
Income tax on other comprehensive income	9,39,276	(1,53,546)	(8,51,766)
Net current income tax asset/(liability) at the end	(1,85,38,083)	2,20,75,062	6,44,06,990

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

Particulars	31.03.2017	31.03.2016	01.04.2015
	(Amt in ₹)		
Deferred income tax assets			
Impact of difference between depreciation /amortization charged for the financial reporting and tax depreciation	96,49,993	95,69,407	50,03,021
Impact of difference arising on account of impairment of intangible asset and tax depreciation,	6,56,890	8,75,853	11,67,805
Impact of Gratuity , Leave Encashment & Performance Bonus disallow u/s 43 B	1,19,33,602	61,87,592	33,37,650
Impact of Non Deduction of TDS u/s 40 (i)(ia)	3,46,080	3,11,472	-
Total deferred income tax assets	2,25,86,565	1,69,44,324	95,08,476
Deferred income tax liabilities			
Fixed assets: Impact of difference between depreciation /amortization charged for the financial reporting	-	-	-
Impact of expenditure charged to the statement of profit and loss but adjusted for tax purpose u/s 40 (a)(ia)			
Impact of Investment	79,519	98,41,338	85,33,084
Total deferred income tax liabilities	79,519	98,41,338	85,33,084
Deferred income tax asset after set off	2,25,07,046	71,02,986	9,75,392



(E) Movement in Deferred Tax Assets

Particulars	Depreciation on Tangible Assets	Amortization on Intangible Assets	Provision for Gratuity, Leave Encashment & Performance Pay	Disallowance u/s 40 (l)(ia) Non Deduction of TDS	Financial Assets at Fair Value through profit and Loss	Actuarial Gain / (Loss) through OCI for Gratuity & Leave Encashment	Total
At 1st April 2015	50,03,021	11,67,805	24,85,884	-	-	8,51,766	95,08,476
Charged / (Credited)							-
- to profit or loss	(45,66,386)	2,91,952	(35,48,162)	(3,11,472)			(81,34,068)
- to other comprehensive income						6,98,220	6,98,220
- to transfer from other reserves to retained earning							-
At 31st March 2016	95,69,407	8,75,853	60,34,046	3,11,472	-	1,53,546	1,69,44,324
Charged / (Credited)							-
- to profit or loss	(80,586)	2,18,963	(68,38,832)	(34,608)	-		(67,35,063)
- to other comprehensive income						10,92,822	10,92,822
- to transfer from other reserves to retained earning							-
At 31st March 2017	96,49,993	6,56,890	1,28,72,878	3,46,080		(9,39,276.00)	2,25,86,565

(F) Movement in Deferred Tax Liabilities

Particulars	Depreciation on Tangible Assets	Amortization on Intangible Assets	Provision for Gratuity, Leave Encashment & Performance Pay	Disallowance u/s 40 (l)(ia) Non Deduction of TDS	Financial Assets at Fair Value through profit and Loss	Actuarial Gain / (Loss) through OCI for Gratuity & Leave Encashment	Total
At 1st April 2015					85,33,084		85,33,084
Charged / (Credited)							-
- to profit or loss					(13,08,254)		(13,08,254)
- to other comprehensive income							-
- to transfer from other reserves to retained earning							-
At 31st March 2016					98,41,338		98,41,338
Charged / (Credited)							-
- to profit or loss					12,28,735		12,28,735
- to other comprehensive income							-
- to retained earning					85,33,084		85,33,084
At 31st March 2017					79,519		79,519

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Tax Liabilities / Assets

	Non-current		Current	
	31.03.2017	31.03.2016 (Amt in ₹)	01.04.2015	31.03.2016 (Amt in ₹)
Income Tax Assets (net)	-	2,20,75,062	6,44,06,990	-
Income Tax Liabilities (net)	-	-	-	1,85,38,083
	-	2,20,75,062	6,44,06,990	1,85,38,083



13 Other current liabilities

	Non-current			Current		
	31.03.2017	31.03.2016 (Amt in ₹)	01.04.2015	31.03.2017	31.03.2016 (Amt in ₹)	01.04.2015
Statutory dues payable	-	-	-	1,60,17,160	1,36,70,372	77,87,455
Advance received from customers	-	-	-	8,81,72,469	3,71,99,400	6,81,53,811
Income received in advance	-	-	-	27,65,722	30,30,939	43,37,882
Liability for Expenses	-	-	-	-	-	1,28,247
Balance in Escrow Accounts	-	-	-	6,72,90,732	4,34,47,568	1,89,86,187
Total	-	-	-	17,42,46,083	9,73,48,279	9,93,93,582

14 Revenue from operations

Operating revenues

Sale of Products :

- Software Products
- Traded Goods

Sale of Services :

- Software Product Revenues
- Application Development & Maintenance Services
- Infrastructure Management Services
- ITES - Assessment Services
- Customer Care Services

Total

	31.03.2017	31.03.2016
	(Amt in ₹)	
	21,87,610	17,16,000
	22,14,077	54,92,478
	44,01,687	72,08,478
	1,48,59,048	1,45,16,143
	40,61,01,976	44,53,82,186
	28,92,25,290	31,79,83,340
	76,99,57,340	63,34,78,979
	3,55,37,310	3,45,59,647
	1,52,00,82,651	1,45,31,28,773

15 Other income

Interest Income

- On Investment
- On Bank Deposits
- Interest Others

MTM valuation of Investments

Gain on foreign currency transaction (net)

Excess provision written back

Miscellaneous Income

Total

	31.03.2017	31.03.2016
	(Amt in ₹)	
	4,25,70,309	4,11,10,358
	1,28,84,449	62,100
	67,21,014	37,80,207
	-	27,39,773
	97,43,115	43,04,542
	18,63,200	16,39,856
	7,37,82,087	5,36,36,836

16 Employee benefits expenses

Salaries, wages and allowances

Contribution to Provident Fund

Contribution to Company Gratuity Scheme (Refer Note No. 19)

Contribution to Superannuation Scheme

Staff welfare expenses

Total

	31.03.2017	31.03.2016
	(Amt in ₹)	
	57,55,61,444	47,15,07,854
	1,56,55,483	1,32,74,303
	73,45,567	60,85,958
	2,96,016	4,61,453
	65,77,794	38,93,503
	60,54,36,304	49,52,23,071



	31.03.2017	31.03.2016
	(Amt In ₹)	
i Finance Cost	43,48,159	25,35,199
ii Repairs to machinery	1,10,17,051	98,00,123
iii Other expenses		
Power and fuel	2,55,44,611	2,68,49,166
Rent	14,87,89,251	15,35,92,460
Insurance	86,19,355	81,30,688
Rates and taxes, excluding taxes on income	8,92,120	8,13,473
Travelling expenses	3,10,53,819	2,91,61,544
Project Related Purchases	2,66,47,714	3,89,46,968
Professional Fees	2,19,97,315	1,13,72,425
Conveyance	1,15,19,225	1,00,02,184
Telephone & Internet Expenses	2,03,44,047	2,03,03,038
Security Services Charges	1,42,11,655	1,16,35,426
Fees & Subscription	6,64,74,114	6,01,50,243
Technical & Sub Contract Charges	21,44,54,878	22,91,68,355
Remunerations to Auditors		
- Audit fees	4,60,000	3,43,500
- Other Matter	5,06,000	34,842
Office Expenses	1,12,72,980	1,09,72,709
Loss on foreign currency transaction (net)	9,92,289	-
Bad Debts Written Off	42,14,715	5,51,713
Provision for Doubtful Debts	92,80,283	-
Miscellaneous expenses	3,03,80,961	2,67,39,769
Purchase of Inventories (Digital Certificates)	1,61,653	4,02,102
Total	64,78,16,985	63,91,70,605

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

Earning per share

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Net Profit attributable to Shareholders (₹ In Crores)		
(a) Profit before exceptional item and tax	30,23,96,777	32,82,21,989
(b) Tax on above	10,78,22,715	11,44,50,620
Profit after tax and before exceptional item (a-b)	19,45,74,062	21,37,71,369
Weighted Average number of equity shares issued (in nos)	1,00,00,010	1,00,00,010
Basic earnings per share of ₹ 10/- each (in ₹)		
Basic	19.46	21.38
Diluted	19.46	21.38

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.



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

(a) Performance Pay & Leave Encashment

i) Provision for Employee Benefit : Performance Pay

Particulars	Year ended 31.03.2017	Year ended 31.03.2016	As at 01.04.2015
Carrying amount at the beginning of the year	3,13,77,909	1,44,20,723	24,90,000
Amounts paid during the year	3,86,49,303	3,55,27,714	4,01,63,327
Amounts reversed during the year	-	49,207	2,48,09,565
Provisions made during the year	7,08,85,533	5,25,34,107	5,44,93,615
Carrying amount at the end of the year	6,36,14,139	3,13,77,909	1,44,20,723

ii) Provision for Employee Benefit : Leave Encashment

Particulars	Year ended 31.03.2017	Year ended 31.03.2016	As at 01.04.2015
Carrying amount at the beginning of the year	63,09,530	65,03,827	56,51,981
Amounts paid during the year	21,71,869	27,71,832	28,57,404
Amounts reversed during the year	-	-	-
Provisions made during the year	33,72,323	25,77,535	37,09,250
Carrying amount at the end of the year	75,09,984	63,09,530	65,03,827

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

(i) **Assumptions:**

Particulars	Year ended 31.03.2017	Year ended 31.03.2016	As at 01.04.2015
Discount Rate	7.90%	7.95%	7.99%
Rate of Return on Plan Assets	7.90%	7.95%	7.99%
Salary Escalation	5.00%	5.00%	5.00%
Attrition Rate	2.00%	2.00%	2.00%



(ii) Change in defined benefit obligation:

Particulars	Year ended 31.03.2017	Year ended 31.03.2016	As at 01.04.2015
Liability at the beginning of the year	2,36,29,035	2,52,64,271	1,99,69,306
Interest cost	18,78,508	20,18,615	18,59,142
Current Service Cost	66,36,391	56,11,759	48,97,073
Liability transferred out			-
Benefits Paid	(27,70,351)	(83,55,200)	(40,30,650)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	3,03,465	3,04,248	35,03,412
Actuarial (Gains)/Losses - Due to Experience	(9,72,560)	(12,14,658)	(9,34,012)
Liability at the end of the year	2,87,04,488	2,36,29,035	2,52,64,271

(iii) Fair value of plan assets:

Particulars	Year ended 31.03.2017	Year ended 31.03.2016	As at 01.04.2015
Fair Value of plan assets at the beginning of the year	1,47,08,579	1,93,29,363	1,82,48,052
Interest Income	11,69,332	15,44,416	15,87,581
Expected return on plan assets	-	-	-
Contributions	71,91,578	35,44,081	34,16,162
Transfer from other company	-	-	-
Benefits paid	(27,70,351)	(83,55,200)	(40,30,650)
Actuarial gain / (loss) on Plan Assets	20,44,948	(13,54,081)	1,08,218
Fair Value of plan assets at the end of the year	2,23,44,086	1,47,08,579	1,93,29,363

(iv) Amount recognised in the Balance Sheet

Particulars	Year ended 31.03.2017	Year ended 31.03.2016	As at 01.04.2015
Fair value of plan assets as at the end of the year	2,23,44,086	1,47,08,579	1,93,29,363
Liability as at the end of the year	2,87,04,488	2,36,29,035	2,52,64,271
Net (liability) / asset disclosed in the Balance Sheet	(63,60,402)	(89,20,456)	(59,34,908)

(v) Net Interest Cost for Current Period

Particulars	Year ended 31.03.2017	Year ended 31.03.2016	As at 01.04.2015
Interest Cost	18,78,508	20,18,615	18,59,142
Interest Income	11,69,332	15,44,416	15,87,581
Net Interest Cost for Current Period	7,09,176	4,74,199	2,71,561



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

Particulars	Year ended 31.03.2017	Year ended 31.03.2016	As at 01.04.2015
Current Service cost	66,36,391	56,11,759	48,97,073
Net Interest Cost	7,09,176	4,74,199	2,71,561
Expenses recognised in the Statement of Profit & Loss	73,45,567	60,85,958	51,68,634

(vii) Expenses recognised in the Other Comprehensive Income

Particulars	Year ended 31.03.2017	Year ended 31.03.2016	As at 01.04.2015
Expected return on plan assets	(20,44,948)	13,54,081	(1,08,218)
Actuarial (Gain) or Loss	(6,69,095)	(9,10,410)	25,69,400
Net (Income)/Expense for the Period Recognized in OCI	(27,14,043)	4,43,671	24,61,182

(viii) Balance Sheet Reconciliation

Particulars	Year ended 31.03.2017	Year ended 31.03.2016	As at 01.04.2015
Opening Net Liability	89,20,456	59,34,908	-
Expenses Recognized in Statement of Profit or Loss	73,45,567	60,85,958	51,68,634
Expenses Recognized in OCI	(27,14,043)	4,43,670	24,61,182
Net (Liability)/Asset Transfer out	-	-	-
Employers Contribution	(71,91,578)	(35,44,081)	(34,16,162)
Amount recognised in the Balance Sheet	63,60,402	89,20,455	42,13,654

(ix) Category of Assets

Particulars	Year ended 31.03.2017	Year ended 31.03.2016	As at 01.04.2015
Insurer Managed Funds (Rs)	2,23,44,086	1,47,08,579	1,93,29,363
% of Insurer Managed Funds	100%	100%	100%
Total	2,23,44,086	1,47,08,579	1,93,29,363

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In accordance with Indian Accounting Standard 17 - "Leases", the details of obligation on long term non - cancellable operating lease in respect of certain vehicles and office premises taken by the Company are as follows.

Lease obligations	Year ended 31.03.2017	Year ended 31.03.2016	As at 01.04.2015
Total of future minimum lease payments			
- Lease rentals paid during the year	14,87,89,251	15,35,92,460	-
- Not later than one year	9,35,32,142	9,22,19,218	9,40,91,956
- Later than one year and not later than five years	8,56,60,783	12,03,74,644	15,43,63,319
- Later than five years	-	-	-

The terms of the Leases range from 3 years to 9 years.



In the opinion of the management, the company has two reportable business segment viz. offering "End to End solutions" which includes revenues from sale and maintenance of software products, software consultancy services, custom software development, information technology infrastructure services provided predominantly to market participants in the securities and commodity markets and "ITES - Assessment Services" which includes sale and maintenance of ITES-Assessment Services software products, online education and examination services and other incidental services as its primary segments. This takes into consideration the commonality in the risks and rewards of the products/ solutions and related services offered nature of services, type / class of customers for the products / services, management structure and system of financial reporting. Accordingly, the results of the said segments have been disclosed hereunder. Further, the company has no reportable geographical segments and on that basis, no secondary segment information is furnished.

Primary Business Segments

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Revenues		
End to End Solutions	75,01,29,867	81,96,29,382
ITES - Assessment Services	76,99,52,784	63,34,99,391
Total	1,52,00,82,651	1,45,31,28,773
Identifiable operating expenses		
End to End Solutions	58,85,51,927	57,51,74,680
ITES - Assessment Services	52,75,36,409	45,15,53,782
Total	1,11,60,88,337	1,02,67,28,462
Allocated expenses		
End to End Solutions	10,23,18,024	9,91,00,778
ITES - Assessment Services	7,30,61,601	5,27,14,380
Total	17,53,79,624	15,18,15,158
Segmental operating income / (loss)		
End to End Solutions	5,92,59,916	14,53,53,924
ITES - Assessment Services	16,93,54,774	12,92,31,229
Total	22,86,14,690	27,45,85,153
Other income	7,37,82,087	5,36,36,836
Net profit before taxes	30,23,96,777	32,82,21,989
Income taxes	10,78,22,715	11,44,50,620
Net profit after taxes	19,45,74,062	21,37,71,369



In compliance with Indian Accounting Standard 24 - "Related Party Disclosures", the required disclosures are given in the table below:

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

Sl. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	Ultimate Holding Company
2	NSE Strategic Investment Corporation Limited	Holding Company
3	National Securities Clearing Corporation Limited	Holding Company's Fellow Subsidiary
4	NSE IFSC Limited	Holding Company's Fellow Subsidiary
5	National Securities Depository Limited	Ultimate Holding Company's Associate
6	NSDL Database Management Limited	Ultimate Holding Co.'s Associate Co's Subsidiary
7	NSDL e-Governance Infrastructure Limited	Holding Company's Associate Company
8	Power Exchange India Limited	Holding Company's Associate Company
9	DotEx International Limited	Fellow Subsidiary
10	NSE Infotech Services Limited	Fellow Subsidiary
11	India Index Services & Products Limited	Fellow Subsidiary
12	NSE Academy Limited	Fellow Subsidiary
13	NSE IFSC CLEARING Corporation Limited	Subsidiary of Holding Company's Fellow Subsidiary
14	(1) Mr. Ramesh Padmanabhan - Managing Director & CEO (upto 31st March 2015)	Key Management Personnel
	(2) Mr. N. Muralidaran - Managing Director & CEO (w.e.f. 1st April 2015)	

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

Name of the Related Party	Nature of Transactions	Year ended 31.03.2017	Year ended 31.03.2016
National Stock Exchange of India Limited	Infrastructure Management Services	22,99,74,197	26,17,66,016
	Application Development and Maintenance Services	9,98,50,884	9,02,87,681
	Software Product Revenues	17,179	23,522
	ITES - Assessment Services	4,15,69,015	5,84,11,440
	Customer Care Services	54,18,760	37,76,267
	Integrated Security	27,87,041	-
	Bad-debts written off	-	-
	Taxes recovered	6,22,01,401	6,36,70,651
	Reimbursement of expenses received	-	50,489
	CTCL empanelment fee paid	7,53,750	7,50,000
	Rent paid	-	-
	Usage Charges paid - STP Central HUB & other	3,26,999	3,29,031
	Corporate Social Responsibility	18,52,786	3,56,543
	Reimbursemen paid for other expenses	9,01,451	-
	Closing Balance - Dr./ (Cr.)	10,01,66,256	4,97,21,877



National Securities Clearing Corporation Limited	Application Development and Maintenance Services	1,36,73,389	65,39,726
	Infrastructure Management Services	-	4,42,050
	Software Product Revenue	-	-
	Customer Care Services	43,94,332	43,66,737
	Taxes recovered	27,08,712	16,23,460
	Reimbursement of expenses received	-	50,198
	Closing Balance - Dr./ (Cr.)	1,82,17,021	5,89,236
National Stock Exchange Investor Protection Fund Trust	Application Development and Maintenance Services	20,00,000	30,00,000
	Taxes recovered	3,00,000	5,85,000
	Closing Balance - Dr./ (Cr.)	23,00,000	-
NSE Academy Limited	ITES - Assessment Services	1,38,66,225	-
	Customer Care Services	14,45,336	-
	Taxes recovered	22,96,737	-
	Closing Balance - Dr./ (Cr.)	28,60,659	-
NSE Infotech Services Limited	Software Product Revenues	-	-
	ITES - Assessment Services	4,06,140	-
	Taxes recovered	59,608	-
	Closing Balance - Dr./ (Cr.)	-	-
DotEx International Limited	Reimbursement of Expenses received	-	89,455
	Application Development and Maintenance Services	66,47,386	28,45,454
	Software Product Revenues	7,500	-
	Customer Care Services	1,57,88,509	1,91,08,786
	Infrastructure Management Services	43,44,616	51,65,954
	Taxes recovered	40,88,111	38,62,958
	Closing Balance - Dr./ (Cr.)	1,22,13,377	81,39,183
Power Exchange India Limited	Application Development and Maintenance Services	52,31,746	52,94,193
	Taxes recovered	7,83,692	7,47,055
	Closing Balance - Dr./ (Cr.)	4,44,024	1,00,07,518
NSE Strategic Investment Corporation Limited	Software Product Revenues	-	-
	Dividend paid	1,00,00,010	5,20,00,052
	Closing Balance - Dr./ (Cr.)	-	-
National Securities Depository Limited	Application Development and Maintenance Services	24,50,009	31,58,435
	Taxes recovered	3,66,901	4,43,453
	Closing Balance - Dr./ (Cr.)	10,20,301	3,60,258
NSDL e-Governance Infrastructure Limited	Application Development and Maintenance Services	48,73,909	62,12,895
	Bad-debts written off	-	4,974
	Taxes recovered	7,82,766	8,78,870
	Closing Balance - Dr./ (Cr.)	7,81,808	13,37,449
NSDL Database Management Limited	Application Development and Maintenance Services	6,46,990	(1,186)
	Infrastructure Management Services	-	6,68,610
	Taxes recovered	97,030	94,143
	Closing Balance - Dr./ (Cr.)	1,82,966	2,32,276



NSE IFSC CLEARING Corporation Limited	Application Development and Maintenance Services	6,08,881	-
	Closing Balance - Dr./ (Cr.)	6,08,881	-
NSE IFSC Limited	Application Development and Maintenance Services	1,02,51,928	-
	Infrastructure Management Services	14,40,560	-
	Closing Balance - Dr./ (Cr.)	1,16,92,488	-
India Index Services & Products Limited	Application Development and Maintenance Services	36,87,948	-
	Taxes recovered	5,53,195	-
	Closing Balance - Dr./ (Cr.)	42,41,143	-
NSEIT(US) Inc.	Application Development and Maintenance Services	5,08,75,659	7,26,34,182
	ITES - Assessment Services	16,01,018	11,14,096
	Reimbursement of expenses received		11,07,705
	Taxes recovered	2,39,111	1,54,384
	Closing Balance - Dr./ (Cr.)	3,70,94,139	34,46,263
Key Management Personnel - Ramesh Padmanabhan - MD & CEO (upto March 31, 2015)	Gross remuneration including allowances, perquisites and contribution to Provident Fund and Superannuation Fund etc.	-	58,62,616
Key Management Personnel - N.Muralidaran - MD & CEO (w.e.f. April 1, 2015)	Gross remuneration including allowances, perquisites and contribution to Provident Fund and Superannuation Fund etc.	1,89,11,676	1,31,94,200

23 **Capital and other commitments**

Particulars	Year ended 31.03.2017	Year ended 31.03.2016	As at 01.04.2015
Estimated amount of contracts remaining to be executed on capital account and not provided for	3,42,33,501	80,05,641	31,990

24 **Contingent liability:**

Particulars	Year ended 31.03.2017	Year ended 31.03.2016	As at 01.04.2015
On Account of Bank Guarantees	53,33,700	1,10,24,050	48,47,000
On Account of Corporate Guarantees	-	-	-
Disputed demand of Income Tax	1,29,880	1,29,880	1,29,880
Disputed demand of Sales Tax	-	6,05,11,212	-

The company is of the view that the above matters are not likely to have any impact on the financial position of the company

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

Particulars	Year ended 31.03.2017	Year ended 31.03.2016	As at 01.04.2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year -Principal amount due to micro, small and medium enterprises	-	-	-



Note : 26 Details of Investment in Mutual Funds

In Quoted Mutual Funds	No.of Units	Mkt as at 30.03.2017	Mkt as at 31.03.2016	Mkt as at 31.03.2015
Cannara Robecco Liquid- Fund Institutional Growth Plan	4,279.39		1,15,33,054	1,06,67,462
Cannara Robecco Liquid- Direct Growth	1,970.20	1,10,72,263		
HDFC Cash Management Saving Plan Growth	5,794.94		1,82,81,823	1,69,11,839
HDFC Cash Management Savings Direct (G)	3,395.85	1,00,68,303		
IDBI Liquid Fund(G)-Direct	1,741.19	75,50,358		
DSP BlackRock Liquidity Fund - Regular Plan-Growth	3,02,846.76		1,07,53,240	99,54,361
DSP BlackRock Ultra Short term fund direct Growth				
UTI Liquid Cash Plan Regular - Growth	4,521.58		1,06,60,833	99,15,087
ICICI Prudential Liquid Direct Plan Growth	22.39		5,006	
DSP BlackRock Ultra Short term fund direct Growth	11.91	50,38,846		
Total of Investments		3,37,29,770	5,12,33,957	4,74,48,750



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

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Travelling expenses	9,43,086	40,10,018
Direct Fees & Subscription	81,158	1,30,111
Subcontract / Technical Fees	16,67,59,288	20,31,30,962
Software Licenses	2,60,000	7,25,792

28 **Net dividend remitted in foreign exchange**

Financial Year to which the dividend relates	2015-16	2014-15
Number of non-resident shareholders to whom dividend remitted in foreign currency	Not Applicable	
Number of equity shares held on which dividend was due	Not Applicable	
Amount remitted INR equivalent USD (₹ In Crores)	Not Applicable	

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

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Application Development and Maintenance Services	19,85,379	7,26,73,242
ITES - Assessment Services	30,00,814	26,79,994

30 **DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other Denomination	Total
Closing cash in hand as on November 8,2016	64,500	29,955	94,455
(+) Permitted Receipts	-	4,72,059	4,72,059
(-) Permitted Payments	-	(4,64,185)	(4,64,185)
(-) Amount deposited in Banks	(64,500)	-	(64,500)
Closing cash in hand as on December 31,2016	-	37,829	37,829

*For the purposes of this clause ,the term 'Specified Bank Notes'shall have the same meaning provided in the notification of the Government of India,in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E),dated the 8th November,2016.



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

31 **Corporate Social Responsibility (CSR) expenditure :**

As per the provisions of Companies Act 2013, Company is supposed to spend Rs 49,08,637/- on CSR activities for the year ended 31st March 2017. During the current year the Company's Ultimate holding company, National Stock Exchange of India Limited on behalf of the Company has spent Rs.18,52,786/- on activities as stated in the Group CSR policy which has been adopted by the Company as Company's CSR policy . The resultant short fall in CSR expenditure for the year ended 31st March 2017 is Rs. 30,55,851/-

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

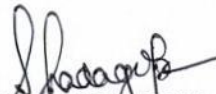
As per our report of even date attached

**For Gokhale & Sathe.
Chartered Accountants**


KEDAR MEHENDALE
Partner
Membership No.116065



For and on behalf of the Board of Directors


Prof. S. SADAGOPAN
Chairman


N. MURALIDARAN
Managing Director & CEO


SHIRISH SUVAGIA
Chief Financial Officer


M.S. SUNDARA RAJAN
Director

Place : Mumbai
Date : April 24, 2017



Note : 1.3

Reconciliation of equity as previously reported under IGAAP to IndAS

Particulars	As at 31st March 2016			As at 31st March 2015		
	IGAAP	Effects of transition to Ind-AS	IndAS	IGAAP	Effects of transition to Ind-AS	IndAS
Non-current assets						
Property, Plant and equipment	3,40,81,671	-	3,40,81,671	5,29,71,737	-	5,29,71,737
Capital work-in-progress	1,35,000	-	1,35,000	-	-	-
Intangible assets	55,38,854	-	55,38,854	92,91,566	-	92,91,566
Financial Assets :						
Investments	2,27,97,359	(2,27,97,359)	-	2,27,92,359	(2,27,92,359)	-
Deposits	-	-	-	4,48,21,776	(4,48,21,776)	-
Other Financial assets	-	-	-	-	-	-
Deferred tax assets (net)	1,67,90,778	(96,87,792)	71,02,986	95,08,476	(85,33,084)	9,75,392
Other Non-current Assets	4,39,86,272	-	4,39,86,272	10,36,214	4,48,21,776	4,58,57,990
Income Tax assets (net)	2,20,75,062	-	2,20,75,062	6,44,06,990	-	6,44,06,990
Total Non-current assets	14,54,04,996	(3,24,85,151)	11,29,19,845	20,48,29,118	(3,13,25,443)	17,35,03,675
Current Assets						
Financial Assets :						
Investments	-	5,12,33,957	5,12,33,957	-	4,74,48,750	4,74,48,750
Trade Receivables	24,56,32,032	-	24,56,32,032	12,05,02,213	-	12,05,02,213
Cash and cash equivalents	63,61,11,933	-	63,61,11,933	46,09,09,044	-	46,09,09,044
Loans	39,82,534	-	39,82,534	65,80,446	-	65,80,446
Other Financial assets- (Inventories)	2,63,462	-	2,63,462	3,65,539	-	3,65,539
Current Tax Assets	-	-	-	-	-	-
Other Current Assets	4,02,95,143	-	4,02,95,143	9,19,98,311	-	9,19,98,311
Total Current Assets	92,62,85,104	5,12,33,957	97,75,19,061	68,03,55,553	4,74,48,750	72,78,04,303
Total Assets	1,07,16,90,100	1,87,48,806	1,09,04,38,906	88,51,84,671	1,61,23,307	90,13,07,978
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	10,00,00,100	-	10,00,00,100	10,00,00,100	-	10,00,00,100
Other equity	75,10,82,240	3,07,84,616	78,18,66,856	55,23,30,360	7,87,09,346	63,10,39,706
Total Equity	85,10,82,340	3,07,84,616	88,18,66,956	65,23,30,460	7,87,09,346	73,10,39,806
Non-current liabilities						
Financial Liabilities						
Other financial liabilities	-	-	-	-	-	-
Deferred tax liabilities (net)	-	-	-	-	-	-
Other Non-current liabilities-Provisions	56,60,716	-	56,60,716	45,49,483	-	45,49,483
Total Non-Current liabilities	56,60,716	-	56,60,716	45,49,483	-	45,49,483
Current Liabilities						
Financial Liabilities						
Trade Payables	3,90,28,926	-	3,90,28,926	2,90,20,396	-	2,90,20,396
Other financial liabilities	-	-	-	-	-	-
Other current liabilities	9,73,48,279	-	9,73,48,279	9,93,93,582	-	9,93,93,582
Provisions	7,85,69,839	(1,20,35,810)	6,65,34,029	9,98,90,750	(6,25,86,039)	3,73,04,711
Income Tax liabilities (net)	-	-	-	-	-	-
Total Current liabilities	21,49,47,044	(1,20,35,810)	20,29,11,234	22,83,04,728	(6,25,86,039)	16,57,18,689
Total liabilities and equity	1,07,16,90,100	1,87,48,806	1,09,04,38,906	88,51,84,671	1,61,23,307	90,13,07,978



Note : 1.4**Reconciliation Statement to Profit and loss as previously reported under IGAAP to IndAS**

Particulars	As at 31st March 2016		
	IGAAP	Effects of transition to Ind-AS	IndAS
Revenue from operations	1,45,31,28,773	-	1,45,31,28,773
Other Income -net	4,98,56,629	37,80,207	5,36,36,836
Total Income	1,50,29,85,402	37,80,207	1,50,67,65,609
Expenses			
Employee benefit expenses	49,56,66,742	(4,43,671)	49,52,23,071
Deferred consideration pertaining to acquisition		-	
Cost of technical sub-contractors	22,91,68,355	-	22,91,68,355
Travel expenses	2,91,61,544	-	2,91,61,544
Cost of software packages and other communication expenses	2,03,03,038	-	2,03,03,038
Consultancy and professional expenses	1,13,72,425	-	1,13,72,425
Depreciation and amortisation expenses	3,18,14,622	-	3,18,14,622
Other expenses	36,15,00,565	-	36,15,00,565
Total expenses	1,17,89,87,291	(4,43,671)	1,17,85,43,620
Profit before exceptional items and tax	32,39,98,111	42,23,878	32,82,21,989
Profit on transfer of business	-	-	-
Profit before tax	32,39,98,111	42,23,878	32,82,21,989
Tax expenses			
Current Tax	12,04,24,668	-	12,04,24,668
Deferred Tax	(72,82,302)	13,08,254	(59,74,048)
Profit for the period	21,08,55,745	29,15,624	21,37,71,369
Other Comprehensive income			
Items that will not be reclassified subsequently to profit or loss		(4,43,671)	(4,43,671)
Income tax relating to items that will not be reclassified to profit or loss		1,53,546	1,53,546
Remeasurement of the net defined benefit liability / asset			
Items that will reclassified subsequently to profit or loss			
Total other comprehensive income, net of tax			
Total comprehensive income, for the period			21,34,81,244



NSEIT Limited
(Formerly known as NSE.IT LIMITED)

STATEMENT OF CHANGES IN EQUITY MARCH 31, 2017

(A) Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
10,00,00,100	-	10,00,00,100

(B) Other Equity

Particulars	General reserve	Retained Earnings	Foreign Currency Translation Reserve	Total
Balance at the beginning of the reporting period	54,36,06,069	23,67,85,256	14,75,531	78,18,66,856
Expenditure incurred towards Corporate Social Responsibility - CSR		(18,52,786)		(18,52,786)
Total Comprehensive Income for the year		19,63,48,828		19,63,48,828
Foreign Currency Translation Fluctuation			(2,00,439)	(2,00,439)
Dividends		(1,00,00,010)		(1,00,00,010)
Dividend Tax		(20,35,800)		(20,35,800)
Deferred Tax reversal adjustment on account of sale of investments		85,33,084		85,33,084
Total Other Equity	54,36,06,069	42,77,78,572	12,75,092	97,26,59,733



STATEMENT OF CHANGES IN EQUITY AS ON MARCH 31, 2016

(A) Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
10,00,00,100	-	10,00,00,100

(B) Other Equity

Particulars	General reserve	Retained Earnings	Foreign Currency Translation Reserve	Total
Balance at the beginning of the reporting period	53,85,06,069	9,13,46,595	11,87,042	63,10,39,706
Amount transferred from the surplus balance in the statement of profit & loss	51,00,000	(51,00,000)		-
Expenditure incurred towards Corporate Social Responsibility - CSR		(3,56,543)		(3,56,543)
Total Comprehensive Income for the year		21,34,81,243		21,34,81,243
Foreign Currency Translation Fluctuation			2,88,489	2,88,489
Dividends		(5,20,00,052)		(5,20,00,052)
Dividend Tax		(1,05,85,987)		(1,05,85,987)
Total Other Equity	54,36,06,069	23,67,85,256	14,75,531	78,18,66,856

