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NSEIT LIMITED
Standalone
Financial Statement
For 2020-21

KHANDELWAL JAIN & CO.
Website: www.kjco.net • E-mail: kjco@kjco.net
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Members of NSEIT Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **NSEIT Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion & Analysis and Board's Report including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

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

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

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

KHANDELWAL JAIN & COMPANY
MUMBAI
CHARTERED ACCOUNTANTS

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure 'A'**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its standalone financial statements - Refer Note 42 to the standalone financial statements.

   ii. The Company did not have any long term contracts including derivatives contracts as at March 31, 2021 for which there were any material foreseeable losses - Refer Note 44 to the standalone financial statements.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021 - Refer Note 45 to the standalone financial statements.

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

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

Narendra Jain
Partner
Membership Number: 048725
UDIN: 21048725AAAABL4374

Place: Mumbai
Date: April 21, 2021

Website: www.kjco.net • E-mail: kjco@kjco.net

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Annexure A to Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **NSEIT Limited** of even date)

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and we have been informed that no material discrepancies have been noticed on such verification.

(c) The Company does not have any immovable property and accordingly the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.

ii. The Company is in the business of providing software and IT enabled services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.

iii. The Company has granted unsecured loans to a company covered in the register maintained under Section 189 of the Act and with respect to the same:

a) Based on the information and explanations and in our opinion, the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;

b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations; and

c) There is no overdue amount remaining outstanding as at the year-end.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

vii (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, service tax, goods and service tax (GST) and other material statutory dues, as applicable, with the appropriate authorities. According to the records of the Company, there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service-tax, GST, duty of custom, duty of excise, value added tax and other statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues in respect of sales tax, value added tax, GST, income tax, duty of customs, wealth tax and duty of excise including cess which have not been deposited with the appropriate authorities on account of any dispute, except the following:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax-Demand u/s 143(1)(a)	Rs. 12.24 Lakhs	AY 2016-17	Assessing Officer
Income Tax Act, 1961	Income Tax-Demand u/s 143(1)(B)	Rs. 1.05 Lakhs	AY 2019-20	Company is in process of filing rectification before Assessing Officer

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

xi. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

Narendra Jain
Partner
Membership Number: 048725
UDIN: 21048725AAAABL4374

Place: Mumbai
Date: April 21, 2021

KHANDELWAL JAIN & CO.

Website: www.kjco.net • E-mail: kjco@kjco.net

CHARTERED ACCOUNTANTS

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Annexure B to Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **NSEIT Limited** of even date)

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

1. We have audited the internal financial controls over financial reporting of **NSEIT Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act 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 financial statements, whether due to fraud or error.

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

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.

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

KHANDELWAL JAIN & COMPANY
MUMBAI
CHARTERED ACCOUNTANTS

Narendra Jain
Partner
Membership Number: 048725
UDIN: 21048725AAAABL4374

Place: Mumbai
Date: April 21, 2021

NSEIT Limited

(Formerly known as *NSE.IT LIMITED*)

BALANCE SHEET AS AT MARCH 31, 2021

(Rs in Lakhs)

	Particulars	Notes	As at 31.03.2021 (Audited)	As at 31.03.2020 (Audited)
	ASSETS			
1	**Non-current assets**			
a	Property, Plant and Equipment	2	549.66	676.25
b	Capital work-in-progress	2.1	-	102.25
c	Intangible assets under development	2.2	46.91	118.51
d	Right Of Use Asset	2.3	1,371.85	1,898.51
e	Other Intangible assets	2	884.74	608.99
f	Financial Assets			
i	Investments	3	9,954.00	9,383.69
ii	Other Financials assets			
	- Non-Current Bank Balances	4	2,057.95	236.05
	- Loans	4	1,901.93	2,161.49
	- Others	4	3.26	0.39
g	Deferred Tax Assets (net)	15	419.83	432.28
h	Income Tax Assets (net)	16	912.87	701.58
i	Other assets	5	117.01	90.64
	Total Non-current assets		**18,220.01**	**16,410.63**
2	**Current assets**			
a	Inventories		-	-
b	Financial Assets			
i	Investments	3	2,188.06	5,321.96
ii	Trade receivable	6	7,859.39	5,283.14
iii	Unbilled receivables	7	2,139.47	587.99
iv	Cash and Cash equivalents	8a	2,346.63	3,320.99
v	Bank balances other than (iv) above	8b	3,684.94	2,926.94
vi	Loans	4	556.87	638.56
vii	Other Financial assets	4	31.16	173.09
c	Other assets	5	561.76	839.02
	Total Current assets		**19,368.28**	**19,091.69**
	TOTAL ASSETS		**37,588.29**	**35,502.32**

MUMBAI

NSEIT Limited * MUMBAI *

(Rs in Lakhs)

	Particulars	Notes	As at 31.03.2021 (Audited)	As at 31.03.2020 (Audited)
	EQUITY AND LIABILITIES			
(A)	**EQUITY**			
a	Equity Share capital	9	1,000.00	1,000.00
b	Other Equity	10	18,819.18	16,731.53
	Total Equity		**19,819.18**	**17,731.53**
(B)	**LIABILITIES**			
1	**Non-current liabilities**			
a	Financial Liabilities			
i	Borrowings	11	10,000.00	10,000.00
ii	Other financial liabilities	13	527.49	976.30
b	Provisions	14	263.37	244.10
c	Deferred tax liabilities (net)	15	-	-
d	Other liabilities	17	-	-
	Total Non-current liabilities		**10,790.86**	**11,220.40**
2	**Current liabilities**			
a	Financial Liabilities			
i	Trade Payables	12		
	- Total Outstanding dues of micro enterprises and small enterprises		19.34	33.40
	- Total Outstanding dues of creditors other than micro enterprises and small enterprises		2,472.38	2,167.14
ii	Other financial liabilities	13	1,620.87	2,068.75
b	Provisions	14	852.29	1,187.35
c	Income Tax Liabilities (net)	16	97.68	40.36
d	Other liabilities	17	1,915.69	1,053.39
	Total Current liabilities		**6,978.25**	**6,550.39**
	TOTAL EQUITY AND LIABILITIES		**37,588.29**	**35,502.32**
	Summary of significant accounting policies	1		

Notes refer to above form an integral part of Balance Sheet

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

As per our report of even date attached

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

Narendra Jain

NARENDRA JAIN
Partner
Membership No.048725

Place : Mumbai
Date : April 21, 2021

For and on behalf of Board of Directors

Prof. S. SADAGOPAN
Chairman
DIN No. 00118285

N. MURALIDARAN
Managing Director & CEO
DIN No. 06567929

M.S.SUNDRA RAJAN
Director
DIN No. 00169775

M. N. HARIHARAN
Chief Financial Officer

VAIBHHAV KULKARNI
Company Secretary

NSEIT LIMITED

(Formerly known as *NSE.IT LIMITED*)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Rs in Lakhs)

Particulars	Notes	For the year ended 31.03.2021 (Audited)	For the year ended 31.03.2020 (Audited)
Income			
Revenue from operations	18	25,537.09	27,290.23
Other income	19	1,698.80	898.83
Total Income		**27,235.88**	**28,189.06**
Expenses			
Employee benefits expense	20	9,923.02	8,993.57
Technical & Sub Contract Charges	22	2,519.74	3,000.12
Finance Cost	21	909.17	953.05
Depreciation and amortisation expense	2	1,904.61	1,483.75
Other expenses	22	8,624.62	10,994.78
Total Expenses		**23,881.16**	**25,425.27**
Profit before tax		**3,354.73**	**2,763.79**
Less : Income Tax expense	15		
- Current tax		1,022.00	941.00
- Short / (excess) Tax for earlier years		14.82	39.78
- Deferred tax		42.10	(50.73)
Total tax expenses		**1,078.92**	**930.05**
Profit after tax (A)		**2,275.81**	**1,833.74**
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(117.82)	(94.36)
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		29.65	23.75
Total Other Comprehensive Income, net of tax (B)		**(88.17)**	**(70.61)**
Total Comprehensive Income (A+B)		**2,187.64**	**1,763.13**
Earnings per equity share (FV ₹ 10 each)			
- Basic (₹)	23	**22.76**	**18.34**
- Diluted (₹)		**22.76**	**18.34**
Summary of significant accounting policies	1		

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

This is the 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)

Narendra Jain

NARENDRA JAIN
Partner
Membership No.048725

Place : Mumbai
Date : April 21, 2021

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

M. N. HARIHARAN
Chief Financial Officer

Vaibhav

VAIBHHAV KULKARNI
Company Secretary

NSEIT Limited (Rs in Lakhs)

(Formerly known as *NSE.IT LIMITED*)

STATEMENT OF CHANGES IN EQUITY MARCH 31, 2021

(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	Total
Balance at the beginning of the reporting period	**5,436.06**	**11,295.47**	**16,731.53**
Profit for the year	-	2,275.81	2,275.81
Other Comprehensive Income for the year		(88.17)	(88.17)
Dividends		(100.00)	(100.00)
Dividend Tax		-	-
Total Other Equity	**5,436.06**	**13,383.12**	**18,819.18**

STATEMENT OF CHANGES IN EQUITY MARCH 31, 2020

(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	Total
Balance at the beginning of the reporting period	**5,436.06**	**9,652.90**	**15,088.96**
Profit for the year		1,833.74	1,833.74
Other Comprehensive Income for the year		(70.61)	(70.61)
Dividends		(100.00)	(100.00)
Dividend Tax		(20.56)	(20.56)
Total Other Equity	**5,436.06**	**11,295.47**	**16,731.53**

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)

Narendra Jain

NARENDRA JAIN
Partner
Membership No.048725

Place : Mumbai
Date : April 21, 2021

For and on behalf of the Board of Directors

Prof. S. SADAGOPAN
Chairman
DIN No. 00118285

N. MURALIDARAN
Managing Director & CEO
DIN No. 06587029

M.S. SUNDARA RAJAN
Director
DIN No. 00169775

M. N. HARIHARAN
Chief Financial Officer

VAIBHAV KULKARNI
Company Secretary

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

NSEIT Limited MUMBAI

NSEIT Limited
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021
(Formerly known as *NSE.IT LIMITED*)

		(Rs in Lakhs)
	2020-21	**2019-20**
A) CASHFLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	3,354.73	2,763.79
Add : Adjustments for :		
- Depreciation and amortisation expense	1,904.61	1,463.75
- Bad Debts written off	-	103.35
- Provision for Doubtful Debts	257.01	94.48
- Interest on Lease	156.24	190.36
Less : Adjustments for :		
- Interest income on Bank deposits	(299.69)	(340.72)
- Interest income on Others	(137.64)	(150.74)
Net gain on sale of mutual funds mandatorily measured at fair value through Profit and Loss	(105.26)	(97.88)
- Net gain on mutual funds mandatorily measured at fair value through Profit and Loss	(137.52)	(177.38)
- Net Loss on disposal of property,plant and equipment	4.68	0.02
- Dividend and other cost for issue of peference shares	715.91	717.40
- Exchange difference on items grouped under financing/investing activities	-	83.12
- Extinguishment of lease liabilities due rent concession	(62.62)	-
- Reversal of lease liabilities on account of closer of certain lease	(11.76)	(1.01)
- Excess provision written back	(826.28)	-
- Sundry Balance W/ Back	(72.55)	(41.06)
Change in Operating Assets and Liabilities		
- Trade Receivable and Unbilled Receivable	(4,384.74)	461.35
- Trade Payable and Provisions	502.65	(580.40)
- Other Financial & Non-Financial Assets	310.83	692.58
- Other Financial & Non-Financial Liabilities	1,116.05	(2,226.33)
CASH GENERATED / (USED) FROM OPERATIONS	2,284.44	2,974.69
- Income Taxes paid (Net of Refunds)	(1,190.79)	(1,790.44)
NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)	1,093.65	1,184.25
B) CASHFLOW FROM INVESTING ACTIVITIES		
- Payment for Property Plant, Equipment	(716.64)	(1,012.15)
- Sale Proceed from Property Plant, Equipment		-
- Increase in Foreign Currency Translation Reserve	-	-
- Interest received	577.04	396.96
- Payment from fixed deposits / Bank Balances other than cash & cash equivalents (Net)	(2,579.91)	523.24
- Payment for investment	(1,992.51)	(5,100.00)
- Sale Proceeds from investment	5,369.20	6,325.67
- Investment in Aujas Networks Pvt. Ltd.	(941.88)	(18.42)
- Loan given to Subsidairies (net)	259.56	(337.30)
NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)	(25.14)	777.99

C) **CASHFLOW FROM FINANCING ACTIVITIES**

- Dividend paid on Equity Shares	(100.00)	(100.00)
- Dividend paid on Preference Shares	(700.00)	(23.01)
- Dividend distribution tax paid on Equity & Prefenece Shares	-	(25.29)
- Payments towards lease obligation	(1,242.87)	(1,050.92)
NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)	(2,042.87)	(1,199.22)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(974.36)	763.02
CASH AND CASH EQUIVALENTS : OPENING BALANCE	3,320.99	2,561.88
CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE	2,346.63	3,320.99
TOTAL CASH AND CASH EQUIVALENTS AS PER BALANCE SHEET	(974.36)	759.11
- Add: Unrealised exchange (gain)/loss on cash and cash equivalents	-	(3.91)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	(974.36)	763.02
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	2,346.63	3,320.99
- Bank overdrafts	-	-
Balance as per statement of cash flows	2,346.63	3,320.99

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 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)

NARENDRA JAIN
Partner
Membership No.048725

Place : Mumbai
Date : April 21, 2021

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

M. N. HARIHARAN
Chief Financial Officer

VAIBHAV KULKARNI
Company Secretary

Notes forming integral part of the financial statements

1 **Summary of significant accounting policies :**

a) **Company Overview**

The NSEIT Limited ("the Company") is a Step-down Subsidiary of the National Stock Exchange of India Limited (NSE), the world's second 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 21, 2021.

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.

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.

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.

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(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.

Equity Investments (in subsidiaries, associates and joint venture)

Investments in subsidiaries, associates and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The accounting policy on impairment of non-financial assets is disclosed in Note (m) below. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

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

(iii) Impairment of financial assets :-

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

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

De-recognition of financial assets :-

A financial asset is de-recognised only when

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

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised.

Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

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

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(iv) Income recognition

Interest Income :-

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

Dividends :-

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

e) **Financial liabilities**

(i) Classification as debt or equity

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

(ii) Initial recognition and measurement

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

(iii) Subsequent measurement

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

(iv) Derecognition

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

f) **Transaction costs**

Transaction costs are "Incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. Transaction costs include fees and commission paid to agents, advisers, brokers and dealers, levies by regulatory agencies and security exchanges, and transfer taxes and duties. Under effective interest method, Company amortises transaction costs over the expected life of the financial instrument.

g) **Derivatives**

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

h) **Leases**

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied to all lease contracts existing on April 1, 2019 using the simplified approach.

As a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of the contract. Ind AS 116 defines a lease as a contract, or a part of a contract, that convey as the right of use an asset (the underlying asset) for a period of time in exchange of consideration. To assess whether as contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expenses on a straight line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the underlying assets.

As a lessor

Lease for which the Company is a lessor is classified as finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on straight line basis over the term of the relevant lease.

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i) **Revenue Recognition**

The Company earns revenue primarily from providing 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.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

(i) Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

(ii) Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

(iii) In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.

(iv) Revenue from Online examination services are recognized on the basis of exams conducted and in cases where there are multiple performance obligation, revenue is recognised using expected cost plus a margin approach where company forecast its expected costs of satisfying a performance obligation and then add an appropriate margin for that good or service.

(v) Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.

(vi) The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

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

(viii) Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by contract type, geography and nature of services.

(ix) **Use of significant judgements in revenue recognition**

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

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The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

j) **Property, plant and equipment**

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

k) **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.

l) **Intangible assets**

Intangible assets comprising of software are recorded at acquisition cost and are amortized over the estimated useful life on straight line basis. Software products/ licenses purchased/ acquired for internal use of the Company which have expected longer life are capitalised and depreciated over a period of 3 years on Straight Line Method.

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

<u>Development costs</u>
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
- Availability of adequate, financial and other resources to complete the development and to use / sell the intangible asset
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available

The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable for preparing the asset for its intended use.

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.

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

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

n) **Inventory :**

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

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

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an 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.

p) **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.

Effective April 1, 2018 the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of 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 effect on account of adoption of this amendment was insignificant.

q) **Employee benefits**

i **Short-term obligations**

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

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.

r) **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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s) **Contributed equity**

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

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

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. 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.

u) **Trade and other payables**

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

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

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.
An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.
A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

w) **Dividends**

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

x) **Trade receivables**

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

y) **Offsetting financial instruments**

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

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z) **Earnings per share**

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

aa) Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.
The areas involving critical estimates or judgements are:
Use of significant judgements in revenue recognition
Estimation of useful life of tangible asset and intangible asset (Note 2)
Recognition of deferred tax assets [Note 15(D)]
Estimation of defined benefit obligation (Note 24)
Estimation of contingent liabilities and commitments (Note 26 & 27)
Impairment of Assets (Note 1 (m))
Recoverability of Trade Receivables [Note 37 (C)]

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

ab) **Recent Pronouncement:**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:
• Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
• Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
• Specified format for disclosure of shareholding of promoters.
• Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
• If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
• Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:
• Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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 and Intangible Assets

(Rs in Lakhs)

Sr No.	Category	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
		As on 1-Apr-20	Additions	Deductions	As on 31-Mar-21	As on 1-Apr-20	For the year	Deductions	As on 31-Mar-21	As on 31-Mar-21	As on 1-Apr-20
A	**Tangible Assets**										
1	Computer Hardware and Servers & Networks	2,131.67	46.98	4.43	2,174.22	1,575.04	300.19	4.41	1,870.81	303.40	556.63
2	Office Equipment	631.64	117.31	5.40	743.54	527.15	59.61	5.40	581.36	162.18	104.49
3	Furniture & Fixtures	288.00	14.79	11.25	291.54	272.86	10.23	6.55	276.53	15.00	15.14
4	Building - Civil Work	105.53	103.46	-	208.99	105.53	34.39	-	139.92	69.07	0.00
		3,156.83	**282.54**	**21.08**	**3,418.29**	**2,480.58**	**404.42**	**16.37**	**2,868.63**	**549.66**	**676.25**
B	**Intangible Assets**										
1	Computer Software *	1,585.00	609.28	-	2,194.29	976.02	333.53	-	1,309.55	884.74	608.99
2	Software copyrights	259.06	-	-	259.06	259.06	-	-	259.06	0.00	0.00
		1,844.07	**609.28**	**-**	**2,453.35**	**1,235.08**	**333.53**	**-**	**1,568.61**	**884.74**	**608.99**
	GRAND TOTAL	**5,000.90**	**891.82**	**21.08**	**5,871.64**	**3,715.66**	**737.95**	**16.37**	**4,437.24**	**1,434.40**	**1,285.24**
	PREVIOUS YEAR	**4,306.60**	**785.69**	**91.39**	**5,000.90**	**3,252.16**	**554.87**	**91.37**	**3,715.66**	**1,285.24**	

Sr No.	Category	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
		As on 1-Apr-19	Additions	Deductions	As on 31-Mar-20	As on 1-Apr-19	For the year	Deductions	As on 31-Mar-20	As on 31-Mar-20	As on 1-Apr-19
A	**Tangible Assets**										
1	Computer Hardware and Servers & Networks	1,988.61	186.72	43.65	2,131.67	1,274.34	344.36	43.65	1,575.04	556.63	714.27
2	Office Equipment	621.62	47.96	37.95	631.64	534.71	30.37	37.93	527.15	104.49	86.91
3	Furniture & Fixtures	286.33	11.45	9.79	288.00	277.92	4.72	9.79	272.86	15.14	8.41
4	Building - Civil Work	105.53			105.53	105.53			105.53	0.00	0.00
		3,002.09	**246.13**	**91.39**	**3,156.83**	**2,192.50**	**379.45**	**91.37**	**2,480.58**	**676.25**	**809.59**
B	**Intangible Assets**										
1	Computer Software	1,045.45	539.56		1,585.00	800.60	175.41		976.02	608.99	244.84
2	Software copyrights	259.06			259.06	259.06			259.06	0.00	0.00
		1,304.51	**539.56**	**-**	**1,844.07**	**1,059.67**	**175.41**	**-**	**1,235.08**	**608.99**	**244.84**
	GRAND TOTAL	**4,306.60**	**785.69**	**91.39**	**5,000.90**	**3,252.16**	**554.87**	**91.37**	**3,715.66**	**1,285.24**	**1,054.44**
	PREVIOUS YEAR	**3,927.32**	**585.07**	**205.80**	**4,306.60**	**2,983.28**	**472.73**	**203.85**	**3,252.16**	**1,054.44**	

* During the year, the Company has carried out development / enhancement of various software for rendering its existing business services. Since these software will generate future economic benefits, the company has capitalised the development/ enhancement cost of Rs. 490.71 Lakhs. The estimated useful life of these software is 3 years and are amortised over the said period.

2.1 Capital Work In Progress

(Rs in Lakhs)

Particulars	31-Mar-21	31-Mar-20
Opening Balance - Carrying amount	**102.25**	**8.10**
Additions	186.40	389.13
Disposals	-	-
Transfers	288.65	294.98
Closing Balance - Carrying amount	**-**	**102.25**

2.2 Intangible assets under development

-

Particulars	31-Mar-21	31-Mar-20
Opening Balance - Carrying amount	**118.51**	-
Additions	531.57	609.21
Disposals	-	-
Transfers	603.17	490.71
Closing Balance - Carrying amount	**46.91**	**118.51**

*As at 31.03.2021, a sum of Rs. 46.91 Lakhs (previous year Rs. 118.51 Lakhs) has been shown as Intangible Assets Under Development. These are towards various software under development which will enhance the existing business services as well offering new products in the market.

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2.3 : Right to Use

Notes : Right to Use

Following are the changes in the carrying value of right of use assets:

Particulars	Category of ROU asset As at 31 March 2021	As at 31 March 2020
	Building	**Building**
Balance as at biginning	1,898.51	-
Reclassified on account of adoption of Ind AS 116	-	-
Additions	786.20	2,851.26
Deletion	(146.20)	(23.87)
Depreciation	(1,166.66)	(928.88)
Balance as at end	**1,371.85**	**1,898.51**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities.

Particulars	As at 31 March 2021	As at 31 March 2020
Current lease liabilities	917.13	989.52
Non-current lease liabilitie	527.49	976.30
Total	**1,444.62**	**1,965.82**

The following is the movement in lease liabilities during the year ended 31 March 2021:

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning	**1,965.82**	-
Additions	786.20	2,851.26
Finance cost accrued during the year	156.24	190.36
Deletions	(157.96)	(24.88)
Payment / accrual of lease liabilities	(1,242.87)	(1,050.92)
Extinguishment of lease liabilities (refer note 43)	(62.82)	-
Balance at the end	**1,444.61**	**1,965.82**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2021	As at 31 March 2020
Less than one year	1,147.91	1,137.83
One to five years	388.91	1,017.83
More than five years	-	-
Total	**1,536.82**	**2,155.65**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was Rs 42.85 Lakhs for the year ended 31 March 2021 (Rs 217.48 Lakhs for the year ended 31 March 2020)

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2021 on an undiscounted basis:

Particulars	As at 31 March 2021	As at 31 March 2020
Less than one year	10.95	56.72

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			Non-current		Current	
			31.03.2021	31.03.2020	31.03.2021	31.03.2020
			(Rs in Lakhs)		(Rs in Lakhs)	
3	i	**Investments**				
	A	**Investments in subsidiaries**				
		Investment in Equity Instrument (fully paid up)				
		Unquoted Equity Instrument (at cost)				
	i	NSEIT(US) Inc. (refer Note 41)	533.69	533.69	-	-
		[1000000 Equity share of $ 1 each fully paid]		-	-	-
		Ownership interest 100% (previous year 100%)				
	ii	Aujas Cybersecurity Limited				
		(Formerly known as Aujas Networks Limited /Aujas Networks Private Limited)				
		(Refer Note 32)				
		[2010 (previous year 2010) Series A Equity shares of Rs. 1 each fully paid]	0.06	0.06	-	-
		[1000 (previous year 1000) Series B Equity shares of Rs. 1 each fully paid]	0.03	0.03	-	-
		[26,73,34,100 (previous year 25,93,41,400) Equity shares of Rs. 1 each fully paid]	9,420.21	8,849.90	-	-
		Ownership interest 99.29% (previous year 96.84%)				
		"Series A Equity Shares" of face value of Rs 1/- carry differential voting rights which entitle the owner thereof to 57,732 votes for such equity share				
		"Series B Equity Shares" of face value of Rs 1/- carry differential voting rights which entitle the owner thereof to 77,121 votes for such equity share				
	B	**Unquoted Equity instrument**				
		NSE Foundation *	0.00	0.00	-	-
		[1000 Equity share of Rs. 10 each fully paid]				
	C	**Investments in Mutual Funds**	-	-	2,188.06	5,321.96
		Unquoted Investment in Mutual funds at FVPL (Refer Note 34)				
			9,954.00	**9,383.69**	**2,188.06**	**5,321.96**

* 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.

4 **Other Financial Assets**

			Non-current		Current	
			31.03.2021	31.03.2020	31.03.2021	31.03.2020
			(Rs in Lakhs)		(Rs in Lakhs)	
	i	**Non-Current Bank Balances**				
		Fixed deposits with maturity for more than 12 months	31.43	-	-	-
		Earmarked fixed deposits with maturity for more than 12 months *	2,026.52	236.05	-	-
			2,057.95	**236.05**	**-**	**-**
	ii	**Loans**				
	a	Security deposit (unsecured, considered good)	-	-	556.87	638.56
	b	**Loans to related parties (Subsidiaries)**				
		(unsecured, considered good)				
		NSEIT(US) Inc. (USD 9,55,000) (previous year USD 12,75,528) (refer note 41)	701.93	961.49	-	-
		Aujas Cybersecurity Limited	1,200.00	1,200.00	-	-
		Total	**1,901.93**	**2,161.49**	**556.87**	**638.56**

ii **Others**				
Interest accrued on Bank deposits	3.26	0.39	30.50	68.60
Interest accrued on Loans (unsecured, considered good)	-	-	-	104.49
Other advances (unsecured, considered good)	-	-	0.66	-
	3.26	0.39	31.16	173.09
Total	**3,963.14**	**2,397.93**	**31.16**	**173.09**

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

5 **Other assets**

	Non-current		Current	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	(Rs in Lakhs)		(Rs in Lakhs)	
Advance to Creditors (unsecured, considered good)	-	-	157.14	312.27
Advance to Related Party (unsecured, considered good) (refer note 25)	-	-	-	57.70
Advance to Staff for Expenses (unsecured, considered good)	-	-	88.57	332.72
Capital Advance	8.60	13.81	-	-
Salary Advance (unsecured, considered good)	-	-	-	1.84
Prepaid expenses	61.85	15.71	301.49	118.58
Deferred Transaction Cost	46.56	61.12	14.55	15.91
	117.01	**90.64**	**561.76**	**839.02**

6 **Trade receivables**

Particulars	Current	
	31.03.2021	31.03.2020
	(Rs in Lakhs)	
Trade Receivables	8,601.76	5,768.50
Less : Loss Allowances	(742.37)	(485.36)
	7,859.39	5,283.14
Breakup of security details		
Trade Receivables considered good -Secured	-	-
Trade Receivables considered good -Unsecured	7,859.39	5,283.14
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables credit impaired (Refer note 6.1)	742.37	485.36
Total	8,601.76	5,768.50
Loss allowances	(742.37)	(485.36)
Total Trade Receivables	**7,859.39**	**5,283.14**

6.1 This includes an amount of Rs.583.00 Lakhs for Provision for Doubtful Debts (Previous year Rs. 408.94 Lakhs) and Rs.159.38 Lakhs for Provison for Expected Credit Loss (Previous Year Rs. 76.42 Lakhs).

7 **Unbilled Receivables**

	Non-current		Current	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
		-	(Rs in Lakhs)	
Unbilled Receivables	-	-	2,139.47	587.99

8 a **Cash and Cash equivalents**

	Non-current		Current	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
			(Rs in Lakhs)	
Balances with banks				
- In Current Accounts			284.77	311.39
- In Flexi Deposits			2,052.75	3,009.47
Fund in transit			9.10	-
Cash on hand			-	0.13
	-	-	2,346.63	3,320.99
b **Bank Balances other than Cash and cash equivalents**				
Fixed deposits				
- with original maturity for more than 3 months but less than 12 months			-	-
- with original maturity for more than 12 months			-	674.40
Earmarked fixed / flexi deposits *				
- with original maturity for more than 3 months but less than 12 months				-
- with original maturity for more than 12 months			3,684.94	1,880.97
Escrow Account with ICICI Bank **			-	371.57
	-	-	3,684.94	2,926.94
Total	-	-	6,031.57	6,247.93

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

** Amount of previous year represents part of the deferred consideration payable towards investment in subsidiary (Aujas Cybersecurity Limited).

9 A **Equity Share Capital**

	31.03.2021	31.03.2020
	(Rs 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 the meeting on April 21 2021 , have proposed a final dividend of Rs. 150.00 lakhs for the Financial Year ended March 31, 2021. 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. 150.00 lakhs.

The Board of Directors, in their meeting on June 20,2020, proposed a final dividend of Rs 1 /- per equity share which has been approved by the shareholders at the Annual General Meeting held on July 15, 2020. The total dividend paid during the year ended March 31, 2021 amounts to Rs.100 Lakhs.

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Details of shareholders holding more than 5% equity shares in the Company

	31.03.2021 No.	31.03.2021 % holding	31.03.2020 No.	31.03.2020 % holding
Equity shares of Rs 10/- each fully paid NSE Investments Limited (Holding Company)	1,00,00,010	100%	1,00,00,010	100%

B **Preference Share Capital**

	31.03.2021	31.03.2020
	(Rs in Lakhs)	
Authorised, Issued, Subscribed and Paid-up Preference capital	10,000.00	10,000.00

Details of shareholders holding more than 5% cumulative redeemable preference shares in the Company

	31.03.2021 No.	31.03.2021 % holding	31.03.2020 No.	31.03.2020 % holding
Cumulative redeemable preference shares of Rs. 100 each NSE Investments Limited (Holding Company)	1,00,00,000	100%	1,00,00,000	100%
10,000,000 (March 31, 2020: 10,000,000) cumulative redeemable preference shares of Rs. 100 each			**10,000.00**	**10,000.00**

10 **Other Equity**

	31.03.2021	31.03.2020
	(Rs 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	11,295.47	9,852.90
Add : Profit / (Loss) for the year	2,275.81	1,833.74
Add : Other Comprehensive Income	(88.17)	(70.61)
Less : Equity Dividend Paid	100.00	100.00
Less : Tax on equity dividend paid	-	20.56
	13,383.12	11,295.47
Total Other Equity	**18,819.18**	**16,731.53**

11 **Borrowings**

	31.03.2021	31.03.2020
Unsecured		
7%, Seven Years, Cumulative Redeemable Preference Shares (CRPS) 10,000,000 (Previous year 10,000,000) Preference shares of Rs.100 each fully paid up	10,000.00	10,000.00

Terms and conditions for issue of Preference shares

Rate of Dividend : Dividend rate will be 7% p.a. (on the face value) which will remain fixed over the tenure of the CRPS

Cumulative: The CRPS will carry Cumulative Dividend Right.

Priority with Respect to payment of dividend or repayment of captial : The CRPS will carry a preferential right vis-a-vis equity shares of the Company with respect to the payment of dividend and repayment of capital during winding up.

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Tenure & conversion / Redemptions Terms : The amount subscribed/paid on each CRPS shall be redeemed after 7 years from the date of allotment of the CRPS. Each CRPS shall be redeemed at the same price as received at the time of subscription i.e. Face Value.

Conversion: CRPS shall not be convertible into equity shares

Voting rights : CRPS shall carry voting rights as per the provisions of Section 47(2) of the Companies Act 2013

Redemption: All the CRPS shall be redeemed at the end of 7 years from the date of allotment i.e. 20th March 2019.

12 **Trade Payables**

	Non-current		Current	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	(Rs in Lakhs)		(Rs in Lakhs)	
Trade payables	-	-	2,295.34	2,053.10
Trade payables to MSME (Refer note 28)	-	-	19.34	33.40
Trade payables to related Party (refer note 25)	-	-	177.04	114.04
	-	-	**2,491.72**	**2,200.54**

13 **Other Financial Liabilities**

	Non-current		Current	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Creditors for Investment	-	-	-	371.57
Creditors for Capital Expenditure	-	-	3.75	7.66
Lease Liability	527.49	976.30	917.12	989.53
Dividend payable on preference shares			700.00	700.00
	527.49	**976.30**	**1,620.87**	**2,068.75**

14 **Provisions**

	Non-current		Current	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	(Rs in Lakhs)		(Rs in Lakhs)	
Employee benefits obligation				
Provision for Gratuity (Ref. Note 24)	-	97.69	103.77	169.21
Provision for Leave Encashment (Ref. Note 24)	197.99	114.98	75.26	53.74
Provision for variable pay and incentives	65.38	31.43	673.26	964.40
Total	**263.37**	**244.10**	**852.29**	**1,187.35**

15 **Income Taxes**

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

Profit or loss section

Particulars	31.03.2021	31.03.2020
	(Rs in Lakhs)	
Current taxes	1,022.00	941.00
Short / Excess Tax for earlier years	14.82	39.78
Deferred taxes movement of Asset	42.10	(50.73)
Deferred taxes movement of Liability	-	-
Income tax expense reported in the statement of profit or loss	1,078.92	930.05

OCI section

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

Particulars	31.03.2021	31.03.2020
	(Rs in Lakhs)	
Re-measurement of the defined benefit liability / asset	29.65	23.75
Equity instruments through Other Comprehensive Income	-	-
Income tax charged to Other Comprehensive Income	29.65	23.75

(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 31.03.2021	Year ended 31.03.2020
Profit before income tax expense	3,354.73	2,763.79
Tax at the Indian Tax Rate of 25.168% (PY 25.168%)	25.168%	25.168%
Computed expected tax expenses	844.32	695.59
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Disallowance due to contribution to NSE Foundation and 80G benefit (net)	18.19	8.95
- Expenditure not allowable	16.22	-
- Dividend & other cost for issue of Preference shares	180.18	180.55
- Short / (excess) Tax for earlier years	14.82	39.78
- Other Impacts	5.18	5.17
Current Income Tax for the year	1,078.92	930.05

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

Particulars	31.03.2021	31.03.2020
	(Rs in Lakhs)	
Net current income tax asset/(liability) at the beginning	661.22	(148.43)
Income tax Paid / (Refund)	1,190.79	1,790.43
Current income tax expense	(1,022.00)	(941.00)
Short / Excess Tax for earlier years	(14.82)	(39.78)
Net current income tax asset/(liability) at the end	**815.19**	**661.22**

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

Particulars	31.03.2021	31.03.2020
	(Rs in Lakhs)	
Deferred income tax assets		
Impact of difference between depreciation /amortization charged for the financial reporting and tax depreciation	97.48	70.84
Impact of differance arising on account of impairment of intangible asset and tax depreciation.	1.51	2.02
Impact of Gratuity , Leave Encashment & Perfomance Bonus disallow u/s 43 B	164.90	276.13
Imapct of Provision for Doubtful Debts	186.84	122.16
Impact on account of Lease obligation	18.31	17.19
Total deferred income tax assets	**469.05**	**488.14**
Deferred income tax liabilities		
Impact of fair value on Investment in Mutual Funds	49.22	55.86
Total deferred income tax liabilities	**49.22**	**55.86**
Deferred income tax asset after set off	**419.83**	**432.28**

(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 2019	79.15	3.11	161.41	-	113.83	21.38	378.88
Charged / (Credited)							
- to profit or loss	(8.51)	(1.09)	69.59	17.19	8.33		85.52
- to other comprehensive income	-	-				23.75	23.75
- to retained earning	-	-					
At 31st March 2020	70.64	2.02	231.00	17.19	122.16	45.13	488.14
Charged / (Credited)							
- to profit or loss	26.84	(0.51)	(140.88)	1.12	64.68		(48.75)
- to other comprehensive income		-				29.65	29.65
- to retained earning	-	-					
At 31st March 2021	97.48	1.51	90.12	18.31	186.84	74.78	469.05

(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 2019	-	-	21.07	21.07
Charged / (Credited)				
- to profit or loss	-	-	34.79	34.79
- to other comprehensive income	-	-		
- to retained earning	-	-		
At 31st March 2020	-	-	55.86	55.86
Charged / (Credited)				
- to profit or loss	-	-	(6.64)	(6.64)
- to other comprehensive income	-	-		
- to retained earning	-	-		
At 31st March 2021	-	-	49.22	49.22

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16 Income Tax Liabilities / Assets

	Non-current 31.03.2021	Non-current 31.03.2020	Current 31.03.2021	Current 31.03.2020
	(Rs in Lakhs)		(Rs in Lakhs)	
Income Tax Assets (net)	912.87	701.58	-	-
Income Tax Liabilities (net)	-	-	97.68	40.36
	912.87	701.58	97.68	40.36

17 Other liabilities

	Non-current 31.03.2021	Non-current 31.03.2020	Current 31.03.2021	Current 31.03.2020
	(Rs in Lakhs)		(Rs in Lakhs)	
Statutory dues payable	-	-	1,013.03	555.70
Advance received from customers	-	-	705.37	474.40
Income received in advance	-	-	197.30	23.29
Total	-	-	**1,915.69**	**1,053.39**

18 Revenue from operations

	Year ended 31.03.2021	Year ended 31.03.2020
	(Rs in Lakhs)	
Operating revenues		
Sale of Products :		
- Software Products	13.62	2.05
- Traded Goods	72.54	37.08
	86.16	39.13
Sale of Services :		
- Software Product Revenues	719.67	420.57
- Application Development & Maintenance Services	7,826.01	7,580.20
- Infrastructure Management Services	4,345.72	3,444.65
- ITES - Assessment Services	12,048.27	15,192.73
- Customer Care Services	511.26	612.96
	25,450.92	27,251.10
Total	**25,537.09**	**27,290.23**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2021 by contract-type .The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Revenues by contract type		
Fixed Price	19,676.39	22,915.48
Time & Materials	5,860.70	4,374.76
Total	**25,537.09**	**27,290.23**

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2021, other than those meeting the exclusion criteria mentioned above, is Rs. 894.61 Lakhs (Pevious year Rs. 497.69 lakhs). The Company expects to recognize entire revenue within the next one year. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

Revenue disaggregation by geography is as follows:

Geography	Year ended 31.03.2021	Year ended 31.03.2020
India	24,752.70	25,495.94
Singapore	65.29	71.76
Sweden	241.44	1,160.36
UK	-	9.68
Brunei Darussalam	179.71	363.72
Muscat (Oman)	-	11.48
US	297.95	187.29
Total	**25,537.09**	**27,290.23**

Information about major customers:

Company's significant revenue of 0.09 % (previous year 15.35%) being Rs. 22.35 lakhs (previous year Rs. 4189.73 lakhs) is derived from a customer under ITES-Assessement Services Segment. Also, the Company's significant revenue of 35.11% (previous year 29.60%) is derived from a group of entities under common control, the total Operating Revenue from such entities amounted to Rs. 8966.82 lakhs in FY 2020-21 (End to End Solutions Rs. 8537.67 lakhs and ITES-Assessment Service Rs 429.15 lakhs) and Rs. 8076.72 lakhs in FY 2019-20 (End to End Solutions Rs. 7451.87 lakhs and ITES-Assessment Service Rs 624.85 lakhs). No other single customer contributed 10% or more to the Company's revenue for FY 2020-21 and FY 2019-20.

Changes in Contract assets (Unbilled receivable) are as follows:	**31.03.2021**	**31.03.2020**
Balance at the beginning of the year	**587.99**	**1,884.53**
Invoices raised during the year	(587.99)	(1,883.03)
Contract assets reversed for financial year 2019-20	-	(1.50)
Revenue recognised during the year	2,139.47	587.99
Balance at the end of the year	**2,139.47**	**587.99**

Changes in advance received from customer are as follows:	**31.03.2021**	**31.03.2020**
Balance at the beginning of the year	**(474.40)**	**(372.74)**
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	-	-
Advance adjusted against trade receivables	474.40	372.74
Advance received during the year	(705.37)	(474.40)
Balance at the end of the year	**(705.37)**	**(474.40)**

19 **Other income**

	Year ended 31.03.2021	Year ended 31.03.2020
	(Rs in Lakhs)	
Interest Income		
- On Bank Deposits	299.69	340.72
- Interest Others	137.64	150.74
Net gain on sale of mutual funds mandatorily measured at fair value through Profit and Loss	105.26	97.88
Net gain on mutual funds mandatorily measured at fair value through Profit and Loss	137.52	177.38
Gain on foreign currency transaction (net)	-	73.55
Excess provision written back (*)	826.28	-
Sundry Balance Written Back (net)	72.55	41.06
Extinguishment of lease liabilities due rent concession (refer note 43)	62.82	-
Miscellaneous Income	57.03	17.51
Total	**1,698.80**	**898.83**

(*) Includes a sum of Rs. 681.16 Lakhs, being amount of employee performance pay/ variable pay of earlier years no longer payable.

		Year ended 31.03.2021	Year ended 31.03.2020
20	**Employee benefits expenses**	(Rs in Lakhs)	
	Salaries and wages	9,456.34	8,325.36
	Contribution to provident and other funds	399.74	429.47
	Gratuity (Refer Note 24)	6.67	85.22
	Contribution to Superannuation Scheme	0.30	2.59
	Staff welfare expenses	59.97	150.93
	Total	**9,923.02**	**8,993.57**

		Year ended 31.03.2021	Year ended 31.03.2020
		(Rs in Lakhs)	
21	**Finance Cost**		
	Bank Charges	28.96	28.72
	Interest on lease liability	156.24	190.36
	Interest Expense (Others)	8.06	16.57
	Dividend and other cost for issue of peference shares	715.91	717.40
		909.17	**953.05**
22 i	Technical & Sub Contract Charges	2,519.74	3,000.12
ii	**Other expenses**		
	Power and fuel	238.76	316.49
	Rent	2,219.96	2,380.55
	Insurance	177.51	165.18
	Repairs to machinery	76.52	95.10
	Rates and taxes, excluding taxes on income	22.90	36.74
	Travelling expenses	300.18	808.67
	Project Related Purchases	2,795.90	4,406.47
	Professional Fees	287.09	180.44
	Conveyance	223.63	252.34
	Telephone & Internet Expenses	294.55	299.26
	Security Services Charges	155.79	187.90
	Fees & Subscription	682.57	763.78
	Payment to Auditors (refer note below)	65.02	43.21
	Directors' Sitting Fees	69.75	55.50
	Office Expenses	267.72	191.64
	Contribution to NSE Foundation towards CSR (Refer Note 40)	72.27	71.11
	Loss on foreign currency transaction (net)	32.89	-
	Bad Debts Written Off	-	103.35
	Provision for Doubtful Debts / Expected Credit Loss model	257.01	94.48
	Miscellaneous expenses	384.61	542.57
	Total	**8,624.62**	**10,994.78**

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Note :

Payment to Auditors		
As Auditors :		
Audit Fees	23.00	16.00
Limited Review	9.00	6.00
Tax Audit Fees	3.50	3.50
In Other Capacities		
Taxation matters	4.50	4.50
GST Audit for earlier years	15.00	7.50
Certification matters	9.25	5.30
Out of pocket expenses	0.77	0.41
Total	**65.02**	**43.21**

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

Earning per share

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Net Profit attributable to Shareholders		
Profit after tax (Rs. In Lakhs)	2,275.81	1,833.74
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	22.76	18.34
Diluted	22.76	18.34

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.

24 **Disclosure Under Indian Accounting Standard 19 (Ind AS 19) On Employee Benefits:**

(a) **Defined Contribution Plan**

The Company's contribution towards Provident Fund and ESIC during the year ended March 31, 2021 amounting to Rs 399.74 Lakhs (31.03.2020 : Rs 429.47 Lakhs) and superannuation fund during the year ended March 31, 2021 amounting to Rs. 0.30 Lakhs (31.03.2020: Rs. 2.59 Lakhs) has been charged to Statement of Profit & Loss.

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

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

(Rs in Lakhs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Carrying amount at the beginning of the year	995.84	792.27
Amounts paid during the year	(521.66)	(607.14)
Amounts written back during the year	(581.16)	(2.86)
Provisions made during the year	945.63	813.57
Carrying amount at the end of the year	**738.65**	**995.84**

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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Carrying amount at the beginning of the year	168.72	136.15
Amounts paid during the year	(65.28)	(38.65)
Amounts transferred during the year	(3.65)	-
Provisions made during the year	173.47	71.22
Carrying amount at the end of the year	**273.26**	**168.72**

(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	Year ended 31.03.2021	Year ended 31.03.2020
Discount Rate	6.48%	6.56%
Rate of Return on Plan Assets	6.48%	6.56%
Salary Escalation	8.00%	8.00%
Attrition Rate	For Service 4 years and below 30.00% p.a. and for service 5 years and above 3.00% p.a.	For Service 4 years and below 30.00% p.a. and for service 5 years and above 3.00% p.a.

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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Liability at the beginning of the year	647.92	459.32
Interest cost	42.50	34.86
Current Service Cost	105.65	75.98
Past Service Cost	(116.49)	
Liability transferred out	(6.21)	-
Benefits Paid	(45.98)	(14.60)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	7.96	75.25
Actuarial (Gains)/Losses - Due to Experience Adjustments	121.86	17.12
Liability at the end of the year	**757.21**	**647.92**

(iii) **Fair value of plan assets:**

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Fair Value of plan assets at the beginning of the year	381.02	337.47
Interest Income	25.00	25.61
Expected return on plan assets	-	-
Contributions	281.41	34.53
Transfer from other company	-	-
Benefits paid	(45.98)	(14.60)
Expected return on plan assets	11.99	(1.99)
Fair Value of plan assets at the end of the year	**653.43**	**381.02**

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(iv) Amount recognised in the Balance Sheet

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Fair value of plan assets as at the end of the year	653.43	381.02
Liability as at the end of the year	757.21	647.92
Net (liability) / asset disclosed in the Balance Sheet	**(103.77)**	**(266.90)**

(v) Net Interest Cost for Current Period

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Interest Cost	42.50	34.86
Interest Income	25.00	25.61
Net Interest Cost for Current Period	**17.51**	**9.25**

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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Current Service cost	105.65	75.98
Net Interest Cost	17.51	9.24
Past Service cost	(116.49)	-
Expenses recognised in the Statement of Profit & Loss	**6.67**	**85.22**

(vii) Expenses recognised in the Other Comprehensive Income

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Expected return on plan assets	(11.99)	1.99
Actuarial (Gain) or Loss	129.81	92.36
Net (Income)/Expense for the Period Recognized in OCI	**117.82**	**94.35**

(viii) Balance Sheet Reconciliation

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Opening Net Liability	266.90	121.85
Expenses Recognized in Statement of Profit or Loss	6.67	85.22
Expenses Recognized in OCI	117.82	94.35
Net (Liability)/Asset Transfer out	(6.21)	-
Employers Contribution	(281.41)	(34.53)
Amount recognised in the Balance Sheet	**103.77**	**266.90**

(ix) Category of Assets

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Insurer Managed Funds (Rs)	653.43	381.02
% of Insurer Managed Funds	100%	100%
Total	**653.43**	**381.02**

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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
1st Following Year	69.88	42.09
2nd Following Year	22.31	37.85
3rd Following Year	29.30	24.51
4th Following Year	26.93	29.83
5th Following Year	21.95	25.52
Sum of Years 6 To 10	151.58	151.43
Sum of Years 11 and above	1,844.30	1,451.63

(xi) **Sensitivity Analysis**

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Project Benefit Obligation on Current Assumptions	757.21	647.92
Delta Effect of + 1% Change in Rate of Discounting	(91.04)	(73.25)
Delta Effect of - 1% Change in Rate of Discounting	110.98	88.53
Delta Effect of + 1% Change in Rate of Salary Increase	108.15	86.35
Delta Effect of - 1% Change in Rate of Salary Increase	(90.64)	(72.98)
Delta Effect of + 1% Change in Rate of Employer Turnover	(17.38)	(12.85)
Delta Effect of - 1% Change in Rate of Employer Turnover	19.82	14.67

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

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

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	Ultimate Holding Company
2	NSE Investments Limited (formerly known as NSE Strategic Investment Corporation Limited)	Holding Company
3	NSE Clearing Limited (formerly known as 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	NSE Data & Analytics Limited (formerly known as DotEx International Limited)	Fellow Subsidiary
10	NSE Infotech Services Limited	Fellow Subsidiary
11	NSE Indices Limited (formerly known as India Index Services & Products Limited)	Fellow Subsidiary

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12	NSE Academy Limited	Fellow Subsidiary
13	NSE IFSC CLEARING Corporation Limited	Subsidiary of Holding Company's Fellow Subsidiary
14	TalentSprint Private Limited (w.e.f. 10th November 2020)	Fellow Subsidiary's Subsidiary Company
15	Cogencis Information Services Limited (w.e.f. 21st January 2021)	Fellow Subsidiary's Subsidiary Company
16	Indian Gas Exchange Limited (w.e.f. 16th March 2021)	Holding Company's Associate Company
17	Capital Quant Solutions Private Limited (w.e.f. 3rd March 2021)	Fellow Subsidiary's Associate Company
18	National Stock Exchange Investor Protection Fund Trust	Ultimate Holding Co.'s Trust
19	NSE Foundation	Holding Company's Fellow Subsidiary
20	NSEIT (US) Inc.	Subsidiary Company
21	Aujas Cybersecurity Limited (Formerly known as Aujas Networks Limited / Aujas Networks Private Ltd)	Subsidiary Company
22	Dr. N. Muralidaran - Managing Director & CEO	Key Management Personnel
23	Mr. Nilesh Shivji Vikamsey	Key Management Personnel
24	Mr. Sowmyanarayanan Sadagopan	Key Management Personnel
25	Mr. Swaminathan Sundara Rajan Mittur	Key Management Personnel
26	Mr. Ram Narayanan Colathur (upto 29th March 2020)	Key Management Personnel
27	Mr. Vikram Mukund Limaye	Key Management Personnel
28	Mr. Suryakant B Mainak (upto 15th February 2020)	Key Management Personnel
29	Mr. Yatrik Rushikesh Vin	Key Management Personnel
30	Dr Gulshan Rai	Key Management Personnel
31	Ms. Poornima Shenoy	Key Management Personnel
32	Mr. Chandrasekaran Ramakrishnan (w.e.f. 20th June 2020)	Key Management Personnel

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

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
National Stock Exchange of India Limited	Infrastructure Management Services	3,372.67	2,561.26
	Application Development and Maintenance Services	2,319.95	2,176.42
	Software Product Revenues	-	-
	ITES - Assessment Services	-	1.18
	Customer Care Services	360.69	341.10
	Integrated Security	248.71	247.74
	Robotic Process Automation	-	76.83
	Analytics	-	7.20
	Taxes recovered	1,134.36	974.11
	CTCL empanelment fee paid	2.60	10.00
	Usage Charges paid - STP Central HUB & other	0.16	0.31
	Reimbursement paid for other expenses incurred	-	15.23
	Closing Balance - Dr./ (Cr.) (Net)	1,623.42	848.94

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NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	Application Development and Maintenance Services	846.12	846.83
	Infrastructure Management Services	29.61	27.82
	Customer Care Services	56.72	54.91
	Integrated Security	-	7.20
	Taxes recovered	167.84	194.49
	Reimbursement of expenses received	-	143.74
	Closing Balance - Dr./ (Cr.)	369.69	396.70
	Closing Balance - Provision for Doubtful Debts	8.02	-
National Stock Exchange Investor Protection Fund Trust	Provision for Doubtful Debts	-	-
	Closing Balance - Dr./ (Cr.)	23.00	23.00
	Closing Balance - Provision for Doubtful Debts	23.00	23.00
NSE Academy Limited	ITES - Assessment Services	421.70	579.46
	Application Development and Maintenance Services	27.60	2.15
	Customer Care Services	5.46	13.99
	Taxes recovered	81.86	107.21
	Reimbursement paid for other expenses incurred	-	0.50
	Closing Balance - Dr./ (Cr.)	110.77	58.54
NSE Data & Analytics Limited (Formerly known as DotEx International Limited)	Application Development and Maintenance Services	(1.26)	106.50
	Integrated Security	-	34.16
	Customer Care Services	-	97.04
	Infrastructure Management Services	19.67	25.98
	Taxes recovered	3.31	47.46
	Closing Balance - Dr./ (Cr.)	-	71.32
Power Exchange India Limited	Application Development and Maintenance Services	16.52	44.62
	Taxes recovered	2.97	8.03
	Closing Balance - Dr./ (Cr.)	5.05	5.79
National Securities Depository Limited	Application Development and Maintenance Services	25.00	26.48
	Infrastructure Management Services	-	-
	Taxes recovered	4.50	4.77
	Closing Balance - Dr./ (Cr.)	12.74	13.17
	Closinig Balance - Provision For Doubtful Debts	5.86	-
NSDL e-Governance Infrastructure Limited	Application Development and Maintenance Services	43.28	52.80
	Taxes recovered	7.79	8.87
	Closing Balance - Dr./ (Cr.)	26.11	27.34
	Closinig Balance - Provision For Doubtful Debts	17.65	-
NSDL Database Management Limited	Application Development and Maintenance Services	66.73	100.60
	Taxes recovered	12.01	17.69
	Closing Balance - Dr./ (Cr.)	30.38	70.24
	Closinig Balance - Provision For Doubtful Debts	2.69	-
NSE IFSC Clearing Corporation Limited	Application Development and Maintenance Services	131.46	73.61
	Infrastructure Management Services	9.71	-
	Integrated Security	-	12.48
	Closing Balance - Dr./ (Cr.)	60.87	24.65

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NSE IFSC Limited	Application Development and Maintenance Services	521.07	425.25
	Infrastructure Management Services	132.44	113.96
	Integrated Security	-	3.12
	Customer Care Services	10.11	-
	Taxes recovered	3.52	-
	Closing Balance - Dr./ (Cr.)	304.84	404.69
		-	-
NSE Indices Limited (formerly known as India Index Services & Products Limited)	Application Development and Maintenance Services	69.17	53.25
	Taxes recovered	12.45	9.58
	Closing Balance - Dr./ (Cr.)	81.62	62.13
		-	-
NSE Foundation	Contribution towards CSR	72.27	71.11
	Closing Investment	0.10	0.10
NSE Investments Limited (formerly known as NSE Strategic Investment Corporation Limited)	Cumulative Redeemable Preference Shares (Borrowings)	-	-
	Dividend paid to equity shareholders	100.00	100.00
	Dividend payable to preference shareholders	700.00	700.00
	Dividend Paid on Prefrence share for FY-2019-20	-	23.01
	Closing Borrowings -Preferance shares	10,000.00	10,000.00
NSEIT(US) Inc.	Application Development and Maintenance Services	290.50	143.07
	ITES - Assessment Services	7.45	44.22
	Taxes recovered	1.34	7.96
	Interest on Loan	46.63	66.23
	Loan repaid USD 3,20,528 (Previous year USD 7,24,472)	232.69	512.64
	Interest on Loan repaid	74.93	53.44
	Closing Balance - Loan given including interest accrued	701.93	989.81
	Closing Balance - Unbilled Revenue	59.34	
	Closing Balance - Investment	533.69	533.69
	Closing Balance - Dr./ (Cr.)	281.66	179.70
	Closing Balance - Provision for Doubtful Debts	152.46	152.46
Aujas Cybersecurity Limited (Formerly known as Aujas Networks Limitd to Aujas Networks Private Ltd)	Loan given	-	680.00
	Interest on Loan	90.65	84.12
	GRC & Prof Fee Service towards ISRC	265.70	202.63
	ISRC /Project related Income	39.20	-
	Taxes recovered	15.48	-
	Business Support Charges recovered	48.08	-
	Investment in Equity Shares	570.31	441.84
	Closing Balance -Trade Receivable	30.54	-
	Closing Balance -Trade Payable	63.12	21.60
	Closing Balance - Unbilled Revenue	1.27	-
	Closing Balance - Provision for Expenses	12.18	-
	Closing advance paid	-	57.70
	Closing Balance - Investment in Equity Shares	9,420.31	8,850.00
	Closing Balance - Loan given including interest accrued	1,200.00	1,276.17
Key Management Personnel - Dr N.Muralidaran - MD & CEO	(a) short-term employee benefits includes Rs 3.68 Lakhs (Previous year Rs. 2.17 Lakhs) towards leave encashment	228.90	239.87
	(b) post-employment benefits #	12.43	11.50
	(c) other long-term benefits	33.95	-

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Mr. Ram Narayanan Colathur	Director Sitting Fees	-	10.50
Mr. Swaminathan Sundara Rajan Mittur	Director Sitting Fees	15.75	13.75
Mr. Nilesh Shivji Vikamsey	Director Sitting Fees	13.50	9.25
Mr. Sowmyanarayanan Sadagopan	Director Sitting Fees	12.00	10.00
Mr. Suryakant B Mainak	Director Sitting Fees	-	5.50
Dr Gulshan Rai	Director Sitting Fees	8.25	3.75
Ms. Poornima Shenoy	Director Sitting Fees	12.00	2.75
Mr. R Chandrasekaran	Director Sitting Fees	8.25	-

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, 2021 and March 31, 2020.

26 **Capital and other commitments**

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	47.59	164.19
Commitment towards acquisition of 19,23,520 (Previous year 84,59,626) equity shares of Rs. 1/- each of Aujas Cybersecurity Ltd, Subsidiary Company	147.50	648.69
Commitment towards acquisition equity shares of Aujas Cybersecurity Limited, Subsidiary Company, by way of rights issue	139.61	251.31

27 **Contingent liability:**

(a)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
On Account of Income Tax Demand	13.29	41.40
On Account of GST Demand	26.81	-
On Account of Bank Guarantees	4,645.01	1,290.49

(b) The Company has been providing Straight Through Processing (STP) services to its customers based on an approval granted by Securities and Exchange Board of India (SEBI) since June 2004. During the course of time there has been certain key managerial function changes within the Company and as a consequence of which the renewal which was required was missed out inadvertently though the Company continued to render the STP services. The Company thereafter applied for renewal of the approval in December 2019, which was processed by SEBI and an approval was granted on 5th February, 2021 which is valid for a period of 3 years from the date of issuance.

Subsequently the Company is in receipt of a Show Cause Notice (SCN) dated 26th March 2021 from SEBI, wherein it has been alleged that the Company has been providing services of STP as a service provider as specified in the STP guidelines, however the Company has not obtained renewal of approval from SEBI within the stipulated time. The Company is in the process of filing of the settlement application under the SEBI Settlement Regulations. The Company's management reasonably expects that the impact of this SCN, when ultimately concluded and determined, will not have material impact on the Company's financial statements.

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

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 (31 March 2020) has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

(Rs in Lakhs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;		
(i) Principal	19.34	33.40
(ii) Interest	0.07	-
(b) The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during the year";		
(i) Principal	-	-
(ii) Interest	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year	0.07	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Traveling expenses	-	25.24
Direct Fees & Subscription	4.69	5.59
Subcontract / Technical Fees	1,039.31	1,295.27
Software Licenses	436.91	156.31

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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Application Development and Maintenance Services	810.68	1,623.78
ITES - Assessment Services	7.45	53.91

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

32 **Acquisition of Aujas Cybersecurity Ltd. (Aujas), Subsidiary Company**

On November 28, 2018, the Company had entered into a Share Purchase and Shareholder's Agreement ("SPSHA") for acquisition of Aujas Cybersecurity Limited (formerly known as Aujas Networks Private Limited), ("Aujas") for a total consideration of Rs.9750 lakhs (Rs.9345.16 lakhs for acquisition of 100% equity shareholding and Rs.404.84 lakhs by way of rights issue). In terms of the said SPSHA, on March 22, 2019, the Company acquired 95.39% of equity shareholding of Aujas for a consideration aggregating to Rs.8408.06 lakhs. During the financial year 2019-20, the Company paid a sum of Rs. 288.31 Lakhs to the ex-promoters of Aujas for purchase of 37,69,833 equity shares of Aujas of Re 1 each and invested a sum of Rs. 153.53 Lakhs for 26,68,705 shares by way of subscription to the rights issue. Further during the current year, the Company paid a sum of Rs. 458.62 Lakhs to the ex-promoters of Aujas for purchase of 65,36,106 equity shares of Aujas of Re 1 and invested a sum of Rs. 111.69 lakhs for 14,56,594 shares by way of subscription to the rights issue, taking the total investment in Aujas to Rs. 9420.21 lakhs. As on March 31, 2021, the Company holds 99.29% of equity shareholding of Aujas.

33 **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.

(Rs in Lakhs)

Particulars	2020-21	2019-20
Segment Revenue		
End to End Solution	13,488.81	12,097.50
ITES - Assessment Services	12,048.27	15,192.73
	25,537.09	**27,290.23**
Inter-segment revenue		
End to End Solution	-	-
ITES - Assessment Services	-	-
	-	-
Revenue from external customers		
End to End Solution	13,488.81	12,097.50
ITES - Assessment Services	12,048.27	15,192.73
Total	**25,537.09**	**27,290.23**
Segment Results		
End to End Solution	3,835.27	3,176.16
ITES - Assessment Services	1,691.41	2,169.24
Total	**5,526.68**	**5,345.41**
Less: Unallocable Expenses (Net of income)	1,700.11	2,120.03
Less: Finance Cost	909.17	963.05
Add: Interest income	437.33	491.45
Profit before Tax	**3,354.73**	**2,763.79**

Less : Income Tax expense		
- Current tax	1,022.00	941.00
- Short / Excess Tax for earlier years	14.82	39.78
- Deferred tax	42.10	(50.74)
Total Tax Expenses	**1,078.92**	**930.04**
Net profit after tax	**2,275.81**	**1,833.74**

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	31.03.2021	31.03.2020
India	24,752.70	26,495.94
Outside India	784.39	1,794.29
Total	**25,537.09**	**27,290.23**

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	31.03.2021	31.03.2020
End to End Solution	4,894.92	5,331.14
ITES - Assessment Services	7,533.81	3,298.01
Total Segment Assets	**12,428.73**	**8,629.16**
Unallocable Assets	25,159.56	26,873.16
Total Assets	**37,588.29**	**35,502.32**

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

e **Segment Liabilities**

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

Segments	31.03.2021	31.03.2020
End to End Solution	1,174.01	554.72
ITES - Assessment Services	3,695.84	2,590.80
Total Segment Liabilities	**4,869.85**	**3,145.52**
Unallocable Liabilities	12,899.26	14,625.27
Total Liabilities	**17,769.11**	**17,770.79**

f **Segment Capital Expenditure**

Segments	31.03.2021	31.03.2020
End to End Solution	49.39	697.78
ITES - Assessment Services	1,192.66	77.53
Total Segment Capital Expenditure	**1,242.05**	**775.31**
Add: Unallocable Capital Expenditure	256.91	223.04
Total Capital Expenditure	**1,498.97**	**998.35**

g **Segment Depreciation / Amortisation**

Segments	31.03.2021	31.03.2020
End to End Solution	21.40	52.20
ITES - Assessment Services	1,074.94	806.46
Total Segment Depreciation / Amortisation	**1,096.34**	**858.66**
Add: Unallocable Depreciation / Amortisation	808.27	625.09
Total Depreciation / Amortisation	**1,904.61**	**1,483.75**

Note :

Information about major customers

Company's significant revenue of 0.09 % (previous year 15.35%) being Rs. 22.35 lakhs (previous year Rs. 4189.73 lakhs) is derived from a customer under ITES-Assessement Services Segment. Also, the Company's significant revenue of 35.11% (previous year 29.60%) is derived from a group of entities under common control, the total Operating Revenue from such entities amounted to Rs. 8966.82 lakhs in FY 2020-21 (End to End Solutions Rs. 8537.67 lakhs and ITES-Assessment Service Rs 429.15 lakhs) and Rs. 8076.72 lakhs in FY 2019-20 (End to End Solutions Rs. 7451.87 lakhs and ITES-Assessment Service Rs 624.85 lakhs). No other single customer contributed 10% or more to the Company's revenue for FY 2020-21 and FY 2019-20.

34 Unquoted Mutual funds at FVPL

(Rs in Lakhs)

Mutual Funds	No.of Units	Mkt as at 31.03.2021	No.of Units	Mkt as at 31.03.2020
Kotak Treasury Advantage Fund - Dir - Growth			7,33,065.28	240.84
ICICI Prudential Money Market Fund - Dir- Growth	60,957.22	179.99	60,957.22	170.23
Invesco India Money Market Fund-Direct -Growth			12,018.07	278.17
Invesco India Liquid Fund - Direct Plan Growth			9,357.08	255.29
UTI Liquid Cash Plan - Direct Growth Plan			32,711.38	1,063.59
Tata Liquid Fund Direct Plan - Growth			8,164.97	255.73
Kotak Money Market Scheme - Dir - Growth			15,448.29	511.81
HDFC Low Duration fund-Dir-Growth	11,62,196.09	552.91	11,62,196.09	513.78
ICICI Prudential Savings Fund - Dir - Growth	1,31,297.42	551.04	1,31,297.42	512.55
SBI Savings Fund - Dir - Growth	10,71,915.53	366.55	30,98,252.15	1,002.81
SBI Savings Fund - Dir - Growth			31,294.69	10.13
HDFC Money Market Fund - Dir - Growth	12,015.53	537.57	12,015.53	507.04
Total of Investments		**2,188.06**		**5,321.96**
Aggregate Book value - Quoted Investments		-		-
Aggregate Book Value - Unquoted Investments		2,188.06		5,321.96
Aggregate Market Value of Quoted Investments		-		-

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35 Fair Value Measurements

Financial Instruments by category

(Rs in Lakhs)

Particulars	31-Mar-21 FVPL	31-Mar-21 FVOCI	31-Mar-21 Amortised Cost	31-Mar-20 FVPL	31-Mar-20 FVOCI	31-Mar-20 Amortised Cost
Financial Assets						
Investments						
- Mutual Funds	2,188.06	-	-	5,321.96	-	-
Trade receivables	-	-	7,859.39	-	-	5,283.14
Unbilled receivable	-	-	2,139.47	-	-	587.99
Cash and Cash equivalents	-	-	2,346.63	-	-	3,320.99
Bank balances other than Cash and Cash equivalents	-	-	3,684.94	-	-	2,926.94
- Non-Current Bank Balances	-	-	2,057.95			236.05
- Others	-	-	3.26	-	-	0.39
Loans	-		2,458.80			2,800.05
Other Financial assets	-	-	31.16	-	-	173.09
Total	**2,188.06**	**-**	**20,581.60**	**5,321.96**	**-**	**15,328.64**
Financial Liabilities						
Borrowings			10,000.00			10,000.00
Trade Payables	-	-	2,491.72	-	-	2,200.54
Other financial liabilities - Non current			527.49			976.30
Other financial liabilities - Current	-	-	1,620.87	-	-	2,068.75
Total	**-**	**-**	**14,640.08**	**-**	**-**	**15,245.59**

36 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.

(Rs in Lakhs)

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31-Mar-21	31-Mar-20		
Investment in mutual funds	2,188.06	5,321.96	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 approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

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

(Rs in Lakhs)

Particulars	Carrying amount amount	Less than 12 months	More than 12months	Total
As at 31st March 2021				
Borrowings	10,000.00	-	10,000.00	10,000.00
Trade payables	2,491.72	2,491.72	-	2,491.72
Other financial liabilities-Non Current	527.49	-	527.49	527.49
Other financial liabilities-Current	1,620.87	1,620.87	-	1,620.87
As at 31st March 2020				
Borrowings	10,000.00		10,000.00	10,000.00
Trade payables	2,200.54	2,200.54	-	2,200.54
Other financial liabilities-Current	2,068.75	2,068.75	-	2,068.75

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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;

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 2021, the exposure to price risk due to investment in mutual funds amounted to Rs. 2188.06 Lakhs (March 31, 2020 : Rs 5321.96 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. 5.47 Lakhs (Previous year Rs 13.30 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

The Company provides for expected credit loss on trade receivables based on a provision matrix. This matrix is a simplified basis of recognition of expected credit losses in case of trade receivables.The model uses historical credit loss experience for trade receivables.

Reconciliation of loss allowance (ECL) provision for Trade Receivables

Particulars	March 31, 2021	March 31, 2020
Balance as at the beginning of the year	76.42	41.48
Add: Provision on trade receivables based on Expected credit loss model	82.96	34.94
Balance at end of the year	**159.38**	**76.42**

Particulars	March 31, 2021	March 31, 2020
Balance as at the beginning of the year	408.94	349.40
Add: Provision for Doubtful Debts	174.06	59.54
Balance at end of the year	**583.00**	**408.94**

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

Derivative Instruments - Forward Contracts

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain payments in foreign currency. The use of foreign currency forward contracts is governed by the Company's strategy. The Company does not use forward contracts for speculative purposes. There were no outstanding Hedging Contracts as at March 31, 2021.

38 **Impact of COVID 19 (Global Pandemic) :**

The Coronavirus (COVID-19) outbreak is an unprecedented global situation. World Health Organization (WHO) has declared the COVID-19 virus a 'Pandemic'. The Government of India and various state governments had put in place several measures including instituting a complete lockdown w.e.f March 25, 2020 to combat the spread and transmission of the virus. Effective June 8, 2020 the said lockdown has being partially lifted in a phased manner. Post unlock advisory issued by the Government, COVID-19 continued to impact the business operations and revenue of the Company in respect of ITES-Assessment Services (On-Line Examination Services).

The Company has taken into account the possible impacts of COVID-19 in preparation of the standalone financial statements including but not limited to its assessment of impact on revenues, operating costs and impact on leases. Based on the current indicators of future economic conditions and the impact of COVID-19 on its operations, the Company has also made an assessment of its liquidity position, recoverability and carrying values of its assets and ability to pay its liabilities as they become due and is of the view that there is no material impact or adjustments required to be made in these financial results. The impact assessment of COVID-19 may be different from that presently estimated and the Company will continue to evaluate any significant changes to its operations and its resultant impact on the financial performance.

39 The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent on 28th September 2020. The Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

40 **Amounts Paid / Contribution 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, 2021 is Rs. 72.27 Lakhs (Previous Year Rs 71.11 Lakhs).

b Amount spent during the year on:

	Particulars		In Cash	Yet to be paid in Cash	Total
i	Construction / acquisition of any asset	Current Year	-	-	-
		Previous Year	-	-	-
ii	Contribution to NSE Foundation towards CSR	Current Year	72.27	-	72.27
		Previous Year	71.11	-	71.11
iii	On purposes other than (i) & (ii) above	Current Year #	-	-	-
		Previous Year #	-	-	-

* During the year, the Company has contributed Rs 72.27 lakhs (previous year Rs.71.11 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, 2021 is Rs. 72.27 lakhs (as on March 31, 2020 Rs. 71.11 lakhs).

41 The Company holds an investment of Rs.533.69 lakhs (USD 1,000,000) and has given a unsecured loan amounting to Rs. 701.93 lakhs (USD 955,000) to NSEIT (US) Inc., a wholly owned subsidiary company. The said subsidiary company has incurred losses during the year amounting to Rs. 6.11 lakhs (USD 8,698). It has accumulated losses of Rs.1159.88 lakhs (USD 1,851,900) and has negative net worth of Rs. 626.17 lakhs (USD 851,900) as at March 31, 2021. Considering long term and strategic nature of the investments and future business plans, no provision for impairment has been made in the value of investment and loan given to the said subsidiary company.

42 The Company's pending litigations comprise of proceedings pending with Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position (Refer note no. 27 for details on contingent liabilities).

MUMBAI

NSEIT Limited MUMBAI

43 During the year ended March 31, 2021, the Company has negotiated with various landlords on the rent reduction / wavier due to COVID 19 pandemic. The Management believes that such reduction/ waiver in rent is short term in nature and also meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial Reporting Authority dated July 24, 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from April 1, 2020. Thus, in accordance with the said notification, the Company has elected to apply the exemption, as the reduction/ waiver does not necessitate a lease modification as envisaged in the Standard by recording the same in the "Other income". Accordingly, during the year, the Company has recognised ₹ 62.82 Lakhs as an extinguishment of lease liability being lease rent concession on account of COVID 19 pandemic and the same has been disclosed as 'Other Income' in the Statement of Profit and Loss.).

44 In accordance with the relevant provisions of the Companies Act, 2013, the Company did not have any long term contracts as of March 31, 2021 and March 31, 2020 including derivatives contracts for which there were any material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2021 and March 31, 2020.

45 For the year ended March 31, 2021 and March 31, 2020, the Company is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of the Companies Act, 2013.

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

As per our report of even date attached

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

NARENDRA JAIN
Partner
Membership No.048725

Place : Mumbai
Date : April 21, 2021

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
M. N. HARIHARAN Chief Financial Officer	**VAIBHHAV KULKARNI** Company Secretary	