KHANDELWAL JAIN & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Membersof NSEIT Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of NSEIT Limited ("hereinafter referred to as the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") Which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs (financial position) consolidated profit or loss (financial performance including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards prescribed under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements.

   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 provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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4. We conducted our audit of the consolidated Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 Ind AS financial statements.

6. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 of the consolidated state of affairs (financial position) of the Group as at March 31, 2018, and their consolidated profit (financial performance including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

8. The comparative financial information of the Group for the year ended March 31, 2017 prepared in accordance with Indian Accounting Standard (Ind AS), included in these consolidated Ind AS financial statements, have been audited by the predecessor auditors. The report of the predecessor auditor on the comparative financial information dated April 24, 2017 expressed an unmodified opinion.
Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 aforesaid consolidated Ind AS financial statements.

   (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiary NSEIT (US) Inc. included in the Group including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records.

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiary included in the Group including relevant records relating to the preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018, taken on record by the Board of Directors of the Holding Company, none of the directors of the HoldingCompany is disqualified as on March 31, 2018 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 to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Group has disclosed the impact of pending litigations as at March 31, 2018 on its consolidated financial position in its consolidated Ind AS financial statements– Refer Note 41 to the consolidated Ind AS financial statements.

   ii. The Holding Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses - Refer Note 42 to the consolidated Ind AS financial statements.

   iii. There were no amounts during the year ended March 31, 2018 which were required to be transferred to the Investor Education and Protection Fund by the Holding Company - Refer Note 43 to the consolidated Ind AS financial statements.

   iv. The disclosure regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made since the requirement does not pertain to financial year ended March 31, 2018.

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

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

S. S. Shah
Partner
Membership Number: 033632

Place: Mumbai
Date: April 24, 2018

KHANDELWAL JAIN & CO.

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Annexure A to Independent Auditors' Report

Referred to in paragraph 9(f) of the Independent Auditors' Report of even date to the members of NSEIT Limited on the consolidated Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of NSEIT Limited which is incorporated in India (hereinafter referred to as "the Holding Company" or "Company"), as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Holding 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, 2018, 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.

Other matter

9. Our aforesaid report under Section 143(3) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting does not include the reporting in respect of subsidiary company NSEIT (US) INC., since the provisions of section 143(3)(i) of the Act are not applicable to the said subsidiary as it is not incorporated in India.

Our opinion is not modified in respect of this matter.

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

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

S. S. Shah
Partner
Membership Number: 033632

Place: Mumbai
Date: April 24, 2018

NSEIT Limited

(Formerly known as *NSE.IT LIMITED*)

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(₹ in Lakhs)

	Particulars	Notes	As at 31.03.2018 (Audited)	As at 31.03.2017 (Audited)
	ASSETS			
1	**Non-current assets**			
a	Property, Plant and Equipment	2	643.01	324.28
b	Capital work-in-progress	2.1	4.47	56.60
c	Other Intangible assets	2	301.03	46.15
d	Financial Assets			
i	Investments	3	-	-
ii	Other Financials assets			
	- Non-Current Bank Balances	4	41.62	97.83
	- Others	4	2.16	-
e	Deferred Tax Assets (net)	15	285.82	225.07
f	Income Tax Assets (net)	16	180.65	169.55
g	Other assets	5	8.10	10.47
	Total Non-current assets		**1,466.86**	**929.95**
2	**Current assets**			
a	Inventories	6	1.45	2.24
b	Financial Assets			
i	Investments	3	980.90	337.30
ii	Trade receivable	7	7,379.16	3,594.90
iii	Unbilled Revenue	8	531.52	1,092.45
iv	Cash and Cash equivalents	9	3,790.84	6,778.85
v	Bank balances other than (iv) above	9	979.60	834.88
vi	Other Financial assets	4	513.75	629.68
c	Other assets	5	336.42	177.06
	Total Current assets		**14,513.64**	**13,447.36**
	TOTAL ASSETS		**15,980.50**	**14,377.31**

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

NSEIT Limited MUMBAI

(₹ in Lakhs)

	Particulars	Notes	As at 31.03.2018 (Audited)	As at 31.03.2017 (Audited)
	EQUITY AND LIABILITIES			
(A)	EQUITY			
a	Equity Share capital	10	1,000.00	1,000.00
b	Other Equity	11	11,452.52	9,726.60
	Total Equity		**12,452.52**	**10,726.60**
(B)	LIABILITIES			
1	**Non-current liabilities**			
a	Financial Liabilities			
i	Other financial liabilities	13	-	-
b	Provisions	14	60.60	67.22
c	Deferred tax liabilities (net)	15	-	-
d	Other liabilities	17	-	-
	Total Non-current liabilities		**60.60**	**67.22**
2	**Current liabilities**			
a	Financial Liabilities			
i	Trade Payables	12	1,574.90	738.36
ii	Other financial liabilities	13	18.83	-
b	Provisions	14	709.17	745.24
c	Income Tax Liabilities (net)	16	406.82	354.93
d	Other liabilities	17	757.66	1,744.96
	Total Current liabilities		**3,467.38**	**3,583.49**
	TOTAL EQUITY AND LIABILITIES		**15,980.50**	**14,377.31**

Summary of significant accounting policies 1

Notes refer to above form an integral part of Consolidated Balance Sheet

This is the Consolidated Balance Sheet referred to in our report of even date

As per our report of even date attached

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

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

S. S. SHAH
Partner
Membership No.033632

Place : Mumbai
Date : April 24, 2018

For and on behalf of Board of Directors

Prof. S. SADAGOPAN
Chairman
DIN No. 00118285

N. MURALIDARAN
Managing Director & CEO
DIN No. 06567029

M.S. SUNDARA RAJAN
Director
DIN No. 00169775

SHIRISH SUVAGIA
Chief Financial Officer

SOMNATH SAHA
Company Secretary

NSEIT Limited MUMBAI

NSEIT LIMITED
(Formerly known as *NSE.IT LIMITED*)
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

Particulars	Notes	For the year ended 31.03.2018	For the year ended 31.03.2017
Income			
Revenue from operations	18	18,419.07	15,200.83
Other income	19	609.03	734.36
Total Income		**19,028.10**	**15,935.19**
Expenses			
Employee benefits expense	20	6,259.91	6,054.36
Purchases of Stock-in-Trade	22	0.35	1.22
Changes In Inventories Of Stock-In-Trade	22	0.79	0.40
Technical & Sub Contract Charges	23	3,072.19	2,144.55
Repairs & Maintenance	23	84.47	110.17
Finance Cost	21	65.02	55.01
Depreciation and amortisation expense	2	257.18	228.49
Other expenses	23	6,437.59	4,317.02
Total Expenses		**16,177.50**	**12,911.22**
Profit before exceptional items and tax		**2,850.60**	**3,023.97**
Exceptional item		-	-
Profit before tax		**2,850.60**	**3,023.97**
Less : Income Tax expense	15		
- Current tax		1,077.68	1,158.03
- Short / Excess Tax for earlier years		44.78	(1.69)
- Deferred tax		(77.45)	(78.11)
Total tax expenses		1,045.01	1,078.23
Profit after tax (A)		**1,805.59**	**1,945.74**
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations	25	57.34	27.14
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(16.70)	(9.39)
Total Other Comprehensive Income, net of tax (B)		**40.64**	**17.75**
Total Comprehensive Income (A+B)		**1,846.23**	**1,963.49**
Earnings per equity share (FV ₹ 10 each)			
- Basic (₹)	24	**18.06**	**19.46**
- Diluted (₹)	24	**18.06**	**19.46**

Summary of significant accounting policies 1

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

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

As per our report of even date attached

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

S. S. SHAH
Partner
Membership No.033632

For and on behalf of the Board of Directors

Prof. S. SADAGOPAN
Chairman
DIN No. 00118285

N. MURALIDARAN
Managing Director & CEO
DIN No. 06567029

M.S. SUNDARA RAJAN
Director
DIN No. 00169775

SHIRISH SUVAGIA
Chief Financial Officer

SOMNATH SAHA
Company Secretary

Place : Mumbai
Date : April 24, 2018

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

(₹ in Lakhs)

STATEMENT OF CHANGES IN EQUITY MARCH 31, 2018

(A) Equity Share Capital

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

(B) Other Equity

Particulars	General reserve	Retained Earnings	Foreign Currency Translation Reserve	Total
Balance at the beginning of the reporting period	**5,436.06**	**4,277.79**	**12.75**	**9,726.60**
Total Comprehensive Income for the year		1,846.23		1,846.23
Foreign Currency Translation Fluctuation			0.05	0.05
Dividends		(100.00)		(100.00)
Dividend Tax		(20.36)		(20.36)
Total Other Equity	5,436.06	6,003.66	12.80	11,452.52

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
1,000.00	-	1,000.00

(B) Other Equity

Particulars	General reserve	Retained Earnings	Foreign Currency Translation Reserve	Total
Balance at the beginning of the reporting period	**5,436.06**	**2,367.85**	**14.76**	**7,818.67**
Expenditure incurred towards Corporate Social Responsibility - CSR		(18.53)		(18.53)
Total Comprehensive Income for the year		1,963.49		1,963.49
Foreign Currency Translation Fluctuation			(2.01)	(2.01)
Dividends		(100.00)		(100.00)
Dividend Tax		(20.36)		(20.36)
Deferred Tax reversal adjustment on account of sale of investments		85.33		85.33
Total Other Equity	5,436.06	4,277.79	12.75	9,726.60

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

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

S. S. SHAH
Partner
Membership No.033632

Place : Mumbai
Date : April 24, 2018

For and on behalf of the Board of Directors

Prof. S. SADAGOPAN
Chairman
DIN No. 00118285

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Managing Director & CEO
DIN No. 06567029

M.S. SUNDARA RAJAN
Director
DIN No. 00169775

SHIRISH SUVAGIA
Chief Financial Officer

SOMNATH SAHA
Company Secretary

NSEIT Limited

STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

(Formerly known as *NSE.IT LIMITED*)

(₹ in Lakhs)

		2017-18	2016-17
A)	**CASHFLOW FROM OPERATING ACTIVITIES**		
	PROFIT BEFORE TAX	2,850.60	3,023.97
	Add : Adjustments for :		
	- Depreciation and amortisation expense	257.18	228.49
	- Bad Debts written off	195.10	42.15
	- Cost of Investment written off	0.10	-
	- Provision for Doubtful Debts	74.37	92.80
	Sundry Balance W/ off	-	4.18
	Less : Adjustments for :		
	- Interest income on Bank deposits	(405.41)	(425.70)
	- Interest income on Others	(0.72)	(128.84)
	Net gain on sale of mutual funds mandatorily measured at fair value through Profit and Loss	(14.74)	(64.91)
	- Net gain on mutual funds mandatorily measured at fair value through Profit and Loss	(28.62)	(2.30)
	- Net Gain on disposal of property,plant and equipment	(1.20)	-
	- Provision for Doubtful Debts written back	(93.29)	-
	- Excess provision written back	(38.44)	(97.43)
	- Sundry Balance W/ Back	(14.26)	-
	Change in Operating Assets and Liabilities		
	- Trade Receivable and Unbilled Revenue	(3,407.73)	(1,178.24)
	- Inventories	0.79	0.40
	- Trade Payable and Provisions	912.10	187.12
	- Other Assets	(80.08)	(1,551.01)
	- Other Liabilities	(987.30)	1,145.00
	CASH GENERATED / (USED) FROM OPERATIONS	(781.53)	1,275.69
	- Income Taxes paid (Net of Refunds)	(1,081.68)	(750.20)
	NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)	(1,863.21)	525.49
B)	**CASHFLOW FROM INVESTING ACTIVITIES**		
	- Payment for Property Plant, Equipment	(764.47)	(257.97)
	- Sale Proceed from Property Plant, Equipment	5.84	-
	- Increase in Foreign Currency Translation Reserve	0.05	(2.00)
	- Interest received	443.00	554.54
	- Payment from fixed deposits / Bank Balances other than cash & cash equivalents (Net)	922.70	1,699.13
	- Proceeds from fixed deposits / Bank Balances other than cash & cash	(1,011.21)	(90.00)
	- Payment for investment	(2,022.00)	(2,780.00)
	- Sale Proceeds from investment	1,421.75	3,022.25
	- Investment in NSE Foundation	(0.10)	-
	NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)	(1,004.44)	2,145.95
C)	**CASHFLOW FROM FINANCING ACTIVITIES**		
	- Dividend paid	(100.00)	(100.00)
	- Dividend distribution tax paid	(20.36)	(20.36)
	NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)	(120.36)	(120.36)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(2,988.01)	2,551.08
	CASH AND CASH EQUIVALENTS : OPENING BALANCE	6,778.85	4,227.77
	CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE	3,790.84	6,778.85
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	(2,988.01)	2,551.08
	Reconciliation of cash and cash equivalents as per the cash flow statement		
	Cash and cash equivalents as per above comprise of the following		
	-Cash and cash equivalents	3,790.84	6,778.85
	-Bank overdrafts	-	-
	Balance as per statement of cash flows	3,790.84	6,778.85

Notes :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on Statement of Cash Flow as notified under Compaines (Accounts) Rules, 2015.
2. Previous years figures have been regrouped, rearranged and reclassified wherever necessary to confirm to the current year classifications

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our report of even date attached

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

S. S. SHAH
Partner
Membership No.033632

Place : Mumbai
Date : April 24, 2018

For and on behalf of Board of Directors

Prof. S. SADAGOPAN
Chairman
DIN No. 00118285

N. MURALIDARAN
Managing Director & CEO
DIN No. 06567029

M.S. SUNDARA RAJAN
Director
DIN No. 00169775

SHIRISH SUVAGIA
Chief Financial Officer

SOMNATH SAHA
Company Secretary

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

NSEIT Limited MUMBAI

1 **Summary of significant accounting policies :**

a) **Company Overview**

The NSEIT Limited ("the Company/ the Group") is a Step-down 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, 2018.

b) **Basis of preparation of Financial Statements**

These financial statements have been prepared in accordance with the historical cost basis, except for certain financial instruments which are measured at fair value, and are drawn up in accordance with the provisions of the Companies Act, 2013 and Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

i) Historical cost convention

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

• certain financial instruments that is measured at fair value, and

• defined benefit plans - plan assets measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

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

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

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

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

Principles of consolidation

i) Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

ii) The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to noncontrolling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss.

c) **Use of estimates**

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

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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 FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comphrensive Income (OCI) is reclassified from equity to profit or loss and recognised in net gain on sale of financial assets measured at FVOCI under other income. Interest income from these financial assets is included in other income using the effective interest rate method.

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

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

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.
Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(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.

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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**

As a lessee

Leases of property, plant and equipment and land where the Company, as lessee, has substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature

h) **Revenue Recognition**

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

The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activity described below :

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(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. Revenue in excess of billings is recognised as unbilled revenue in the Balancesheet; to the extent billings are in excess of revenue recognised, the excess is reported as unearned and deferred revenue in the Balancesheet.

(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) Insurance claims are accounted on accrual basis when the claims become due and payable.

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 Input Tax Credits, wherever input credit is claimed.
When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life.
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
All other repair and maintenance costs are recognized in Income statement as incurred.

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. 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.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.Costs associated with maintaining software programs are recognised as an expense as and when incurred.

Development costs

Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:
- The technical feasibility of completing the intangible asset so that the asset will be available for use
- Its intention to complete and its ability and intention to use the asset
- How the asset will generate future economic benefits
- The ability to measure reliably the expenditure during development
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available

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Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.
During the period of development, the asset is tested for impairment annually.

l) **Impairment of tangible and intangible assets excluding goodwill**

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

m) **Inventory :**

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

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

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignifican risk of changes in value. These do not include bank balances earmarked/restricted for specific purposes.
Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

o) **Foreign currency transactions and translation**

Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian currency (INR), which is the Company's functional and presentation currency.
Transactions and translations
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognised in profit or loss.
Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

Group Companies
The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
• assets and liabilities are translated at the closing rate at the date of that balance sheet;
• income and expenses are translated at monthly average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
• all resulting exchange differences are recognised in other comprehensive income.

p) **Employee benefits**

i **Short-term obligations**
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

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ii Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet since the company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii Post-employment obligations

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

iv Gratuity obligations

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

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

v Defined contribution plans

Superannuation

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

Provident Fund

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

vi Bonus plans

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

q) Income tax

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

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

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

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

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

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to statement of profit and loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity.

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r) **Contributed equity**

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

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

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

t) **Trade and other payables**

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

u) **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.

v) **Dividends**

Final dividends on shares are recorded as a liability on the date of approval by shareholders and interim dividends are recorded as a liability on the date declaration y the Company's Board of Directors

w) **Trade receivables**

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

x) **Offsetting financial instruments**

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

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y) **Earnings per share**

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

z) **Critical accounting estimates and judgements**
The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.
The areas involving critical estimates or judgements are:
Estimation of useful life of intangible assets Note - 2
Estimation of defined benefit obligation Note - 25
Estimation of contingent liabilities refer Note - 29
Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

aa) **Recent Accounting Pronouncement:**
IndAS - 115 relating to Revenue from contracts with customers : -
Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new Standard Ind AS 115 "Revenue from Contracts with Customers" which is effective from April 1, 2018.
The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:
• Step 1: Identify the contract(s) with a customer
• Step 2: Identify the performance obligation in contract
• Step 3: Determine the transaction price
• Step 4: Allocate the transaction price to the performance obligations in the contract
• Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation
Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.
The standard permits two possible methods of transition:
• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)
The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The Company is evaluating the impact of this amendment on its financial statements.

ab) **IndAS 21- Appendix B - Foreign currency transactions and advance consideration : -**
Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the impact of this amendment on its financial statements.

ac) **Rounding of amounts**
All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

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2 Property, Plant & Equipment

(₹ in Lakhs)

Sr No.	Category	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
		As on 1-Apr-17	Additions	Deductions	As on 31-Mar-18	As on 1-Apr-17	For the year	Deductions	As on 31-Mar-18	As on 31-Mar-18	As on 31-Mar-17
A	Tangible Assets										
1	Computer Hardware and Servers & Networks	1,411.40	451.62	147.88	1,715.15	1,229.48	126.35	145.65	1,210.18	504.97	181.93
2	Office Equipment	606.04	44.80	75.73	575.11	567.70	21.16	73.34	515.52	59.59	38.34
3	Furniture & Fixtures	392.66	2.94	115.08	280.52	309.06	46.14	115.06	240.14	40.38	83.61
4	Building - Civil Work	88.57	43.76	26.80	105.53	68.18	26.08	26.80	67.46	38.07	20.40
		2,498.68	**543.11**	**365.49**	**2,676.31**	**2,174.40**	**219.74**	**360.85**	**2,033.29**	**643.01**	**324.28**
B	Intangible Assets										
1	Computer Software	699.63	292.32	-	991.96	653.48	37.45	-	690.92	301.03	46.15
2	Software copyrights	259.06	-	-	259.06	259.06	-	-	259.06	0.00	0.00
		958.69	**292.32**	-	**1,251.02**	**912.54**	**37.45**	-	**949.99**	**301.03**	46.15
	GRAND TOTAL	3,457.37	835.44	365.49	3,927.32	3,086.94	257.18	360.85	2,983.28	944.04	370.43
	PREVIOUS YEAR	3,296.54	202.72	41.89	3,457.37	2,900.34	228.49	41.89	3,086.94	370.43	

Sr No.	Category	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
		As on 1-Apr-16	Additions	Deductions	As on 31-Mar-17	As on 1-Apr-16	For the year	Deductions	As on 31-Mar-17	As on 31-Mar-17	As on 31-Mar-16
A	Tangible Assets										
1	Computer Hardware and Servers & Networks	1,299.64	151.20	39.44	1,411.40	1,174.69	94.22	39.44	1,229.48	181.93	124.95
2	Office Equipment	589.03	19.47	2.46	606.04	536.01	34.14	2.46	567.70	38.34	53.01
3	Furniture & Fixtures	389.48	3.18	-	392.66	259.24	49.82	-	309.06	83.61	130.24
4	Building - Civil Work	88.57	-	-	88.57	55.95	12.22	-	68.18	20.40	32.62
		2,366.72	**173.85**	**41.89**	**2,498.68**	**2,025.90**	**190.39**	**41.89**	**2,174.40**	**324.28**	**340.82**
B	Intangible Assets										
1	Computer Software	670.77	28.87	-	699.63	615.38	38.10	-	653.48	46.15	55.39
2	Software copyrights	259.06	-	-	259.06	259.06		-	259.06	0.00	0.00
		929.83	**28.87**	-	**958.69**	**874.44**	**38.10**	-	**912.54**	46.15	55.39
	GRAND TOTAL	**3,296.54**	**202.72**	**41.89**	**3,457.37**	**2,900.34**	**228.49**	**41.89**	**3,086.94**	**370.43**	**396.21**
	PREVIOUS YEAR	**3,242.76**	**92.11**	**38.33**	**3,296.54**	**2,620.13**	**318.15**	**37.94**	**2,900.34**	**396.21**	

Note : Individual low cost assets (acquired for less than Rs.5000/-) were depreciated/ amortised at the rate of 100% in the the year of acquisition. During the current year individual low cost assets (acquired for less than Rs 5000/-) are depreciated / amortised as per the useful life and in the manner prescribed in Schedule II to Companies Act, 2013 and as a result the profit for the year is higher by Rs. 38.23 lakhs (net) (Cost of assets Rs 56.29 lakhs and depreciation charged to the statement of Profit & Loss Rs 18.06 lakhs)

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2.1 Capital Work In Progress

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Opening Balance - Carrying amount	**56.60**	**1.35**
Additions	447.89	249.02
Disposals	0.66	-
Transfers	499.36	193.77
Closing Balance - Carrying amount	**4.47**	**56.60**

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3 i Investments

	Non-current		Current	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	(₹ in Lakhs)		(₹ in Lakhs)	
Investment in Equity Instruments (fully paid up)				
Unquoted Equity instrument at FVPL				
NSE Foundation *	0.00	-	-	-
[1000 Equity share of Rs. 10 each fully paid] (P.Y. Nil)				
Investments in Mutual Funds				
Unquoted Investment in Mutual funds at FVPL (Refer Note 35)	-	-	980.90	337.30
	0.00	-	**980.90**	**337.30**

* NSE Foundation is incorporated under section 8 of the Companies Act, 2013 and intends to apply its profits, if any, or other income in promoting its objects and any payment of dividend to its members is prohibited. Accordingly, the investment in the company has been written down to Rs. 1/-. Accordingly, the Company has written off investment in NSE Foundation amounting to Rs. 9,999/- and the same has been debited to the Consildated Statement of Profit and Loss.

4 Other Financial Assets

	Non-current		Current	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	(₹ in Lakhs)		(₹ in Lakhs)	
i **Non-Current Bank Balances**				
Fixed deposits with maturity for more than 12 months	-	-	-	-
Earmarked fixed deposits with maturity for more than 12 months *	41.62	97.83	-	-
	41.62	**97.83**	-	-
ii **Others**				
Security deposit (unsecured, considered good)	0.06		404.00	485.27
Interest accrued on Bank deposits	2.10	-	101.18	140.15
Loan to Employee (unsecured, considered good)	-	-	3.50	-
Service Tax Refund	-	-	5.07	-
Other advances (unsecured, considered good)	-	-	-	4.26
	2.16	-	**513.75**	**629.68**
Total	**43.78**	**97.83**	**513.75**	**629.68**

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

5 Other assets

	Non-current		Current	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	(₹ in Lakhs)		(₹ in Lakhs)	
Advance to Creditors (unsecured, considered good)	-	-	14.38	13.72
Advance to Staff for Expenses (unsecured, considered good)	-	-	141.38	46.36
Salary Advance (unsecured, considered good)	-	-	0.36	0.01
Prepaid expenses	8.10	10.47	144.04	107.88
Balance with Service Tax Authorities	-	-	-	2.17
Balance with Sales Tax Authorities	-	-	-	6.92
Balance with GST Authorities	-	-	36.26	-
	8.10	**10.47**	**336.42**	**177.06**

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6	**Inventories - Traded Goods**	-	-	1.45	2.24
		-	-	**1.45**	**2.24**

		Non-current		Current	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
		(₹ in Lakhs)		(₹ in Lakhs)	
7	**Trade receivables**				
	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	-	-	1,274.28	402.95
	Doubtful	-	-	74.37	93.00
	Less : Provision for Doubtful Debts	-	-	74.37	93.00
		-	-	**1,274.28**	**402.95**
	Other debts				
	Secured, considered good	-	-	-	-
	Unsecured, considered good	-	-	6,104.88	3,191.95
	Doubtful	-	-	-	-
		-	-	**6,104.88**	**3,191.95**
	Total	-	-	**7,379.16**	**3,594.90**

		Non-current		Current	
8	**Unbilled Revenue**	31.03.2018	31.03.2017	31.03.2018	31.03.2017
		(₹ in Lakhs)		(₹ in Lakhs)	
	Unbilled Revenue	-	-	**531.52**	**1,092.45**

		Non-current		Current	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
		(₹ in Lakhs)		(₹ in Lakhs)	
9	**Cash and Cash equivalents**				
	Balances with banks				
	- In Current Accounts	-	-	656.03	287.01
	- In Saving Accounts	-	-	3.09	3.08
	- In Flexi Deposits	-	-	3,131.69	6,488.64
	Cash on hand	-	-	0.03	0.12
		-	-	**3,790.84**	**6,778.85**
	Bank Balances other than Cash and cash equivalents				
	Fixed deposits				
	- with original maturity for more than 3 months but less than 12 months	-	-	-	-
	- with maturity of less than 12 months at the balance sheet date	-	-	796.00	85.30
	Earmarked fixed deposits *				
	- with original maturity for more than 3 months but less than 12 months	-	-	-	-
	- with maturity of less than 12 months at the balance sheet date			183.60	107.67
	Escrow Account with State Bank of India	-	-	-	641.91
				979.60	**834.88**
	Total	-	-	**4,770.44**	**7,613.73**

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

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10 Equity Share Capital

	31.03.2018	31.03.2017
	(₹ in Lakhs)	
Authorised		
15,000,000 (Previous Year 15,000,000) Equity Shares of Rs 10 each.	**1,500.00**	**1,500.00**
Issued, Subscribed and Paid-up		
10,000,010 (Previous year 10,000,010) Equity shares of Rs.10 each fully paid up.	**1,000.00**	**1,000.00**

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

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of Directors, in their meeting on April 24, 2017, proposed a dividend of Rs 1 /- per equity share which has been approved by the shareholders at the Annual General Meeting held on June 27, 2017 . The total dividend paid during the year ended March 31, 2018 amounts to Rs. 120.36 Lakhs including dividend distribution tax Rs. 20.36 Lakhs.

The Board of Directors in the meeting on April 24, 2018, have proposed a final dividend of Rs. 100.00 lakhs for the Financial Year ended March 31, 2018. 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. 120.56 lakhs including corporate dividend tax

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

	31.03.2018		31.03.2017	
	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%

11 Other Equity

	31.03.2018	31.03.2017
	(₹ in Lakhs)	
General reserve		
As per last balance sheet	5,436.06	5,436.06
Add : Transferred from surplus balance in the Statement of Profit & Loss	-	-
	5,436.06	**5,436.06**
Retained Earnings - Surplus/(deficit) in the statement of profit and loss		
As per last balance sheet	4,277.79	2,367.85
Add : Profit / (Loss) for the year	1,805.59	1,945.74
Add: Deferred Tax reversal adjustment on account of sale of investments acquired prior to April 1, 2015	-	85.33
Add : Other Comprehensive Income	40.64	17.75
Less : Expenditure incurred towards Corporate Social Responsibility - CSR (Refer note 38)	-	18.53
Less : Transfer to General Reserve	-	-
Less : Equity Dividend Paid	100.00	100.00
Less : Tax on equity dividend paid	20.36	20.36
	6,003.66	**4,277.79**
Foreign Currency Translation Reserve	**12.80**	**12.75**
Total Other Equity	**11,452.52**	**9,726.60**

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12 Trade Payables

	Non-current 31.03.2018	Non-current 31.03.2017	Current 31.03.2018	Current 31.03.2017
	(₹ in Lakhs)		(₹ in Lakhs)	
Trade payables	-	-	1,441.35	613.42
Trade payables to MSME (Refer note 30)	-	-	-	-
Trade payables to related Party (refer note 27)	-	-	133.55	124.94
	-	-	**1,574.90**	**738.36**

13 Other Financial Liabilities

	Non-current 31.03.2018	Non-current 31.03.2017	Current 31.03.2018	Current 31.03.2017
Creditors for Capital Expenditure	-	-	18.83	-
	-	-	**18.83**	-

14 Provisions

	Non-current 31.03.2018	Non-current 31.03.2017	Current 31.03.2018	Current 31.03.2017
	(₹ in Lakhs)		(₹ in Lakhs)	
Employee benefits obligation				
Provision for Gratuity (Ref. Note 25)	-	-	28.66	63.61
Provision for Leave Encashment (Ref. Note 25)	60.60	67.22	23.73	7.88
Provision for variable pay and incentives	-	-	656.78	673.75
Total	**60.60**	**67.22**	**709.17**	**745.24**

15 Income Taxes

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

Profit or loss section

Particulars	31.03.2018	31.03.2017
	(₹ in Lakhs)	
Current taxes	1,077.68	1,158.03
Short / Excess Tax for earlier years	44.78	(1.69)
Deferred taxes movement of Asset	(77.45)	(78.11)
Deferred taxes movement of Liability	-	-
Income tax expense reported in the statement of profit or loss	1,045.01	1,078.23

OCI section

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

Particulars	31.03.2018	31.03.2017
	(₹ in Lakhs)	
Re-measurement of the defined benefit liability / asset	(16.70)	(9.39)
Equity instruments through Other Comprehensive Income	-	-
Income tax charged to Other Comprehensive Income	(16.70)	(9.39)

(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 31.03.2018	Year ended 31.03.2017
Profit before income tax expense	2,850.60	3,023.97
Tax at the Indian Tax Rate of 34.608%	34.608%	34.608%
Computed expected tax expenses	986.54	1,046.54
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Disallowance due to contribution to NSE Foundation and 80G benefit (net)	26.73	-
- Short / Excess Tax for earlier years	44.78	(1.69)
- Other Impacts	(13.04)	33.38
Current Income Tax for the year	1,045.01	1,078.23

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

Particulars	31.03.2018	31.03.2017
	(₹ in Lakhs)	
Net current income tax asset/(liability) at the beginning	(185.38)	220.75
Income tax paid (including TDS and net of refund)	1,081.67	750.21
Current income tax expense	(1,077.68)	(1,158.03)
Short / Excess Tax for earlier years	(44.78)	1.69
Net current income tax asset/(liability) at the end	**(226.17)**	**(185.38)**

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

Particulars	31.03.2018	31.03.2017
	(₹ in Lakhs)	
Deferred income tax assets		
Impact of difference between depreciation /amortization charged for the financial reporting and tax depreciation	73.33	96.50
Impact of difference arising on account of impairment of intangible asset and tax depreciation,	4.15	6.57
Impact of Gratuity , Leave Encashment & Perfomance Bonus disallow u/s 43 B	151.29	119.34
Imapct of Provision for Doubtful Debts	66.05	-
Impact of Non Deduction of TDS u/s 40 (a) (ia)	-	3.46
Total deferred income tax assets	**294.82**	**225.87**
Deferred income tax liabilities		
Fixed assets: Impact of difference between depreciation /amortization charged for the financial reporting and tax depreciation	-	-
Impact of expenditure charged to the statement of profit and loss but adjusted for tax purpose u/s 40 (a)(ia)	-	-
Impact of Investment	9.00	0.80
Total deferred income tax liabilities	9.00	0.80
Deferred income tax asset after set off	**285.82**	**225.07**

(E) **Movement in Deferred Tax Assets**

Particulars	Depreciation on Tangible Assets	Amortization on Intangible Assets	Provision for Gratuity, Leave Encashment & Performance Pay	Disallowance u/s 40 (a)(ia) Non Deduction of TDS	Provision for Doubtful Debts	Actuarial Gain / (Loss) through OCI for Gratuity & Leave Encashment	Total
At 1st April 2016	**95.69**	**8.76**	**60.34**	**3.11**	**-**	**1.54**	**169.44**
							-
Charged / (Credited)							-
- to profit or loss	(0.81)	2.19	(68.39)	(0.35)	-	-	(67.35)
- to other comprehensive income	-	-	-	-	-	10.93	10.93
- to retained earning	-	-	-	-	-	-	-
							-
At 31st March 2017	**96.50**	**6.57**	**128.73**	**3.46**	**-**	**(9.39)**	**225.87**
							-
Charged / (Credited)							-
- to profit or loss	23.17	2.42	(39.26)	3.46	(66.05)	-	(76.26)
- to other comprehensive income	-	-	-	-	-	7.30	7.30
- to retained earning	-	-	-	-	-	-	-
							-
At 31st March 2018	**73.33**	**4.15**	**167.99**	**-**	**66.05**	**(16.70)**	294.82

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(F) **Movement in Deferred Tax Liabilities**

Particulars	Depreciation on Tangible Assets	Amortization on Intangible Assets	Financial Assets at Fair Value through profit and Loss	Total
At 1st April 2016	-	-	**98.41**	**98.41**
				-
Charged / (Credited)				-
- to profit or loss	-	-	12.29	12.29
- to other comprehensive income	-			-
- to retained earning	-	-	85.33	85.33
				-
At 31st March 2017	-	-	**0.80**	**0.80**
				-
Charged / (Credited)				-
- to profit or loss	-	-	(8.20)	(8.20)
- to other comprehensive income	-	-	-	-
- to retained earning	-	-	-	-
				-
At 31st March 2018	-	-	**9.00**	**9.00**

16 **Income Tax Liabilities / Assets**

	Non-current		Current	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	(₹ in Lakhs)		(₹ in Lakhs)	
Income Tax Assets (net)	180.65	169.55	-	-
Income Tax Liabilities (net)	-	-	406.82	354.93
	180.65	**169.55**	**406.82**	**354.93**

17 **Other liabilities**

	Non-current		Current	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	(₹ in Lakhs)		(₹ in Lakhs)	
Statutory dues payable	-	-	183.32	160.17
Advance received from customers	-	-	525.33	884.22
Income received in advance	-	-	49.01	27.66
Balance in Escrow Accounts	-	-	-	672.91
Total	-	-	**757.66**	**1,744.96**

18 **Revenue from operations**

	For the year ended 31.03.2018	For the year ended 31.03.2017
	(₹ in Lakhs)	
Operating revenues		
Sale of Products :		
- Software Products	8.91	21.88
- Traded Goods	7.18	22.14
	16.09	**44.02**

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Sale of Services :		
- Software Product Revenues	151.41	148.59
- Application Development & Maintenance Services	4,572.39	4,061.02
- Infrastructure Management Services	3,236.57	2,892.25
- ITES - Assessment Services	10,004.42	7,699.57
- Customer Care Services	438.19	355.37
	18,402.98	**15,156.81**
Total	**18,419.07**	**15,200.83**

19 **Other income**

	For the year ended 31.03.2018	For the year ended 31.03.2017
	(₹ in Lakhs)	
Interest Income		
- On Bank Deposits	405.41	425.70
- Interest Others	0.72	128.84
Net gain on sale of mutual funds mandatorily measured at fair value through Profit and Loss	14.73	64.91
Net gain on mutual funds mandatorily measured at fair value through Profit and Loss	28.61	2.30
Gain on foreign currency transaction (net)	5.15	-
Net Gain on disposal of property,plant and equipment	1.20	-
Excess provision written back	38.44	97.43
Sundry Balance W/ Back (net of w/off Rs 8.21 lakhs)	14.26	-
Provision for Doubtful debts Written Back	93.29	-
Miscellaneous Income	7.22	15.18
Total	**609.03**	**734.36**

20 **Employee benefits expenses**

	For the year ended 31.03.2018	For the year ended 31.03.2017
	(₹ in Lakhs)	
Salaries, wages and allowances	5,939.44	5,755.61
Contribution to Provident Fund	167.66	156.55
Gratuity (Refer Note 25)	84.27	73.46
Contribution to Superannuation Scheme	2.87	2.96
Staff welfare expenses	65.67	65.78
Total	**6,259.91**	**6,054.36**

		For the year ended 31.03.2018	For the year ended 31.03.2017
		(₹ in Lakhs)	
21	**Finance Cost**		
	Bank Charges	57.95	43.48
	Interest Expense (Others)	7.07	11.53
		65.02	**55.01**
22 i	Purchase of Inventories (Digital Certificates)	**0.35**	**1.22**
ii	Opening Inventories of Digital Certificates	2.24	2.64
	Closing Inventories of Digital Certificates	1.45	2.24
	Changes In Inventories Of Stock-In-Trade	**0.79**	**0.40**

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23	i	Repairs to machinery	84.47	110.17
	ii	Technical & Sub Contract Charges	3,072.19	2,144.55
	iii	**Other expenses**		
		Power and fuel	274.87	255.45
		Rent	2,224.44	1,487.89
		Insurance	107.11	86.19
		Rates and taxes, excluding taxes on income	11.13	8.92
		Travelling expenses	635.20	310.54
		Project Related Purchases	799.60	266.48
		Professional Fees	155.95	219.97
		Conveyance	180.96	115.19
		Telephone & Internet Expenses	221.66	203.44
		Security Services Charges	150.08	142.12
		Fees & Subscription	741.16	664.74
		Payment to Auditors (refer note below)	16.33	9.67
		Directors' Sitting Fees	48.94	38.77
		Office Expenses	134.37	112.73
		Contribution to NSE Foundation towards CSR (Refer Note 38)	154.48	-
		Loss on foreign currency transaction (net)	-	9.92
		Bad Debts Written Off	195.10	42.15
		Cost of Investment written off (refer note 3)	0.10	-
		Provision for Doubtful Debts	74.37	92.80
		Sundry Balance W/ off (net of w/back Rs 1.28 lakhs)	-	4.18
		Miscellaneous expenses	311.74	245.87
		Total	**6,437.59**	**4,317.02**
		Note :		
		Payment to Auditors		
		As Auditors :		
		Audit Fees	5.50	6.33
		Tax Audit Fees	2.50	-
		In Other Capacities		
		Taxation matters	3.00	-
		Certification matters	4.70	3.34
		Out of pocket expenses	0.63	-
		Total	**16.33**	**9.67**

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

Earning per share

(₹ in Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Net Profit attributable to Shareholders		
Profit after tax (Rs. In Lakhs)	1,805.59	1,945.74
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	18.06	19.46
Diluted	18.06	19.46

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.

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

(a) **Defined Contribution Plan**

The Company's contribution towards Provident Fund during the year ended March 31, 2018 amounting to Rs 167.66 Lakhs (31.03.2017 : Rs 156.55 Lakhs) and superannuation fund during the year ended March 31, 2018 amounting to Rs. 2.87 Lakhs (31.03.2017: Rs. 2.96 Lakhs) has been charged to Statement of Profit & Loss

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

i) **Provision for Employee Benefit : Performance Pay**

(₹ in Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Carrying amount at the beginning of the year	673.75	352.17
Amounts paid during the year	652.30	405.69
Amounts reversed during the year	-	-
Provisions made during the year	635.33	727.27
Carrying amount at the end of the year	656.78	673.75

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

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Carrying amount at the beginning of the year	75.10	63.10
Amounts paid during the year	29.33	21.72
Amounts reversed during the year	-	-
Provisions made during the year	38.56	33.72
Carrying amount at the end of the year	84.33	75.10

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

(i) **Assumptions:**

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Discount Rate	7.87%	7.90%
Rate of Return on Plan Assets	7.87%	7.90%
Salary Escalation	5.00%	5.00%
Attrition Rate	For Service 4 years and below 30.00% p.a. and for service 5 years and above 3.00% p.a.	2.00%

(ii) **Change in defined benefit obligation:**

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Liability at the beginning of the year	287.04	236.29
Interest cost	22.68	18.79
Current Service Cost	79.25	66.36
Liability transferred out		
Benefits Paid	(47.74)	(27.70)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(37.31)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	5.56	3.03
Actuarial (Gains)/Losses - Due to Experience Adjustments	(31.78)	(9.73)
Liability at the end of the year	**277.70**	**287.04**

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(iii) Fair value of plan assets:

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Fair Value of plan assets at the beginning of the year	223.43	147.07
Interest Income	17.66	11.69
Expected return on plan assets	-	-
Contributions	61.88	71.92
Transfer from other company	-	-
Benefits paid	(47.74)	(27.70)
Actuarial gain / (loss) on Plan Assets	(6.19)	20.45
Fair Value of plan assets at the end of the year	**249.04**	**223.43**

(iv) Amount recognised in the Balance Sheet

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Fair value of plan assets as at the end of the year	249.04	223.43
Liability as at the end of the year	277.70	287.04
Net (liability) / asset disclosed in the Balance Sheet	**(28.66)**	**(63.61)**

(v) Net Interest Cost for Current Period

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Interest Cost	22.68	18.79
Interest Income	17.66	11.69
Net Interest Cost for Current Period	**5.02**	**7.10**

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

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Current Service cost	79.25	66.36
Net Interest Cost	5.02	7.10
Expenses recognised in the Statement of Profit & Loss	**84.27**	**73.46**

(vii) Expenses recognised in the Other Comprehensive Income

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Expected return on plan assets	6.19	(20.45)
Actuarial (Gain) or Loss	(63.53)	(6.69)
Net (Income)/Expense for the Period Recognized in OCI	**(57.34)**	**(27.14)**

(viii) Balance Sheet Reconciliation

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Opening Net Liability	63.61	89.21
Expenses Recognized in Statement of Profit or Loss	84.27	73.46
Expenses Recognized in OCI	(57.34)	(27.14)
Net (Liability)/Asset Transfer out	-	-
Employers Contribution	(61.88)	(71.92)
Amount recognised in the Balance Sheet	**28.66**	**63.61**

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(ix) Category of Assets

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Insurer Managed Funds (Rs)	249.04	223.43
% of Insurer Managed Funds	100%	100%
Total	**249.04**	**223.43**

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

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
1st Following Year	11.03	7.14
2nd Following Year	11.53	16.22
3rd Following Year	19.15	20.09
4th Following Year	26.94	13.39
5th Following Year	17.67	16.32
Sum of Years 6 To 10	104.76	102.44
Sum of Years 11 and above	606.90	767.22

(xi) Sensitivity Analysis

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Project Benefit Obligation on Current Assumptions	277.70	287.04
Delta Effect of + 1% Change in Rate of Discounting	(27.38)	(31.13)
Delta Effect of - 1% Change in Rate of Discounting	32.48	37.29
Delta Effect of + 1% Change in Rate of Salary Increase	33.05	38.03
Delta Effect of - 1% Change in Rate of Salary Increase	(28.28)	(32.20)
Delta Effect of + 1% Change in Rate of Employer Turnover	7.09	8.47
Delta Effect of - 1% Change in Rate of Employer Turnover	(8.30)	(10.05)

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

(₹ in Lakhs)

Lease obligations	For the year ended 31.03.2018	For the year ended 31.03.2017
Total of future minimum lease payments		
- Lease rentals paid during the year	2,224.44	1,487.89
- Not later than one year	901.61	935.32
- Later than one year and not later than five years	350.83	856.61
- Later than five years	-	-

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

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27 In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below :

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

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	Ultimate Holding Company
2	NSE 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	National Stock Exchange Investor Protection Fund Trust	Ultimate Holding Co.'s Trust
15	NSE Foundation (w.e.f 5th March 2018)	Holding Company's Fellow Subsidiary
16	Mr. N. Muralidaran - Managing Director & CEO	Key Management Personnel
17	Nilesh Shivji Vikamsey (w.e.f. 22nd April 2016)	Key Management Personnel
18	Sowmyanarayanan Sadagopan (w.e.f. 22nd April 2016)	Key Management Personnel
19	Swaminathan Sundara Rajan Mittur (w.e.f. 2th July 2016)	Key Management Personnel
20	Ram Narayanan Colathur (w.e.f. 30th March 2015)	Key Management Personnel
21	Vikram Mukund Limaye (w.e.f. 25th July 2017)	Key Management Personnel
22	Suryakant B Mainak (w.e.f. 25th July 2017)	Key Management Personnel
23	Yatrik Rushikesh Vin (w.e.f. 26th February 2018)	Key Management Personnel
24	Varadarajan Babuji (upto 23rd April 2016)	Key Management Personnel

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

(₹ in Lakhs)

Name of the Related Party	Nature of Transactions	For the year ended 31.03.2018	For the year ended 31.03.2017
National Stock Exchange of India Limited	Infrastructure Management Services	2,691.65	2,299.74
	Application Development and Maintenance Services	910.34	998.51
	Software Product	-	0.17
	ITES - Assessment	543.61	415.69
	Customer Care Services	115.25	54.19
	Integrated Security	27.15	27.87
	Taxes recovered	770.00	622.01
	CTCL empanelment fee paid	7.54	7.54
	Usage Charges paid - STP Central HUB & other	0.71	3.27
	Corporate Social Responsibility Expenses	-	18.53
	Reimbursement paid for other expenses	1.56	9.01
	Closing Balance - Dr./ (Cr.)	2,766.30	1,001.66
National Securities Clearing Corporation Limited	Application Development and Maintenance Services	159.76	136.73
	Infrastructure Management Services	8.33	-
	Customer Care Services	42.41	43.94
	Taxes recovered	37.05	27.09
	Reimbursement of expenses received	-	-
	Closing Balance - Dr./ (Cr.)	197.52	182.17

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National Stock Exchange Investor Protection Fund Trust	Application Development and Maintenance Services	-	20.00
	Taxes recovered	-	3.00
	Closing Balance - Dr./ (Cr.)	23.00	23.00
NSE Academy Limited	ITES - Assessment Services	141.46	138.66
	Customer Care Services	17.51	14.45
	Taxes recovered	27.83	22.97
	Closing Balance - Dr./ (Cr.)	10.19	28.61
NSE Infotech Services Limited	ITES - Assessment Services	3.02	4.06
	Reimbursement of expenses received	0.06	-
	Taxes recovered	0.54	0.60
	Closing Balance - Dr./ (Cr.)	-	-
DotEx International Limited	Reimbursement of Expenses received	-	-
	Application Development and Maintenance Services	87.72	66.47
	Software Product Revenues	-	0.08
	Customer Care Services	167.73	157.89
	Infrastructure Management Services	57.90	43.45
	Taxes recovered	56.06	40.88
	Closing Balance - Dr./ (Cr.)	200.20	122.13
Power Exchange India Limited	Application Development and Maintenance Services	51.29	52.32
	Taxes recovered	8.98	7.84
	Closing Balance - Dr./ (Cr.)	4.41	4.44
NSE Strategic Investment Corporation Limited	Dividend paid	100.00	100.00
	Closing Balance - Dr./ (Cr.)	-	-
National Securities Depository Limited	Application Development and Maintenance Services	20.16	24.50
	Taxes recovered	3.41	3.67
	Closing Balance - Dr./ (Cr.)	10.04	10.20
NSDL e-Governance Infrastructure Limited	Application Development and Maintenance Services	72.90	48.74
	Taxes recovered	12.73	7.83
	Closing Balance - Dr./ (Cr.)	38.12	7.82
NSDL Database Management Limited	Application Development and Maintenance Services	8.55	6.47
	Infrastructure Management Services	6.47	-
	Taxes recovered	2.65	0.97
	Closing Balance - Dr./ (Cr.)	8.53	1.83
NSE IFSC CLEARING Corporation Limited	Application Development and Maintenance Services	30.90	6.09
	Closing Balance - Dr./ (Cr.)	28.13	6.09
NSE IFSC Limited	Application Development and Maintenance Services	198.14	102.52
	Infrastructure Management Services	58.93	14.41
	Closing Balance - Dr./ (Cr.)	224.37	116.92
India Index Services & Products Limited	Application Development and Maintenance Services	43.18	36.88
	Taxes recovered	7.57	5.53
	Closing Balance - Dr./ (Cr.)	25.25	42.41
NSE Foundation	Investment made during the year	0.10	-
	Contribution towards CSR	154.48	-
	Closing Investment	0.10	-
Key Management Personnel - N.Muralidaran - MD & CEO	(a) short-term employee benefits	195.56	180.26
	(b) post-employment benefits #	9.56	8.85
	(c) other long-term benefits	-	-

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Ram Narayanan Colathur	Director Sitting Fees	12.00	9.00
	Taxes Paid	0.49	1.33
Swaminathan Sundara Rajan Mittur	Director Sitting Fees	11.50	6.75
	Taxes Paid	0.34	1.01
Nilesh Shivji Vikamsey	Director Sitting Fees	8.50	7.00
	Taxes Paid	0.38	1.05
Sowmyanarayanan Sadagopan	Director Sitting Fees	11.25	6.25
	Taxes Paid	0.49	0.94
Suryakant B Mainak	Director Sitting Fees	4.00	-
Varadarajan Babuji	Director Sitting Fees	-	4.75
	Taxes Paid	-	0.69

As the liabilities for defined benefit plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

All related parties transaction entered during the year were in ordinary course of business. Outstanding balances as at the year end are unsecured and settlement occurs in cash. There have been no guarantee provided or received for any related parties receivables or payables as of March 31, 2018 and March 31, 2017. The Company has not recorded any impairment of receivables relating to amount owed by related parties.

28 **Capital and other commitments**

(₹ in Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	86.38	342.34

29 **Contingent liability:**

(₹ in Lakhs)

i)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
On Account of Bank Guarantees	430.59	53.34

ii) A suit has been filed against the Subsidiary Company by a customer for damages / compensation along with interest thereon and the same has been disputed by the Subsidiary Company. Amount of the damages is not ascertainable at this stage however as per the legal opinion received, the possibility of the claim being awarded against the Subsidiary Company is remote.
The company is of the view that the above matters are not likely to have any impact on the financial position of the company

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

Total outstanding dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
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**	-	-

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

(₹ in Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Travelling expenses	0.42	9.43
Direct Fees & Subscription	3.18	0.81
Subcontract / Technical Fees	1,785.76	1,667.59
Software Licenses	-	2.60

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

(₹ in Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Application Development and Maintenance Services	46.85	72.81
ITES - Assessment Services	12.03	20.54

33 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.

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34 **Segment Reporting:**

a **Description of segments and principal activities**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company. The Company has identified two segments i.e. "End to End solutions" and "ITES - Assessment Services" as reporting segments based on the information reviewed by CODM.

Reportable business segment viz. offering "End to End solutions" includes revenues from sale and maintenance of software products, software consultancy services, custom software development, information technology infrastructure services provided predominantly to market participants in the securities and commodity markets and "ITES - Assessment Services" includes sale and maintenance of ITES-Assessment Services software products, online education and examination services and other incidental services as its primary segments. This takes into consideration the commonality in the risks and rewards of the products/ solutions and related services offered nature of services, type / class of customers for the products / services, management structure and system of financial reporting. Accordingly, the results of the said segments have been disclosed hereunder.

The above business segments have been identified considering :
a) the nature of products and services
b) the differing risks
c) the internal organisation and management structure, and
d) the internal financial reporting systems.

The segment information presented is in accordance with the accounting policies adopted for preparing the consolidated financial statements of the Company. Segment revenues, expenses and results include inter-segment transfers. Such transfers are undertaken either at competitive market prices charged to unaffiliated customers for similar goods or at contracted rates. These transfers are eliminated on consolidation.

b **Segment Revenue :**

Segment revenue is measured in the same way as in the statement of profit or loss. Revenue and expenses which relate to the enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as Unallocable.Transactions between segments are eliminated on consolidation. The CODM primarily uses a measure of profit before tax to assess the performance of the operating segments.

(₹ in Lakhs)

Particulars	2017-18	2016-17
Segment Revenue		
End to End Solution	8,414.65	7,501.26
ITES - Assessment Services	10,004.42	7,699.57
Total	**18,419.07**	**15,200.83**
Inter-segment revenue		
End to End Solution	-	-
ITES - Assessment Services	-	-
Total	-	-
Revenue from external customers		
End to End Solution	8,414.65	7,501.26
ITES - Assessment Services	10,004.42	7,699.57
Total	**18,419.07**	**15,200.83**
Segment Results		
End to End Solution	2,274.34	2,135.30
ITES - Assessment Services	2,435.69	2,677.07
Total	**4,710.03**	**4,812.37**
Less: Unallocable Expenses (Net of income)	2,265.56	2,342.95
Add: Interest income	406.13	554.55
Profit before Tax	**2,850.60**	**3,023.97**

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Less : Income Tax expense		
- Current tax	1,077.69	1,158.02
- Short / Excess Tax for earlier years	44.78	(1.69)
- Deferred tax	(77.45)	(78.10)
Total Tax Expenses	**1,045.01**	**1,078.23**
Net profit after tax	**1,805.59**	**1,945.74**

c **Revenue From External Customers based on geographies**

The Parent company is domiciled in India. The amount of Company revenue from external customers broken down by location of customers.

Particulars	31.03.2018	31.03.2017
India	18,141.13	14,501.97
Outside India	277.94	698.86
Total	**18,419.07**	**15,200.83**

d **Segment Assets**

Segment assets are measured in the same way as in the balance sheet. These assets are allocated based on the operations of the segment.

Segments	31.03.2018	31.03.2017
End to End Solution	5,577.73	3,103.07
ITES - Assessment Services	3,164.62	2,651.15
Total Segment Assets	**8,742.35**	**5,754.22**
Unallocable Assets	7,238.15	8,623.09
Total Assets	**15,980.50**	**14,377.31**

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

e **Segment Liabilities**

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

Segments	31.03.2018	31.03.2017
End to End Solution	1,262.56	783.65
ITES - Assessment Services	1,309.04	2,207.85
Total Segment Liabilities	**2,571.60**	**2,991.50**
Unallocable Liabilities	956.38	659.21
Total Liabilities	**3,527.98**	**3,650.71**

f **Segment Capital Expenditure**

Segments	31.03.2018	31.03.2017
End to End Solution	5.59	2.92
ITES - Assessment Services	743.81	116.02
Total Segment Capital Expenditure	**749.40**	**118.94**
Add: Unallocable Capital Expenditure	86.04	83.78
Total Capital Expenditure	**835.44**	**202.72**

g **Segment Depreciation / Amortisation**

Segments	31.03.2018	31.03.2017
End to End Solution	12.02	22.88
ITES - Assessment Services	134.70	106.70
Total Segment Depreciation / Amortisation	**146.72**	**129.58**
Add: Unallocable Depreciation / Amortisation	110.46	98.91
Total Depreciation / Amortisation	**257.18**	**228.49**

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Note :

Information about major customers

Company's significant revenues of 28.80% (previous year 30.01%) is derived from a group of entities under common control. The total Operating Revenue from such entities amounted to Rs. 5304.99 Lakhs in FY 2017-18 (End to End Solutions Rs. 4616.90 lakhs and ITES-Assessment Service Rs 688.09 lakhs) and Rs. 4561.80 Lakhs in FY 2016-17 (End to End Solution Rs. 4003.38 lakhs and ITES-Assessment Services Rs. 558.41 lakhs). No other single customer contributed 10% or more to the Company's revenue for FY 2017-18 and FY 2016-17.

35 Unquoted Mutual funds at FVPL

(₹ in Lakhs)

In Quoted Mutual Funds	No.of Units	Mkt as at 31.03.2018	No.of Units	Mkt as at 31.03.2017
Cannara Robecco Liquid- Direct Growth	-	-	5,619.88	110.72
HDFC Cash Management Savings Direct (G)	-	-	2,964.89	100.68
IDBI Liquid Fund(G)-Direct	-	-	4,336.33	75.50
DSP BlackRock Ultra Short term fund direct Growth	-	-	4,23,158.63	50.40
ICICI Prudential Flexible Income Plan -Direct	15,446.97	51.76	-	-
SBI Short Term Debt Fund - Dir - Growth	5,01,240.57	102.76	-	-
UTI Treasury Advantage Fund - Dir - Growth	8,570.61	206.86	-	-
Kotak Treasury Advantage Fund - Dir - Growth	7,33,065.28	206.95	-	-
DSP Black Rock Ultra Short Term Fund changed(DSPBR Low Duration Fund)	16,22,981.42	206.93	-	-
HDFC Regular Savings Fund - Dir-Growth	5,83,563.36	205.64	-	
Total of Investments		**980.90**		**337.30**
Aggregate Book value - Quoted Investments		-		-
Aggregate Book Value - Unquoted Investments		980.90		337.30
Aggregate Market Value of Quoted Investments		-		-

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36 (a) **Fair Value Measurements**

Financial Instruments by category

(₹ in Lakhs)

	31-Mar-18			31-Mar-17		
Particulars	**FVPL**	**FVOCI**	**Amortised Cost**	**FVPL**	**FVOCI**	**Amortised Cost**
Financial Assets						
Investments						
- Mutual Funds	980.90	-	-	337.30	-	-
Trade receivables	-	-	7,379.16	-	-	3,594.90
Unbilled Revenue	-	-	531.52	-	-	1,092.45
Cash and Cash equivalents	-	-	3,790.84	-	-	6,778.85
Bank balances other than Cash and Cash equivalents	-	-	979.60	-	-	834.88
- Non-Current Bank Balances	-	-	41.62	-	-	97.83
- Others	-	-	2.16	-	-	-
Other Financial assets	-	-	513.75	-	-	629.68
Total	**980.90**	**-**	**13,238.65**	**337.30**	**-**	**13,028.59**
Financial Liabilities				-		
Trade Payables	-	-	1,574.90	-	-	738.36
Other financial liabilities	-	-	18.83	-	-	-
Total	**-**	**-**	**1,593.73**	**-**	**-**	**738.36**

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36 (b) Fair Value Measurements

a Fair value of the Company's financial assets that are measured at fair value on a recurring basis

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

(₹ in Lakhs)

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31-Mar-18	31-Mar-17		
Investment in mutual funds	980.90	337.30	Level 1	NAV declared by respective Asset Management Companies.

b Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements except as per note a above approximate their fair values.

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37 FINANCIAL RISK MANAGEMENT

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

The Company has developed a Risk Management Policy in accordance with the provisions of the Companies Act, 2013. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk. Risk Management policy has been formulated with an aim to (a) Overseeing the Company's risk management process and controls, risk tolerance (b) Setting strategic plans and objectives for risk management and review of risk assessment of the Company (c) Review the Company's risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, product risk and reputational risk as well as the guidelines, policies and processes for monitoring and mitigating such risks.

Apart from this, the core business & operational risk is managed through cross functional involvement and communication across businesses and as part of the same, various functional heads submit a compliance certificate covering respective areas of operations to the Company Secretary or Managing Director and CEO who in turn submits a compliance certificate quarterly to the Audit Committee and the Board of Directors.

The Treasury department activities are designed to:

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

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

A. MANAGEMENT OF LIQUIDITY RISK

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

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

(₹ in Lakhs)

Particulars	Carrying amount	Less than 12 months	More than 12months	Total
	amount			
As at 31st March 2018				
Trade payables	1,574.90	1,574.90	-	1,574.90
Other financial liabilities	18.83	18.83	-	18.83
As at 31st March 2017				
Trade payables	738.36	738.36	-	738.36
Other financial liabilities	-	-	-	-

B MANAGEMENT OF MARKET RISK

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

• price risk;

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NSEIT Limited * MUMBAI *

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

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
1. PRICE RISK		
The Company is mainly exposed to the price risk due to its investment in mutual funds and investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. At 31st March 2018, the exposure to price risk due to investment in mutual funds amounted to Rs. 980.90 Lakhs (March 31, 2017 : Rs 337.30 lakhs)	In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the investments limits set as par the Board resolution passed	As an estimation of the approximate impact of price risk, with respect to mutual funds and investments in equity instruments, the Company has calculated the impact as follows. For mutual funds, a 0.25% increase in prices would have led to approximately Rs 2.45 Lakhs gain in the Statement of Profit and Loss. A 0.25% decrease in prices. would have led to an equal but opposite effect.

C : MANAGEMENT OF CREDIT RISK

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

Concentrations of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse

Trade receivables

All trade receivables are reviewed and assessed for default on a quarterly basis. Based on historical experience of collecting receivables, supported by the level of default, our assessment of credit risk is low. Accordingly, our provision for expected credit loss on trade receivable is not material."

Other financial assets

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

KHANDELWAL JAIN & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

NSEIT Limited ★ MUMBAI ★

38 **Amounts Paid / Conribution to NSE Foundation towards CSR :**

a As per the provisions of Companies Act 2013, Gross amount required to be spent by the Company on CSR activities during the financial year ended March 31, 2018 is Rs. 55.26 Lakhs (Previous Year Rs .49.09 Lakhs).

b Amount spent during the year on:

(₹ in Lakhs)

	Particulars		In Cash	Yet to be paid in Cash	Total
i	Construction / acquisition of any asset	Current Year	-	-	-
		Previous Year	-	-	-
ii	On purposes other than (i) above	Current Year * #	-	-	-
		Previous Year #	18.53	-	18.53

* During the year, the Company has contributed Rs 154.48 lakhs to NSE Foundation to be spent on activities as stated in the Group CSR policy which has been adopted by the Company as Company's CSR policy . The amount unspent by NSE Foundation as on March 31, 2018 is Rs 154.48 lakhs.

Hitherto, CSR expenses were treated as appropriation of reserves and accordingly were debited to Retained Earnings. During the year, the contribution to NSE Foundation has been treated as expense and accordingly presented in the Consolidated Statement of Profit and Loss and as a result of this Profit for the year is lower by Rs 154.48 lakhs

39 **The Company's subsidiary is set out below. The Share capital consisting solely of equity shares are held directly by the company. The Country of incorporation or registration is the principal place of business.**

(₹ in Lakhs)

Name of Entity (With effect from)	Place of business / Country of incorporation	Ownership interest held by the Group		Principal Activities
		March 31, 2018	March 31, 2017	
NSEIT (US) Inc (Formerly known as NSE.IT (US) Inc) (04-12-2006)	United State of America	100.00	100.00	IT Services

40 **Additional information required by Schedule III**

(₹ in Lakhs)

	Paritculars	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
		Parent		Subsidiary- Foreign		Total	
	Name of the entity in the group	NSEIT Limited	NSEIT Limited	NSEIT (US) Inc.	NSEIT (US) Inc.		
i	Net Assets (total assets minus total liabilities)						
	As % of consolidated net assets	100.46%	101.35%	-0.46%	-1.35%	100.00%	100.00%
	Amount	12,510.41	10,871.60	(57.89)	(145.00)	12,452.52	10,726.60
ii	Share in profit or (loss)						
	As % of consolidated net profit or (loss)	96.58%	104.19%	3.42%	-4.19%	100.00%	100.00%
	Amount	1,743.88	2,027.20	61.71	(81.48)	1,805.59	1,945.72
iii	Share in other comprehensive income						
	As % of consolidated other comprehensive income	100.00%	100.00%	-	-	100.00%	100.00%
	Amount	40.64	17.75	-	-	40.64	17.75
iv	Share in total comprehensive income						
	As % of consolidated total comprehensive income	96.66%	104.15%	3.34%	-4.15%	100.00%	100.00%
	Amount	1,784.52	2,044.95	61.71	(81.48)	1,846.24	1,963.47

41 The Group's pending litigations comprise of claims against the Group and proceedings pending with Statutory and Tax Authorities. The Group has reviewd all its pending litigations and proceedings and has made adequate provisions, whenever required and disclosed the contigent liabilities, wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on itsfinancial position (Refer note no. 29 for details on contingent liabilities)

NSEIT Limited MUMBAI

42 In accordance with the relevant provisions of the Companies Act, 2013, the Holding Company did not have any long term contracts as of March 31, 2018 and March 31, 2017 including derivatives contracts for which there were any material foreseeable losses.The Holding Company did not have any derivative contracts as at March 31, 2018 and March 31, 2017.

43 For the year ended March 31, 2018 and March 31, 2017, the Holding Company is not required to transfer any amount into the Investor Education & ProtectionFund as required under relevant provisions of the Companies Act, 2013.

44 Previous years figures have been regrouped, rearranged and reclassified wherever necessary to confirm to the current year classifications.

As per our report of even date attached

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

S. S. SHAH
Partner
Membership No.033632

Place : Mumbai
Date : April 24,2018

For and on behalf of the Board of Directors

Prof. S. SADAGOPAN
Chairman
DIN No. 00118285

N. MURALIDARAN
Managing Director & CEO
DIN No. 06567029

M.S. SUNDARA RAJAN
Director
DIN No. 00169775

SHIRISH SUVAGIA
Chief Financial Officer

SOMNATH SAHA
Company Secretary

Statement containing salient features of the financial statement of subsidiary in Form AOC 1 (pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

In respect of Subsidiary :

(₹ in Lakhs)

Name of Subsidiary	**NSEIT (US) INC (Refer Note below)**
The date since when subsidiary was acquired	04-Dec-06
Reporting Date	March 31, 2018
Share Capital	650.40
Reserves and Surplus	(571.07)
Total assets	487.24
Total liabilities	487.24
Investments	-
Turnover	467.48
Profit before taxation	63.54
Provision for taxation	1.83
Profit after taxation	61.71
Proposed dividend	-
% of shareholding	100%

Note :
NSE.IT (US) INC. is a wholly owned subsidiary of NSE.IT LTD. The reporting currency of the company is USD. The financial information of NSE.IT (US) INC. have been translated into INR at the closing rate at March 31, 2018 of 1 USD = Rs.65.04

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