



**INDEPENDENT AUDITOR'S REPORT**  
**TO THE BOARD OF DIRECTORS OF NSEIT (US) INC**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying Standalone Ind AS Financial Statements of NSEIT (US) INC ("the Company") which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information. The accompanying Financial Statements have been prepared by management in accordance with the generally accepted accounting principles applicable in India, including Indian Accounting Standards (Ind AS) solely to enable its holding company, NSEIT Limited to prepare its consolidated Ind AS financial statements.

**Management's Responsibility for the Financial Statements**

The Management is responsible for the preparation of the standalone Ind AS financial statements. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the standalone Ind AS financial statements that are free from material misstatements, whether due to fraud or error.

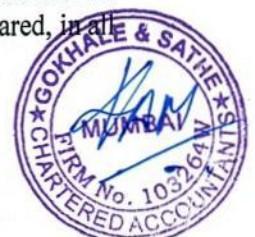
**Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the standalone Ind AS financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements of NSEIT ( US ) Inc. as at and for the year ended March 31, 2017 are prepared, in all material respects, in accordance with the generally accepted accounting principles in India.






**Basis of Accounting and Restriction on distribution and use**

Without modifying our opinion, we draw attention to Note No 1.a) which describes the basis and purpose of the standalone Ind AS financial statements. The standalone Ind AS financial statements are prepared solely to enable its holding company, NSEIT Limited, to prepare its consolidated Ind AS financial statements and are not to be used for any other purpose or to be distributed to any other parties without our prior written consent.

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

  
**Kedar A Mehendale**  
Partner  
Membership No 116065



Place: Mumbai  
Date: April 24, 2017

**NSEIT (US) INC.**  
**(Formerly known as NSE.IT (US) INC)**  
**BALANCE SHEET AS AT MARCH 31, 2017**

Particulars	Notes	As at 31.03.2017 (Audited)	As at 31.03.2016 (Unaudited)	(Amt in USD) As at 01.04.2015 (Unaudited)
<b>ASSETS</b>				
<b>1 Non-current assets</b>				
a Property, Plant and Equipments	2	732	-	-
		<b>732</b>	<b>-</b>	<b>-</b>
b Other non-current assets	3	1,779	1,958	3,622
<b>Total Non-current assets</b>		<b>2,511</b>	<b>1,958</b>	<b>3,622</b>
<b>2 Current assets</b>				
a Financial Assets				
i Trade receivable	4	209,102	334,099	255,183
ii Cash and Cash equivalents	5	398,033	334,298	393,811
iii Advances	3	3,697	-	140
		<b>610,832</b>	<b>668,397</b>	<b>649,134</b>
b Other current assets	3	5,732	82,124	128,747
<b>Total Current assets</b>		<b>616,564</b>	<b>750,521</b>	<b>777,881</b>
<b>TOTAL ASSETS</b>		<b>619,075</b>	<b>752,479</b>	<b>781,503</b>



Particulars	Notes	As at 31.03.2017 (Audited)	As at 31.03.2016 (Unaudited)	As at 01.04.2015 (Unaudited)
<b>EQUITY AND LIABILITIES</b>				
<b>(A) EQUITY</b>				
a Equity Share capital	6	1,000,000	1,000,000	1,000,000
b Other Equity	7	(972,957)	(848,101)	(962,391)
<b>Total Equity</b>		<b>27,043</b>	<b>151,899</b>	<b>37,609</b>
<b>(B) LIABILITIES</b>				
<b>1 Non-current liabilities</b>				
<b>2 Current liabilities</b>				
a Financial Liabilities				
i Other financial liabilities (Other than Provisions in (b) below)	8	572,122	522,730	628,858
		<b>572,122</b>	<b>522,730</b>	<b>628,858</b>
b Provisions	9	4,624	70,815	108,474
c Other current liabilities	12	3,286	1,035	1,702
d Income Tax Liabilities (net)	11	12,000	6,000	4,860
<b>Total Current liabilities</b>		<b>592,032</b>	<b>600,580</b>	<b>743,894</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>619,075</b>	<b>752,479</b>	<b>781,503</b>

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For Gokhale & Sathe.

Chartered Accountants

(Reg No : 103264W)

*Kedar Mehendale*

**KEDAR MEHENDALE**

Partner

Membership No.116065



For and on behalf of Board of Directors

*N. Muralidaran*

**N. MURALIDARAN**

Director



Place : Mumbai

Date : April 24, 2017

**NSEIT (US) INC.**  
(Formerly known as NSE.IT (US) INC)  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

Particulars	Notes	(Amt in USD)	
		For the year ended 31.03.2017	For the year ended 31.03.2016
<b>Income</b>			
Revenue from operations	13	901,772	1,377,170
Other income	14	3,361	3,962
<b>Total Income</b>		<b>905,133</b>	<b>1,381,132</b>
<b>Expenses</b>			
Employee benefits expense	15	121,394	115,181
Depreciation and amortisation expense	2	365	-
Other expenses	16	898,728	1,145,219
<b>Total Expenses</b>		<b>1,020,487</b>	<b>1,260,400</b>
<b>Profit before exceptional item &amp; Tax</b>		<b>(115,354)</b>	<b>120,732</b>
Exceptional item		-	-
<b>Profit before tax</b>		<b>(115,354)</b>	<b>120,732</b>
Less : Tax expenses			
- Current tax	10	9,502	6,442
- Deferred tax	10	-	-
<b>Total tax expenses</b>		<b>9,502</b>	<b>6,442</b>
<b>Profit after tax (A)</b>		<b>(124,856)</b>	<b>114,290</b>
<b>Other Comprehensive Income (OCI)</b>			
<b>Total Other Comprehensive Income (B)</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income (A+B)</b>		<b>(124,856)</b>	<b>114,290</b>
<b>Earnings per equity share ( FV USD 1 each)</b>	17		
- Basic		(0.12)	0.11
- Diluted		(0.12)	0.11

See accompanying notes to the financial statements

**As per our report of even date attached**

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

  
**KEDAR MEHENDALE**  
Partner  
Membership No.116065



For and on behalf of the Board of Directors

  
**N. MURALIDARAN**  
Director



Place : Mumbai

Date : April 24, 2017

NSEIT (US) INC.  
(Formerly known as NSE.IT (US) INC)  
CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	(Amt in USD)	
	March 31, 2017	March 31, 2016
<b>A) CASHFLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX	(115,354)	120,732
Add : Adjustments for:		
- Depreciation	365	-
Less : Adjustments for:		
- Interest income on Bank deposit	(1)	(3)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(114,990)</b>	<b>120,729</b>
Adjustments for:		
- Trade Receivable	124,997	(78,916)
- Trade Payable	49,392	(106,128)
- Other Financial Assets	179	1,664
- Other Assets	72,695	46,763
- Other Provisions	(63,940)	(38,326)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>68,333</b>	<b>(54,214)</b>
- Direct Taxes paid (Net of Refunds)	(3,502)	(5,302)
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)</b>	<b>64,831</b>	<b>(59,516)</b>
<b>B) CASHFLOW FROM INVESTING ACTIVITIES</b>		
- Purchase of Fixed Assets/Capital work-in-progress	(1,097)	-
- Interest received	1	3
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)</b>	<b>(1,096)</b>	<b>3</b>
<b>C) CASHFLOW FROM FINANCING ACTIVITIES</b>		
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>63,735</b>	<b>(59,513)</b>
<b>CASH AND CASH EQUIVALENTS : OPENING BALANCE</b>	<b>334,298</b>	<b>393,811</b>
[includes Certificate of deposits with banks of Nil (Previous Year Nil )]		
<b>CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE</b>	<b>398,033</b>	<b>334,298</b>
[includes Certificate of deposits with banks of Nil (Previous Year Nil )]		
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>63,735</b>	<b>(59,513)</b>

**Notes to Cash Flow Statement :**

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

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

*Kedar Mehendale*  
KEDAR MEHENDALE  
Partner  
Membership No.116065

Place : Mumbai  
Date : April 24, 2017



For and on behalf of Board of Directors

*N. Muralidaran*  
N. MURALIDARAN  
Director



**NSEIT (US) INC.**

**Notes forming integral part of the financial statements**

**1 Summary of significant accounting policies :**

**a) Company Overview**

The NSEIT (US) INC. is a Subsidiary of the NSEIT Limited, NSEIT Limited is a global technology firm with a focus on the financial services industry. The Company is a vertical specialist organization with deep domain expertise and technology focus aligned to the needs of financial institutions and offering end-to-end technology solutions covering the entire gamut of Application Services, Testing Center of Excellence, Infrastructure Services, Integrated Security Response Center, Analytics as a Service and IT Enabled Services (e-Assessments and e-Auctions) for BFSI segment.

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

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

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (including Ind AS), solely to enable its holding Company, NSEIT Limited to prepare its consolidated financial statements. The financial statements have been prepared on an accrual basis and under the historical cost convention.

**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, uncertainty about the assumption and estimates could result in the outcome requiring material adjustment to the carrying amount of asset and liabilities.

**d) Investments and other financial assets**

**(i) Classification**

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

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

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

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

**(ii) Measurement**

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

**Debt instruments :-**

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

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

· **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in net gain on sale of financial assets measured at FVOCI under other income. Interest income from these financial assets is included in other income using the effective interest rate method.

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



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

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

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

**(iii) Impairment of financial assets**

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

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

De-recognition of financial assets :-

A financial asset is de-recognised only when

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

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

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

**(iv) Income recognition**

Interest income :-

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

Dividends :-

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

**e) Financial liabilities**

**(i) Classification as debt or equity**

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

**(ii) Initial recognition and measurement**

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

**(iii) Subsequent measurement**

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

**(iv) Derecognition**

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

**f) Derivatives**

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

**g) Leases**

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





**h) Revenue Recognition**

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

(ix) Interest income

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

(x) Dividend income

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

**i) Property, plant and equipment**

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

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

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

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



**j) Depreciation**

- (i) Depreciation on tangible fixed assets is provided on Straight Line Method as per useful life of the asset, except for the Individual Low Cost Assets and Fixed Assets located at leasehold premises as stated below:
- Individual low cost assets (acquired for less than USD 50) are depreciated / amortised at the rate of 100% in the year of acquisition.
  - Fixed Furniture and fixtures, Electrical installation and Office equipment including civil improvements at lease hold premises are depreciated over the lease period.

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

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

**k) Intangible assets**

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

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

Development costs

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

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

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

During the period of development, the asset is tested for impairment annually.

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

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

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

**m) Inventory :**

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



n) **Foreign currency transactions and translation**

Functional and presentation currency

The financial statements of the company are presented in USD which is the functional currency of the Company.

Transactions and translations

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

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

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

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

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

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

p) **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.

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

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

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

r) **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.

s) **Dividends**

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



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

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

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

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

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

a) **Property, Plant and Equipment**

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



Note 2: Property, Plant and Equipments

Sr No.	Category	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 1-Apr-16	Additions	Deductions	As on 31-Mar-17	As on 1-Apr-16	For the year	Deductions	As on 31-Mar-17	As on 31-Mar-17	As on 31-Mar-16
<b>A</b>	<b>Tangible Assets</b>										
1	Computer Hardware & Server		1,097		1,097		365		365	732	-
2	Office Equipment				-				-	-	-
3	Furniture & Fixtures				-				-	-	-
4	Building - Civil Work				-				-	-	-
		-	1,097	-	1,097	-	365	-	365	732	-
<b>B</b>	<b>Intangible Assets</b>										
1	Computer Software				-				-	-	-
2	Software copyrights				-				-	-	-
		-	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL</b>	-	1,097	-	1,097	-	365	-	365	732	-
	<b>PREVIOUS YEAR</b>	-	-	-	-	-	-	-	-	-	-



3	Other assets	Non-current			Current		
		31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015
		(Amt in USD)			(Amt in USD)		
	Advances to Creditors	-	-	-	997	-	140
	Advance for Expenses (Staff)	-	-	-	2,700	-	-
	Security deposit	1,779	1,958	3,622	-	-	-
	<b>Advances</b>	<b>1,779</b>	<b>1,958</b>	<b>3,622</b>	<b>3,697</b>	<b>-</b>	<b>140</b>
	Prepaid expenses	-	-	-	5,454	5,237	5,700
	Unbilled Revenue	-	-	-	278	76,887	123,047
		-	-	-	<b>5,732</b>	<b>82,124</b>	<b>128,747</b>
		<b>1,779</b>	<b>1,958</b>	<b>3,622</b>	<b>9,429</b>	<b>82,124</b>	<b>128,887</b>

4	Trade receivables	Non-current			Current		
		31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015
		(Amt in USD)			(Amt in USD)		
	<b>Unsecured, considered good unless stated otherwise Outstanding for a period of over six months from the date they are due for payment</b>						
	Unsecured, considered good	-	-	-	110,171	219,239	166,216
	Doubtful	-	-	-	143,436	-	-
		-	-	-	<b>253,607</b>	<b>219,239</b>	<b>166,216</b>
	<b>Other debts</b>						
	Unsecured, considered good	-	-	-	98,931	114,860	88,967
		-	-	-	<b>98,931</b>	<b>114,860</b>	<b>88,967</b>
	Less : Provision for Doubtful Debts	-	-	-	143,436	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>209,102</b>	<b>334,099</b>	<b>255,183</b>

5	Cash and Bank Balances	Non-current			Current		
		31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015
		(Amt in USD)			(Amt in USD)		
	<b>Cash and cash equivalents</b>						
	Balances with banks in current Accounts including auto FD	-	-	-	398,033	334,298	393,811
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>398,033</b>	<b>334,298</b>	<b>393,811</b>



6	Equity Share Capital	31.03.2017			31.03.2016			01.04.2015					
					(Amt in USD)								
	<u>Authorised</u>												
	10,00,000 (P.Y. 10,00,000) Equity Shares of \$ 1/- each	1,000,000			1,000,000			1,000,000					
	<u>Issued, Subscribed and Paid-up</u>												
	10,00,000 (P.Y. 10,00,000) Equity shares of \$ 1/- each fully paid up	1,000,000			1,000,000			1,000,000					
	<b>Total</b>												
	<b>Details of shareholders holding more than 5% share in the company</b>												
		31.03.2017		31.03.2016		01.04.2015							
		No.	% holding	No.	% holding	No.	% holding						
	10,00,000 (P.Y. 10,00,000) Equity shares of \$ 1/- each fully paid up	1,000,000	100%	1,000,000	100%	1,000,000	100%						
	NSEIT Limited												
7	Other Equity				31.03.2017			31.03.2016			01.04.2015		
								(Amt in USD)					
	<b>Surplus/(deficit) in the statement of profit and loss</b>												
	As per last balance sheet				(848,101)			(962,391)			(1,020,124)		
	Add : Profit / (Loss) for the year				(124,856)			114,290			57,733		
	<b>Total Other Equity</b>				<b>(972,957)</b>			<b>(848,101)</b>			<b>(962,391)</b>		
8	Other financial liabilities												
		Non-current			Current								
		31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015						
		(Amt in USD)			(Amt in USD)								
	Trade payables	-	-	-	572,122	522,730	628,858						
		-	-	-	572,122	522,730	628,858						
9	Provisions												
		Non-current			Current								
		31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015						
		(Amt in USD)			(Amt in USD)								
	Provision for employee benefits												
	Other Provisions												
	Provision for outstanding expenses	-	-	-	4,624	70,815	108,474						
	<b>Total</b>	-	-	-	<b>4,624</b>	<b>70,815</b>	<b>108,474</b>						



10 **Income Taxes**

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

Profit or loss section

Particulars	31.03.2017	31.03.2016
	(Amt in USD)	
Current taxes	9,502	6,442
Deferred taxes movement of Asset	-	-
Deferred taxes movement of Liability	-	-
Income tax expense reported in the statement of profit or loss	9,502	6,442

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

(Amt in USD)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
	Profit before income tax expense	(115,354)
Tax at the Indian Tax Rate	0.00%	0.00%
Tax expenses	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	-	-
Additions / Deductions : Others - rounding off differences/Excess or Short Provision	9,502	6,442
Current Income Tax for the year	9,502	6,442

11 **Tax Liabilities / Assets**

	Non-current			Current		
	31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015
	(Amt in USD)			(Amt in USD)		
Income Tax Liabilities (net)	12,000	6,000	4,860	-	-	-
	<b>12,000</b>	<b>6,000</b>	<b>4,860</b>	-	-	-

12 **Other current liabilities**

	Non-current			Current		
	31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015
	(Amt in USD)			(Amt in USD)		
Statutory dues payable	-	-	-	3,286	1,035	1,602
Advance received from customers	-	-	-	-	-	100
<b>Total</b>	-	-	-	<b>3,286</b>	<b>1,035</b>	<b>1,702</b>





13 Revenue from operations		31.03.2017	31.03.2016
		(Amt in USD)	
<b>Operating revenues</b>			
<b>Sale of Services :</b>			
- Application Development & Maintenance Services		875,057	1,355,203
- ITES - Assessment Services		26,715	21,967
<b>Total</b>		<b>901,772</b>	<b>1,377,170</b>
14 Other income		31.03.2017	31.03.2016
		(Amt in USD)	
<b>Interest Income</b>			
- On Investment			
- On Bank Deposits		1	3
Miscellaneous Income		3,360	3,959
<b>Total</b>		<b>3,361</b>	<b>3,962</b>
15 Employee benefits expenses		31.03.2017	31.03.2016
		(Amt in USD)	
Salaries, wages and allowances		121,394	112,058
Contribution to Provident Fund		-	3,123
<b>Total</b>		<b>121,394</b>	<b>115,181</b>
16 Other expenses		31.03.2017	31.03.2016
		(Amt in USD)	
Rent		10,969	10,063
Insurance		7,354	17,375
Travelling expenses		4,688	3,084
Professional Fees		2,775	4,325
Conveyance		1,330	1,784
Telephone & Internet Expenses		681	2,588
Fees & Subscription		50	-
Provision for doubtful debts		143,436	-
Technical & Sub Contract Charges		721,417	1,101,736
Miscellaneous expenses		6,028	4,264
<b>Total</b>		<b>898,728</b>	<b>1,145,219</b>



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

Earning per share

Particulars	(Amt in USD)	
	Year ended 31.03.2017	Year ended 31.03.2016
<b>Net Profit attributable to Shareholders (In USD)</b>		
(a) Profit before exceptional item and tax	(115,354)	120,732
(b) Tax on above	9,502	6,442
Profit after tax and before exceptional item (a-b)	(124,856)	114,290
<b>Weighted Average number of equity shares issued ( in nos)</b>	1,000,000	1,000,000
<b>Basic earnings per share of USD 1/- each</b>		
Basic	(0.12)	0.11
Diluted	(0.12)	0.11

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.



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

#### Primary Business Segments

(Amt in USD)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
<b>Revenues</b>		
End to End Solutions	875,057	1,355,203
ITES - Assessment Services	26,715	21,967
<b>Total</b>	<b>901,772</b>	<b>1,377,170</b>
<b>Identifiable operating expenses</b>		
End to End Solutions	700,046	1,084,162
ITES - Assessment Services	21,371	17,574
<b>Total</b>	<b>721,417</b>	<b>1,101,736</b>
<b>Allocated expenses</b>		
End to End Solutions	290,210	156,133
ITES - Assessment Services	8,860	2,531
<b>Total</b>	<b>299,070</b>	<b>158,664</b>
<b>Segmental operating income / (loss)</b>		
End to End Solutions	(115,199)	114,908
ITES - Assessment Services	(3,516)	1,862
<b>Total</b>	<b>(118,715)</b>	<b>116,770</b>
Other income	3,361	3,962
Net profit before taxes	(115,354)	120,732
Income taxes	9,502	6,442
Net profit after taxes	(124,856)	114,290



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

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

Sr.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	Ultimate Holding Company
2	NSE Strategic Investment Corporation Limited	Holding Company's Holding Company
3	NSEIT Limited	Holding Company
4	National Securities Clearing Corporation Limited	Fellow Subsidiary of Holding Company's Holding Company
5	DotEx International Limited	Fellow Subsidiary of Holding Company
6	NSE Infotech Services Limited	Fellow Subsidiary of Holding Company
7	National Securities Depository Limited	Ultimate Holding Company's Associate
8	NSDL e-Governance Infrastructure Limited	Associate Company of Holding Company's Holding Company
9	NSDL Database Management Limited	Ultimate Holding Co.'s Associate Co's Subsidiary
10	India Index Services & Products Limited	Fellow Subsidiary of Holding Company
11	Power Exchange India Limited	Associate Company of Holding Company's Holding Company
12	(1) Mr. Ramesh Padmanabhan - Managing Director & CEO (upto 31st March 2015)	Key Management Personnel
	(2) Mr. N. Muralidaran - Managing Director & CEO (w.e.f. 1st April 2015)	

(b) Details of transactions with related parties are as follows :


Name of the Related Party	Nature of Transactions	(Amt in USD)	
		Year ended 31.03.2017	Year ended 31.03.2016
NSEIT Limited	Application Development and Maintenance	782,705	1,138,664
	ITES - Assessment Services		
	Reimbursement of expenses	9,185	19,523
	Taxes recovered		
	Closing Balance - Dr./ (Cr.)	(572,122)	(520,070)



- 20 Capital and other commitments - NIL
- 21 Contingent liability - NIL
- 22 Expenditure in foreign currency (accrual basis) - NIL
- 23 Earnings in foreign currency (accrual basis) - NIL
- 24 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.
- 25 Previous year figures have been regrouped, rearranged and reclassified wherever necessary to confirm to the current year classifications.

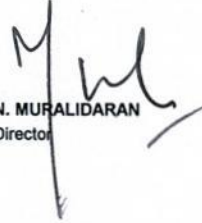
As per our report of even date attached

For GOKHALE & SATHE  
Chartered Accountants

  
KEDAR MEHENDALE  
Partner  
Membership No.116065



For and on behalf of the Board of Directors

  
N. MURALIDARAN  
Director



Place : Mumbai  
Date : April 24, 2017