# KHANDELWAL JAIN & CO.
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CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

**To the Board of Directors of NSEIT (US) INC**

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

1. We have audited the accompanying special purpose financial statements ("standalone Ind AS financial statements") of NSEIT US INC ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. The accompanying standalone Ind AS Financial Statements have been prepared by the 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 Standalone Ind AS Financial Statements

2. The Management is responsible for the preparation of these standalone Ind AS financial statements to give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended). This responsibility also includes maintenance of adequate accounting records for safeguarding of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

5. 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 auditors' 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 internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. 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.

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

**Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements of the Company for the year ended March 31, 2018 are prepared in all material respects, in accordance with the accounting principles generally accepted in India, to enable its holding company, NSEIT Limited to prepare its consolidated Ind AS financial statements.

**Restriction on distribution and use**

8. This report is addressed to the Board of Directors and provided in connection with the audit of the consolidated Ind AS financial statements of NSEIT Limited, the holding company for the year ended March 31, 2018. These standalone Ind AS financial statements are prepared solely to enable its holding company, NSEIT Limited to prepare its consolidated Ind AS financial statements. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

Our opinion is not modified in respect of this matter.

**For KHANDELWAL JAIN & CO.**
**Chartered Accountants**
**Firm Registration No.105049W**

Narendra Jain

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

**(NARENDRA JAIN)**
**PARTNER**
**Membership Number: 048725**

Place: Mumbai
Date: April 24, 2018

NSEIT (US) INC.

(Formerly known as *NSE.IT (US) INC*)

BALANCE SHEET AS AT MARCH 31, 2018

| | | Particulars | Notes | (Amt in USD) As at 31.03.2018 (Audited) | (₹ in Lakhs) As at 31.03.2018 (Audited) | (Amt in USD) As at 31.03.2017 (Audited) | (₹ in Lakhs) As at 31.03.2017 (Audited) |
|---|---|---|---|---|---|---|---|
| | | **ASSETS** | | | | | |
| 1 | | **Non-current assets** | | | | | |
| | a | Property, Plant and Equipment | 2 | - | - | 732 | 0.49 |
| | b | Financial Assets | | | | | |
| | i | Other Financials assets | | | | | |
| | | - Security Deposit | 3 | 98 | 0.06 | 1,779 | 1.15 |
| | | **Total Non-current assets** | | **98** | **0.06** | **2,511** | **1.64** |
| 2 | | **Current assets** | | | | | |
| | a | Financial Assets | | | | | |
| | i | Trade receivable | 5 | 33,896 | 22.05 | 209,102 | 135.59 |
| | ii | Unbilled Revenue | 6 | 21,312 | 13.86 | 278 | 0.18 |
| | iii | Cash and Cash equivalents | 7 | 693,507 | 451.05 | 398,033 | 258.09 |
| | b | Other assets | 4 | 320 | 0.21 | 9,151 | 5.94 |
| | | **Total Current assets** | | **749,035** | **487.17** | **616,564** | **399.80** |
| | | **TOTAL ASSETS** | | **749,133** | **487.23** | **619,075** | **401.44** |
| | | **EQUITY AND LIABILITIES** | | | | | |
| (A) | | **EQUITY** | | | | | |
| | a | Equity Share capital | 8 | 1,000,000 | 533.69 | 1,000,000 | 533.69 |
| | b | Other Equity | 9 | (878,027) | (454.37) | (972,957) | (516.12) |
| | | **Total Equity** | | **121,973** | **79.32** | **27,043** | **17.57** |
| (B) | | **LIABILITIES** | | | | | |
| 1 | | **Non-current liabilities** | | | | | |
| 2 | | **Current liabilities** | | | | | |
| | a | Financial Liabilities | | | | | |
| | i | Trade Payables | 10 | 609,562 | 396.46 | 572,122 | 370.96 |
| | ii | Other financial liabilities | 11 | 5,598 | 3.65 | 4,624 | 3.00 |
| | b | Income Tax Liabilities (net) | 13 | 12,000 | 7.80 | 12,000 | 7.78 |
| | c | Other liabilities | 14 | - | - | 3,286 | 2.13 |
| | | **Total Current liabilities** | | **627,160** | **407.91** | **592,032** | **383.87** |
| | | **TOTAL EQUITY AND LIABILITIES** | | **749,133** | **487.23** | **619,075** | **401.44** |

Summary of significant accounting policies 1

Notes refer to above form an intergral 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)

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

**NARENDRA JAIN**

Partner

Membership No.048725

Place : Mumbai

Date : April 24, 2018

**For and on behalf of Board of Directors**

**N. MURALIDARAN**

Director

NSEIT Limited MUMBAI

**NSEIT (US) INC.**

**(Formerly known as *NSE.IT (US) INC*)**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

| Particulars | Notes | (Amt in USD) For the year ended 31.03.2018 | (₹ in Lakhs) For the year ended 31.03.2018 | (Amt in USD) For the year ended 31.03.2017 | (₹ in Lakhs) For the year ended 31.03.2017 |
|---|---|---|---|---|---|
| **Income** | | | | | |
| Revenue from operations | 15 | 341,457 | 219.05 | 901,772 | 605.51 |
| Other income | 16 | 381,962 | 248.42 | 3,361 | 2.19 |
| **Total Income** | | **723,419** | **467.47** | **905,133** | **607.70** |
| **Expenses** | | | | | |
| Employee benefits expense | 17 | 31,180 | 19.96 | 121,394 | 82.58 |
| Technical & Sub Contract Charges | 19 (i) | 273,166 | 175.24 | 721,417 | 484.41 |
| Finance Cost | 18 | 1,226 | 0.79 | 917 | 0.62 |
| Depreciation and amortisation expense | 2 | 91 | 0.06 | 365 | 0.24 |
| Other expenses | 19 (ii) | 319,972 | 207.89 | 176,394 | 114.98 |
| **Total Expenses** | | **625,635** | **403.94** | **1,020,487** | **682.83** |
| **Profit before tax** | | **97,784** | **63.53** | **(115,354)** | **(75.13)** |
| Less : Income Tax expense | | | | | |
| - Current tax | 12 | 12,000 | 7.69 | 12,000 | 8.02 |
| - Short / (Excess) for earlier years | 12 | (9,146) | (5.86) | (2,498) | (1.67) |
| **Total tax expenses** | | 2,854 | 1.83 | 9,502 | 6.35 |
| **Profit after tax (A)** | | **94,930** | **61.70** | **(124,856)** | **(81.48)** |
| **Other Comprehensive Income (OCI)** | | | | | |
| **Items that will not be reclassified to profit or loss** | | | | | |
| - Remeasurements of post-employment benefit obligations | | - | - | - | - |
| **Income tax relating to items that will not be reclassified to profit or loss** | | | | | |
| - Remeasurements of post-employment benefit obligations | | - | - | - | - |
| **Total Other Comprehensive Income, net of tax (B)** | | - | - | - | - |
| **Total Comprehensive Income (A+B)** | | **94,930** | **61.70** | **(124,856)** | **(81.48)** |
| Earnings per equity share ( FV USD 1 each) | | | | | |
| - Basic | 20 | **0.09** | **6.17** | **(0.12)** | **(8.15)** |
| - Diluted | 20 | **0.09** | **6.17** | **(0.12)** | **(8.15)** |
| Summary of significant accounting policies | 1 | | | | |

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

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

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

**NARENDRA JAIN**
Partner
Membership No.048725

Place : Mumbai
Date : April 24, 2018

**For and on behalf of Board of Directors**

**N. MURALIDARAN**
Director

NSEIT (US) INC.
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018
(Formerly known as *NSE.IT (US) INC)*

| | | (Amt in USD) | (₹ in Lakhs) | (Amt in USD) | (₹ in Lakhs) |
|---|---|---|---|---|---|
| | | March 31, 2018 | March 31, 2018 | March 31, 2017 | March 31, 2017 |
| A) | **CASHFLOW FROM OPERATING ACTIVITIES** | | | | |
| | **NET PROFIT BEFORE TAX** | 97,784 | 63.53 | (115,354) | (75.13) |
| | **Add : Adjustments for :** | | | | |
| | - Depreciation and amortisation expense | 91 | 0.06 | 365 | 0.24 |
| | - Bad Debts Written Off | 293,007 | 190.57 | - | - |
| | - Sundry Balance W/ off | 279 | 0.18 | - | - |
| | - Provision for doubtful debts | - | - | 143,436 | 92.80 |
| | **Less : Adjustments for :** | | | | |
| | - Gain on disposal of property,plant and equipment | (109) | (0.07) | - | - |
| | - Excess provision written back | (3,722) | (2.42) | (700) | (0.46) |
| | - Provision for Doubtful debts written back | (143,435) | (93.29) | - | - |
| | - Sundry Balance W/ Back | (234,695) | (152.64) | (2,660) | (1.73) |
| | - Interest income on Bank deposit | (1) | - | (1.00) | - |
| | **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES** | **9,199** | **5.92** | **25,086** | **15.72** |
| | **Adjustments for :** | | | | |
| | - Trade Receivable and Unbilled Revenue | 4,600 | 2.58 | (18,439) | 44.04 |
| | - Trade Payable including provisions | 272,292 | 178.25 | (11,188) | 23.82 |
| | - Other Assets | 10,512 | 6.82 | 72,874 | (2.31) |
| | - Other Liabilities | 974 | 0.65 | - | (39.92) |
| | **CASH GENERATED FROM OPERATIONS** | 297,577 | 194.22 | 68,333 | 41.35 |
| | - Direct Taxes paid (Net of Refunds) | (2,854) | (1.81) | (3,502) | (2.55) |
| | **NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)** | 294,723 | 192.41 | 64,831 | 38.80 |
| B) | **CASHFLOW FROM INVESTING ACTIVITIES** | | | | |
| | - Payment for Property Plant, Equipment | - | - | (1,097) | (0.73) |
| | - Sale Proceed from Property Plant, Equipment | 750 | 0.50 | - | - |
| | - Increase in Foreign Currency Translation Reserve | - | 0.05 | - | (1.73) |
| | - Interest received | 1 | - | 1 | - |
| | **NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)** | 751 | 0.55 | (1,096) | (2.46) |
| C) | **CASHFLOW FROM FINANCING ACTIVITIES** | | | | |
| | **NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)** | - | - | - | - |
| | **NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)** | **295,474** | **192.96** | **63,735** | **36.34** |
| | **CASH AND CASH EQUIVALENTS : OPENING BALANCE** | 398,033 | 258.09 | 334,298 | 221.75 |
| | **CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE** | 693,507 | 451.05 | 398,033 | 258.09 |
| | **NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT** | **295,474** | **192.96** | **63,735** | **36.34** |

**Notes to Cash Flow Statement :**

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.

2 Previous years figures have been regrouped, rearranged and reclassified wherever necessary to confirm to the current period 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)

KHANDELWAL JAIN & COMPANY
MUMBAI
CHARTERED ACCOUNTANTS

**NARENDRA JAIN**
Partner
Membership No.048725
Place : Mumbai
Date : April 24, 2018

**For and on behalf of Board of Directors**

**N. MURALIDARAN**
Director

NSEIT Limited
MUMBAI

NSEIT (US) INC.
(Formerly known as *NSE.IT (US) INC*)
STATEMENT OF CHANGES IN EQUITY MARCH 31, 2018

(A) Equity Share Capital

Amount in USD

| Balance at the beginning of the reporting period | Changes in equity share capital during the year | Balance at the end of the reporting period |
|---|---|---|
| 1,000,000 | - | 1,000,000 |

(₹ in Lakhs)

| Balance at the beginning of the reporting period | Changes in equity share capital during the year | Balance at the end of the reporting period |
|---|---|---|
| 533.69 | - | 533.69 |

(B) Other Equity

| | Amount in USD | (₹ in Lakhs) | Amount in USD | (₹ in Lakhs) | Amount in USD | (₹ in Lakhs) | Amount in USD | (₹ in Lakhs) |
|---|---|---|---|---|---|---|---|---|
| Particulars | General reserve | General reserve | Retained Earnings | Retained Earnings | Foreign Currency Translation Reserve | Foreign Currency Translation Reserve | Total | Total |
| Balance at the beginning of the reporting period | - | - | (972,957) | (528.87) | - | 12.75 | (972,957) | (516.12) |
| Amount transferred from the surplus balance in the statement of profit & loss | - | - | 94,930 | 61.70 | - | 0.05 | 94,930 | 61.75 |
| **Total Other Equity** | - | - | **(878,027)** | **(467.17)** | - | **12.80** | **(878,027)** | **(454.37)** |

STATEMENT OF CHANGES IN EQUITY MARCH 31, 2017

(A) Equity Share Capital

Amount in USD

| Balance at the beginning of the reporting period | Changes in equity share capital during the year | Balance at the end of the reporting period |
|---|---|---|
| 1,000,000 | - | 1,000,000 |

(₹ in Lakhs)

| Balance at the beginning of the reporting period | Changes in equity share capital during the year | Balance at the end of the reporting period |
|---|---|---|
| 533.69 | - | 533.69 |

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NSEIT Limited ★ MUMBAI ★

(B) **Other Equity**

| Particulars | Amount in USD<br>General reserve | (₹ in Lakhs)<br>General reserve | Amount in USD<br>Retained Earnings | (₹ in Lakhs)<br>Retained Earnings | Amount in USD<br>Foreign Currency Translation Reserve | (₹ in Lakhs)<br>Foreign Currency Translation Reserve | Amount in USD<br>Total | (₹ in Lakhs)<br>Total |
|---|---|---|---|---|---|---|---|---|
| **Balance at the beginning of the reporting period** | - | - | (848,101) | (447.39) | - | 14.76 | (848,101) | (432.63) |
| Amount transferred from the surplus balance in the statement of profit & loss | - | - | (124,856) | (81.48) | - | (2.01) | (124,856) | (83.49) |
| **Total Other Equity** | - | - | **(972,957)** | **(528.87)** | - | **12.75** | **(972,957)** | **(516.12)** |

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**
Partner
Membership No.048725

Place : Mumbai
Date : April 24, 2018

For and on behalf of the Board of Directors

**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. ("the Company") 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, 2018.

b) **Basis 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.

**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.

**(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:

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NSEIT Limited MUMBAI

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

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

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

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

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

**(iii) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.
For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets :-

A financial asset is de-recognised only when

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

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.

KHANDELWAL JAIN & COMPANY * MUMBAI * CHARTERED ACCOUNTANTS

NSEIT Limited * MUMBAI *

e) **Financial liabilities**

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

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

**(ii) Initial recognition and measurement**

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

**(iii) Subsequent measurement**

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

**(iv) Derecognition**

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

f) **Derivatives**

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

g) **Leases**

**As a lessee**

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

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

**As a lessor**

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

h) **Revenue Recognition**

(i) Revenue from sale of software product licenses and sale of digital certificates is recognised upon delivery.

(ii) Revenue from resale of hardware and software is recognised upon delivery.

(iii) Revenue from Contracts priced on a time and material basis are recognised when services are rendered. Revenues from software development on time and material basis is recognised based on the terms of specific contracts. Revenue in excess of billings is recognised as unbilled revenue in the Balancesheet; to the extent billings are in excess of revenue recognised, the excess is reported as unearned and deferred revenue in the Balancesheet.

(iv) Revenue from fixed price contracts is recognised on the basis of the deliverables / milestone executed and delivered.

(v) Revenues from maintenance contracts are recognised on a pro-rata basis over the period of the contract.

(vi) Revenue from E-Learning activity is recognised on the basis of enrollment.

(vii) Revenue from Online examination services are recognized on the basis of exams conducted.

(viii) Revenue is exclusive of taxes and other levies, wherever applicable.

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

i) **Property, plant and equipment**

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

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

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

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

j) **Depreciation**

(i) Depreciation on tangible fixed assets is provided on Straight Line Method as per the useful life in line with holding company.

- 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.

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

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignifican risk of changes in value. These do not include bank balances earmarked/restricted for specific purposes.

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

o) **Foreign currency transactions and translation**

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company is USD.

The financial statements are presented in Indian currency (INR), which is the Company's presentation currency, to enable its holding company, NSEIT Limited to prepare its consolidated Ind AS financial statements. Further, the Company also presented its accounts in functional currency which is USD.

(ii) Transactions and balances

Foreign currency transactions are translated into the presentation currency using the exchange rates at the dates of transactions.Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liablilites 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 liablities carried at fair value are reported as a part of the fair value gain or loss. For example, translation differences on non monetary assets and liablities 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 othe comprehensive income.

(iii) Translation to the presentation currency

The financial statements are translated from functional currency to presentation currency by using the following procedures:

(a) assets and liablities for each balance sheet presented (ie including comparatives) shall be transalated at the closing rate at the date of the balance sheet;

(b) income and expenses for each statement of profit and loss presented (ie including comparatives) shall be translated at exchange rates at the dates of the transactions; and

(c) all resulting exchange differences has been recognised as Foreign Currency Translation Reserve in Other Equity.

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p) **Employee benefits**

i Short-term obligations

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

q) **Income tax**

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.

r) **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.

s) **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.

t) **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.

**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.

**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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u) **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.

v) **Critical accounting estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Estimation of contingent liabilities refer Note - 27

Impairment of Assets

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.

w) **Recent Accounting Pronouncement**

**IndAS - 115 relating to Revenue from contracts with customers : -**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new Standard Ind AS 115 "Revenue from Contracts with Customers" which is effective from April 1, 2018.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The Company is evaluating the impact of this amendment on its financial statements.

**Ind AS 21- Appendix B - Foreign currency transactions and advance consideration : -**

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

x) **Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest USD and INR in Lakhs.

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**Note 2: Property, Plant & Equipment**

Amt in USD

| Sr No. | Category | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | As on 1-Apr-17 | Additions | Deductions | As on 31-Mar-18 | As on 1-Apr-17 | For the year | Deductions | As on 31-Mar-18 | As on 31-Mar-18 | As on 31-Mar-17 |
| A | **Tangible Assets** | | | | | | | | | | |
| 1 | Computer Hardware and Servers & Networks | 1,097 | - | 1,097 | - | 365 | 91 | 456 | - | - | 732 |
| 2 | Office Equipment | - | - | - | - | - | - | - | - | - | - |
| 3 | Furniture & Fixtures | - | - | - | - | - | - | - | - | - | - |
| 4 | Building - Civil Work | - | - | - | - | - | - | - | - | - | - |
| | | **1,097** | **-** | **1,097** | **-** | **365** | **91** | **456** | **-** | **-** | **732** |
| B | **Intangible Assets** | | | | | | | | | | |
| 1 | Computer Software | - | - | - | - | - | - | - | - | - | - |
| 2 | Software copyrights | - | - | - | - | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - | - | - | - |
| | **GRAND TOTAL** | **1,097** | **-** | **1,097** | **-** | **365** | **91** | **456** | **-** | **-** | **732** |
| | **PREVIOUS YEAR** | - | **1,097** | - | 1,097 | - | **365** | - | 365 | 732 | - |

| 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 |
| A | **Tangible Assets** | | | | | | | | | | |
| 1 | Computer Hardware and Servers & Networks | - | 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 | **Intangible Assets** | | | | | | | | | | |
| 1 | Computer Software | - | - | - | - | - | - | - | - | - | - |
| 2 | Software copyrights | - | - | - | - | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - | - | - | - |
| | **GRAND TOTAL** | - | **1,097** | - | **1,097** | - | **365** | - | **365** | **732** | - |
| | **PREVIOUS YEAR** | - | - | - | - | - | - | - | - | - | - |

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Note 2: Property, Plant & Equipment

(₹ in Lakhs)

| Sr No. | Category | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | As on 1-Apr-17 | Additions | Deductions | As on 31-Mar-18 | As on 1-Apr-17 | For the year | Deductions | As on 31-Mar-18 | As on 31-Mar-18 | As on 31-Mar-17 |
| A | **Tangible Assets** | | | | | | | | | | |
| 1 | Computer Hardware and Servers & Networks | 0.73 | - | 0.73 | - | 0.24 | 0.06 | 0.30 | - | - | 0.49 |
| 2 | Office Equipment | - | - | - | - | - | - | - | - | - | - |
| 3 | Furniture & Fixtures | - | - | - | - | - | - | - | - | - | - |
| 4 | Building - Civil Work | - | - | - | - | - | - | - | - | - | - |
| | | **0.73** | - | **0.73** | - | **0.24** | **0.06** | **0.30** | - | - | **0.49** |
| B | **Intangible Assets** | | | | | | | | | | |
| 1 | Computer Software | - | - | - | - | - | - | - | - | - | - |
| 2 | Software copyrights | - | - | - | - | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - | - | - | - |
| | **GRAND TOTAL** | **0.73** | - | **0.73** | - | **0.24** | **0.06** | **0.30** | - | - | **0.49** |
| | **PREVIOUS YEAR** | - | **0.73** | - | 0.73 | - | **0.24** | - | 0.24 | 0.49 | - |

| 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 |
| A | **Tangible Assets** | | | | | | | | | | |
| 1 | Computer Hardware and Servers & Networks | - | 0.73 | - | 0.73 | - | 0.24 | - | 0.24 | 0.49 | - |
| 2 | Office Equipment | - | - | - | - | - | - | - | - | - | - |
| 3 | Furniture & Fixtures | - | - | - | - | - | - | - | - | - | - |
| 4 | Building - Civil Work | - | - | - | - | - | - | - | - | - | - |
| | | - | **0.73** | - | **0.73** | - | **0.24** | - | **0.24** | **0.49** | - |
| B | **Intangible Assets** | | | | | | | | | | |
| 1 | Computer Software | - | - | - | - | - | - | - | - | - | - |
| 2 | Software copyrights | - | - | - | - | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - | - | - | - |
| | **GRAND TOTAL** | - | **0.73** | - | **0.73** | - | **0.24** | - | **0.24** | **0.49** | - |
| | **PREVIOUS YEAR** | - | - | - | - | - | - | - | - | - | - |

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3 **Other Financial Assets**

| | Non-current | | Non-current | | Current | | Current | |
|---|---|---|---|---|---|---|---|---|
| | 31.03.2018 (Amt in USD) | 31.03.2018 (₹ in Lakhs) | 31.03.2017 (Amt in USD) | 31.03.2017 (₹ in Lakhs) | 31.03.2018 (Amt in USD) | 31.03.2018 (₹ in Lakhs) | 31.03.2017 (Amt in USD) | 31.03.2017 (₹ in Lakhs) |
| i **Others** | | | | | | | | |
| Security deposit | 98 | 0.06 | 1,779 | 1.15 | - | - | - | - |
| | **98** | **0.06** | **1,779** | **1.15** | - | - | - | - |
| **Total** | **98** | **0.06** | **1,779** | **1.15** | - | - | - | - |

4 **Other assets**

| | Non-current | | Non-current | | Current | | Current | |
|---|---|---|---|---|---|---|---|---|
| | 31.03.2018 (Amt in USD) | 31.03.2018 (₹ in Lakhs) | 31.03.2017 (Amt in USD) | 31.03.2017 (₹ in Lakhs) | 31.03.2018 (Amt in USD) | 31.03.2018 (₹ in Lakhs) | 31.03.2017 (Amt in USD) | 31.03.2017 (₹ in Lakhs) |
| Advance to Creditors (unsecured, considered good) | - | - | - | - | - | - | 997 | 0.65 |
| Advance for expense (Staff) (unsecured, considered good) | - | - | - | - | - | - | 2,700 | 1.75 |
| Prepaid expenses | - | - | - | - | 320 | 0.21 | 5,454 | 3.54 |
| | - | - | - | - | **320** | **0.21** | **9,151** | **5.94** |

5 **Trade receivables**

| | Non-current | | Non-current | | Current | | Current | |
|---|---|---|---|---|---|---|---|---|
| | 31.03.2018 (Amt in USD) | 31.03.2018 (₹ in Lakhs) | 31.03.2017 (Amt in USD) | 31.03.2017 (₹ in Lakhs) | 31.03.2018 (Amt in USD) | 31.03.2018 (₹ in Lakhs) | 31.03.2017 (Amt in USD) | 31.03.2017 (₹ in Lakhs) |
| **Unsecured, considered good unless stated otherwise** | | | | | | | | |
| **Outstanding for a period of over six months from the date they are due for payment** | | | | | | | | |
| Secured, considered good | - | - | - | - | - | - | - | - |
| Unsecured, considered good | - | - | - | - | - | - | 110,171 | 71.47 |
| Doubtful | - | - | - | - | - | - | 143,436 | 93.00 |
| | - | - | - | - | - | - | **253,607** | **164.47** |
| Less : Provision for Doubtful Debts | | | - | - | | - | 143,436 | 93.00 |
| | - | - | - | - | - | - | **110,171** | **71.47** |
| **Other debts** | | | | | | | | |
| Secured, considered good | - | - | - | - | - | - | - | - |
| Unsecured, considered good | - | - | - | - | 33,896 | 22.05 | 98,931 | 64.12 |
| Doubtful | - | - | - | - | - | - | - | - |
| | - | - | - | - | **33,896** | **22.05** | **98,931** | **64.12** |
| **Total** | - | - | - | - | **33,896** | **22.05** | **209,102** | **135.59** |

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6 **Unbilled Revenue**

| | Non-current | | Non-current | | Current | | Current | |
|---|---|---|---|---|---|---|---|---|
| | 31.03.2018 (Amt in USD) | 31.03.2018 (₹ in Lakhs) | 31.03.2017 (Amt in USD) | 31.03.2017 (₹ in Lakhs) | 31.03.2018 (Amt in USD) | 31.03.2018 (₹ in Lakhs) | 31.03.2017 (Amt in USD) | 31.03.2017 (₹ in Lakhs) |
| Unbilled Revenue | - | - | - | - | 21,312 | 13.86 | 278 | 0.18 |
| | **-** | **-** | **-** | **-** | **21,312** | **13.86** | **278** | **0.18** |

7 **Cash and Cash equivalents**

| | Non-current | | Non-current | | Current | | Current | |
|---|---|---|---|---|---|---|---|---|
| | 31.03.2018 (Amt in USD) | 31.03.2018 (₹ in Lakhs) | 31.03.2017 (Amt in USD) | 31.03.2017 (₹ in Lakhs) | 31.03.2018 (Amt in USD) | 31.03.2018 (₹ in Lakhs) | 31.03.2017 (Amt in USD) | 31.03.2017 (₹ in Lakhs) |
| **Balances with banks** | | | | | | | | |
| - In Current Accounts | - | - | - | - | 688,755 | 447.96 | 393,282 | 255.01 |
| - In Savings Accounts | - | - | - | - | 4,752 | 3.09 | 4,751 | 3.08 |
| **Total** | - | - | - | - | **693,507** | **451.05** | **398,033** | **258.09** |

8 **Equity Share Capital**

| | 31.03.2018 (Amt in USD) | 31.03.2018 (₹ in Lakhs) | 31.03.2017 (Amt in USD) | 31.03.2017 (₹ in Lakhs) |
|---|---|---|---|---|
| Authorised<br>10,00,000 (P.Y. 10,00,000) Equity Shares of USD 1/- each | **1,000,000** | **533.69** | **1,000,000** | **533.69** |
| Issued, Subscribed and Paid-up<br>10,00,000 (P.Y. 10,00,000) Equity shares of USD 1/- each fully paid up | **1,000,000** | **533.69** | **1,000,000** | **533.69** |

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 USD 1/- 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.

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

| | 31.03.2018 | | 31.03.2018 | | 31.03.2017 | | 31.03.2017 | |
|---|---|---|---|---|---|---|---|---|
| | No. | % holding | No. | % holding | No. | % holding | No. | % holding |
| Equity shares of USD 1/- each fully paid<br>NSEIT Limited | 1,000,000 | 100% | 1,000,000 | 100% | 1,000,000 | 100% | 1,000,000 | 100% |

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9 **Other Equity**

| | 31.03.2018 (Amt in USD) | 31.03.2018 (₹ in Lakhs) | 31.03.2017 (Amt in USD) | 31.03.2017 (₹ in Lakhs) |
|---|---|---|---|---|
| **General reserve** | | | | |
| As per last balance sheet | - | - | - | - |
| Add : Transferred from surplus balance in the Statement of Profit & Loss | - | - | - | - |
| | - | - | - | - |
| **Surplus/(deficit) in the statement of profit and loss** | | | | |
| As per last balance sheet | (972,957) | (528.87) | (848,101) | (447.39) |
| Add : Profit / (Loss) for the year | 94,930 | 61.70 | (124,856) | (81.48) |
| | **(878,027)** | **(467.17)** | **(972,957)** | **(528.87)** |
| Foreign Currency Translation Reserve | - | 12.80 | - | 12.75 |
| **Total Other Equity** | **(878,027)** | **(454.37)** | **(972,957)** | **(516.12)** |

10 **Trade Payables**

| | Non-current | | Non-current | | Current | | Current | |
|---|---|---|---|---|---|---|---|---|
| | 31.03.2018 (Amt in USD) | 31.03.2018 (₹ in Lakhs) | 31.03.2017 (Amt in USD) | 31.03.2017 (₹ in Lakhs) | 31.03.2018 (Amt in USD) | 31.03.2018 (₹ in Lakhs) | 31.03.2017 (Amt in USD) | 31.03.2017 (₹ in Lakhs) |
| Trade payables to MSME | - | - | - | - | - | - | - | - |
| Trade payables to related Party (NSEIT Limited) | - | - | - | - | 609,562 | 396.46 | 572,122 | 370.96 |
| | - | | - | | **609,562** | **396.46** | **572,122** | **370.96** |

11 **Other Financial Liabilities**

| | Non-current | | Non-current | | Current | | Current | |
|---|---|---|---|---|---|---|---|---|
| Liabilities for Expenses | - | - | - | - | 5,598 | 3.65 | 4,624 | 3.00 |
| | - | - | - | - | **5,598** | **3.65** | **4,624** | **3.00** |

12 **Income Taxes**

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

Profit or loss section

| Particulars | 31.03.2018 (Amt in USD) | 31.03.2018 (₹ in Lakhs) | 31.03.2017 (Amt in USD) | 31.03.2017 (₹ in Lakhs) |
|---|---|---|---|---|
| Current taxes | 12,000 | 7.69 | 12,000 | 8.02 |
| Short / (Excess) for earlier years | (9,146) | (5.86) | (2,498) | (1.67) |
| Deferred taxes movement of Asset | - | - | - | - |
| Deferred taxes movement of Liability | - | - | - | - |
| Income tax expense reported in the statement of profit or loss | 2,854 | 1.83 | 9,502 | 6.35 |

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

| **Particulars** | Year ended 31.03.2018 (Amt in USD) | Year ended 31.03.2018 (₹ in Lakhs) | Year ended 31.03.2017 (Amt in USD) | Year ended 31.03.2017 (₹ in Lakhs) |
|---|---|---|---|---|
| Profit before income tax expense | 97,784 | 63.53 | (115,354) | (75.13) |
| Current tax | 12,000 | 7.69 | 12,000 | 8.02 |
| Short / (Excess) for earlier years | (9,146) | (5.86) | (2,498) | (1.67) |
| Tax expense for the year | 2,854 | 1.83 | 9,502 | 6.35 |

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

| Particulars | Year ended 31.03.2018 (Amt in USD) | Year ended 31.03.2018 (₹ in Lakhs) | Year ended 31.03.2017 (Amt in USD) | Year ended 31.03.2017 (₹ in Lakhs) |
|---|---|---|---|---|
| Net current income tax asset/(liability) at the beginning | (12,000) | (7.78) | (6,000) | (3.98) |
| Income tax paid ( including TDS and net of refund) | 2,854 | 1.81 | 3,502 | 2.55 |
| Current income tax expense | (2,854) | (1.83) | (9,502) | (6.35) |
| Income tax on other comprehensive income | - | - | - | - |
| Net current income tax asset/(liability) at the end | **(12,000)** | **(7.80)** | **(12,000)** | **(7.78)** |

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13 **Income Tax Liabilities / Assets**

| | Non-current | | Non-current | | Current | | Current | |
|---|---|---|---|---|---|---|---|---|
| | Year ended 31.03.2018 (Amt in USD) | Year ended 31.03.2018 (₹ in Lakhs) | Year ended 31.03.2017 (Amt in USD) | Year ended 31.03.2017 (₹ in Lakhs) | Year ended 31.03.2018 (Amt in USD) | Year ended 31.03.2018 (₹ in Lakhs) | Year ended 31.03.2017 (Amt in USD) | Year ended 31.03.2017 (₹ in Lakhs) |
| Income Tax Assets (net) | - | - | - | - | - | - | - | - |
| Income Tax Liabilities (net) | - | - | - | - | 12,000 | 7.80 | 12,000 | 7.78 |
| | **-** | **-** | **-** | **-** | **12,000** | **7.80** | **12,000** | **7.78** |

14 **Other liabilities**

| | Non-current | | Non-current | | Current | | Current | |
|---|---|---|---|---|---|---|---|---|
| | Year ended 31.03.2018 (Amt in USD) | Year ended 31.03.2018 (₹ in Lakhs) | Year ended 31.03.2017 (Amt in USD) | Year ended 31.03.2017 (₹ in Lakhs) | Year ended 31.03.2018 (Amt in USD) | Year ended 31.03.2018 (₹ in Lakhs) | Year ended 31.03.2017 (Amt in USD) | Year ended 31.03.2017 (₹ in Lakhs) |
| Statutory dues payable | - | - | - | - | - | - | 3,286 | 2.13 |
| **Total** | **-** | **-** | **-** | **-** | **-** | **-** | **3,286** | **2.13** |

15 **Revenue from operations**

| | For the year ended 31.03.2018 (Amt in USD) | For the year ended 31.03.2018 (₹ in Lakhs) | For the year ended 31.03.2017 (Amt in USD) | For the year ended 31.03.2017 (₹ in Lakhs) |
|---|---|---|---|---|
| **Sale of Services :** | | | | |
| - Application Development & Maintenance Services | 273,988 | 175.77 | 875,057 | 587.57 |
| - ITES - Assessment Services | 67,469 | 43.28 | 26,715 | 17.94 |
| **Total** | **341,457** | **219.05** | **901,772** | **605.51** |

16 **Other income**

| | For the year ended 31.03.2018 (Amt in USD) | For the year ended 31.03.2018 (₹ in Lakhs) | For the year ended 31.03.2017 (Amt in USD) | For the year ended 31.03.2017 (₹ in Lakhs) |
|---|---|---|---|---|
| **Interest Income** | | | | |
| - On Bank Deposits | 1 | - | 1 | - |
| Net Gain on disposal of property,plant and equipment | 109 | 0.07 | - | - |
| Excess provision written back | 3,722 | 2.42 | 700 | 0.46 |
| Provision for Doubtful debts written back | 143,435 | 93.29 | - | - |
| Sundry Balance W/ Back (Refer Note 26) | 234,695 | 152.64 | 2,660 | 1.73 |
| **Total** | **381,962** | **248.42** | **3,361** | **2.19** |

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17 **Employee benefits expenses**

| | For the year ended 31.03.2018 (Amt in USD) | For the year ended 31.03.2018 (₹ in Lakhs) | For the year ended 31.03.2017 (Amt in USD) | For the year ended 31.03.2017 (₹ in Lakhs) |
|---|---|---|---|---|
| Salaries, wages and allowances | 31,180 | 19.96 | 121,394 | 82.58 |
| **Total** | **31,180** | **19.96** | **121,394** | **82.58** |

18 **Finance Cost**

| | For the year ended 31.03.2018 (Amt in USD) | For the year ended 31.03.2018 (₹ in Lakhs) | For the year ended 31.03.2017 (Amt in USD) | For the year ended 31.03.2017 (₹ in Lakhs) |
|---|---|---|---|---|
| Bank Charges | 1,226 | 0.79 | 917 | 0.62 |
| | **1,226** | **0.79** | **917** | **0.62** |

| | | | | |
|---|---|---|---|---|
| 19 i Technical & Sub Contract Charges | 273,166 | 175.24 | 721,417 | 484.41 |
| ii **Other expenses** | | | | |
| Rent | 3,126 | 2.00 | 10,969 | 7.32 |
| Insurance | 8,102 | 5.21 | 7,354 | 4.91 |
| Travelling expenses | 750 | 0.48 | 4,688 | 3.24 |
| Professional Fees | 6,628 | 4.25 | 2,775 | 1.84 |
| Conveyance | - | - | 1,330 | 0.92 |
| Telephone & Internet Expenses | - | - | 681 | 0.49 |
| Fees & Subscription | 448 | 0.29 | 50 | 0.03 |
| Provision for doubtful debts | - | - | 143,436 | 92.80 |
| Bad Debts Written Off (Refer Note 26) | 293,007 | 190.57 | - | - |
| Sundry Balance W/ off | 279 | 0.18 | - | - |
| Service Tax/ GST on Technical & Sub Contract Charges | 6,498 | 4.18 | 3,576 | 2.40 |
| Miscellaneous expenses | 1,134 | 0.73 | 1,535 | 1.03 |
| **Total** | **319,972** | **207.89** | **176,394** | **114.98** |

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

**Earning per share**

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2018 | Year ended 31.03.2017 | Year ended 31.03.2017 |
|---|---|---|---|---|
| **Net Profit attributable to Shareholders** | (Amt in USD) | (₹ in Lakhs) | (Amt in USD) | (₹ in Lakhs) |
| Profit / (Loss) after tax | 94,930 | 61.70 | (124,856) | (81.48) |
| **Weighted Average number of equity shares issued ( in nos)** | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| **Basic earnings per share of $ 1/- each** | | | | |
| Basic | 0.09 | 6.17 | (0.12) | (8.15) |
| Diluted | 0.09 | 6.17 | (0.12) | (8.15) |

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same.

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21 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. | 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 | NSE IFSC Limited | Fellow Subsidiary of Holding Company's Holding Company |
| 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 | Associate Company of Holding Company's Holding Company |
| 8 | Power Exchange India Limited | Associate Company of Holding Company's Holding Company |
| 9 | DotEx International Limited | Fellow Subsidiary of Holding Company |
| 10 | NSE Infotech Services Limited | Fellow Subsidiary of Holding Company |
| 11 | India Index Services & Products Limited | Fellow Subsidiary of Holding Company |
| 12 | NSE Academy Limited | Fellow Subsidiary of Holding Company |
| 13 | NSE IFSC CLEARING Corporation Limited | Subsidiary of Holding Company's Fellow Subsidiary |
| 14 | NSE Foundation (w.e.f 5th March 2018) | Fellow Subsidiary of Holding Company's Holding Company |
| 15 | Mr. N. Muralidaran - Director<br>(w.e.f. 1st April 2015) | Key Management Personnel |

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

| Name of the Related Party | Nature of Transactions | Year ended 31.03.2018 (Amt in USD) | Year ended 31.03.2018 (₹ in Lakhs) | Year ended 31.03.2017 (Amt in USD) | Year ended 31.03.2017 (₹ in Lakhs) |
|---|---|---|---|---|---|
| NSEIT Limited | Application Development and Maintenance Services | 219,190 | 140.43 | 758,765 | 508.76 |
| | ITES - Assessment Services | 53,976 | 34.83 | 23,940 | 16.01 |
| | Reimbursement of expenses received | - | - | 5,609 | - |
| | Taxes recovered | 6,498 | 4.18 | 3,576 | 2.39 |
| | Write Back of Payables | (234,406) | (152.46) | - | - |
| | Closing Balance - Dr./ (Cr.) | (609,562) | (396.46) | (572,122) | (370.96) |

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

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22 **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 by the management 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.

| | (Amt in USD) | (₹ in Lakhs) | (Amt in USD) | (₹ in Lakhs) |
|---|---|---|---|---|
| **Particulars** | **2017-18** | **2017-18** | **2016-17** | **2016-17** |
| **Segment Revenue** | | | | |
| End to End Solution | 273,988 | 175.77 | 875,057 | 587.57 |
| ITES - Assessment Services | 67,469 | 43.28 | 26,715 | 17.94 |
| | **341,457** | **219.05** | **901,772** | **605.51** |
| **Inter-segment revenue** | | | | |
| End to End Solution | - | - | - | - |
| ITES - Assessment Services | - | - | - | - |
| | - | - | - | - |
| **Revenue from external customers** | | | | |
| End to End Solution | 273,988 | 175.77 | 875,057 | 587.57 |
| ITES - Assessment Services | 67,469 | 43.28 | 26,715 | 17.94 |
| **Total** | **341,457** | **219.05** | **901,772** | **605.51** |
| **Segment Results** | | | | |
| End to End Solution | 139,921 | 90.51 | 31,575 | 24.71 |
| ITES - Assessment Services | 6,995 | 4.48 | 1,767 | 1.19 |
| **Total** | **146,916** | **94.99** | **33,342** | **25.90** |
| Less: Unallocable Expenses (Net of income) | 49,133 | 31.46 | 148,697 | 101.03 |
| Add: Interest income | 1 | - | 1 | - |
| **Profit before Tax** | **97,784** | **63.53** | **(115,354)** | **(75.13)** |

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| | | | | |
|---|---|---|---|---|
| Less : Income Tax expense | | | | |
| - Current tax | 12,000 | 7.69 | 12,000 | 8.02 |
| - Short / Excess Tax for earlier years | (9,146) | (5.86) | (2,498) | (1.67) |
| - Deferred tax | - | - | - | - |
| **Total Tax Expenses** | **2,854** | **1.83** | **9,502** | **6.35** |
| **Net profit after tax** | **94,930** | **61.70** | **(124,856)** | **(81.48)** |

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.

| | (Amt in USD) | (₹ in Lakhs) | (Amt in USD) | (₹ in Lakhs) |
|---|---|---|---|---|
| **Particulars** | **31.03.2018** | **31.03.2018** | **31.03.2017** | **31.03.2017** |
| India | - | - | - | - |
| Outside India | 341,457 | 219.05 | 901,772 | 605.51 |
| **Total** | **341,457** | **219.05** | **901,772** | **605.51** |

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.

| | (Amt in USD) | (₹ in Lakhs) | (Amt in USD) | (₹ in Lakhs) |
|---|---|---|---|---|
| **Segments** | **31.03.2018** | **31.03.2018** | **31.03.2017** | **31.03.2017** |
| End to End Solution | 32,116 | 20.89 | 205,252 | 133.09 |
| ITES - Assessment Services | 23,092 | 15.02 | 4,128 | 2.68 |
| **Total Segment Assets** | **55,208** | **35.91** | **209,380** | **135.77** |
| Unallocable Assets | 693,925 | 451.32 | 409,695 | 265.67 |
| **Total Assets** | **749,133** | **487.23** | **619,075** | **401.44** |

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

e **Segment Liabilities**

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

| | (Amt in USD) | (₹ in Lakhs) | (Amt in USD) | (₹ in Lakhs) |
|---|---|---|---|---|
| **Segments** | **31.03.2018** | **31.03.2018** | **31.03.2017** | **31.03.2017** |
| End to End Solution | 530,582 | 345.09 | 550,572 | 356.99 |
| ITES - Assessment Services | 78,980 | 51.37 | 21,550 | 13.97 |
| **Total Segment Liabilities** | **609,562** | **396.46** | **572,122** | **370.96** |
| Unallocable Liabilities | 17,598 | 11.45 | 19,910 | 12.91 |
| **Total Liabilities** | **627,160** | **407.91** | **592,032** | **383.87** |

f **Segment Capital Expenditure**

| | (Amt in USD) | (₹ in Lakhs) | (Amt in USD) | (₹ in Lakhs) |
|---|---|---|---|---|
| **Segments** | **31.03.2018** | **31.03.2018** | **31.03.2017** | **31.03.2017** |
| End to End Solution | - | - | - | - |
| ITES - Assessment Services | - | - | - | - |
| **Total Segment Capital Expenditure** | **-** | **-** | **-** | **-** |
| Add: Unallocable Capital Expenditure | - | - | 1,097 | 0.73 |
| **Total Capital Expenditure** | **-** | **-** | **1,097** | **0.73** |

g **Segment Depreciation / Amortisation**

| | (Amt in USD) | (₹ in Lakhs) | (Amt in USD) | (₹ in Lakhs) |
|---|---|---|---|---|
| **Segments** | **31.03.2018** | **31.03.2018** | **31.03.2017** | **31.03.2017** |
| End to End Solution | - | - | - | - |
| ITES - Assessment Services | - | - | - | - |
| **Total Segment Depreciation / Amortisation** | **-** | **-** | **-** | **-** |
| Add: Unallocable Depreciation / Amortisation | 91 | 0.06 | 365 | 0.24 |
| **Total Depreciation / Amortisation** | **91** | **0.06** | **365** | **0.24** |

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Note :

**Information about major customers**

Company's significant revenues have been dervied from 3 customers (Previous year 4 customers). Details of the same are given as under:

| Details | Forming part of segment | 2017-18 | | | 2016-17 | | |
|---|---|---|---|---|---|---|---|
| | | (Amt in USD) | (₹ in Lakhs) | % of revenue From Operation | (Amt in USD) | (₹ in Lakhs) | % of revenue From Operation |
| Customer 1 | End to End Solutions | 37,872 | 24.24 | 11.06 | 129,824 | 86.61 | 14.30 |
| Customer 2 | End to End Solutions | - | - | - | 420,184 | 283.55 | 46.83 |
| Customer 3 | End to End Solutions | 224,616 | 143.94 | 65.71 | 228,149 | 152.24 | 25.14 |
| Customer 4 | End to End Solutions | - | - | - | 96,900 | 65.25 | 10.78 |
| Customer 5 | ITES-Assessment Services | 38,714 | 25.07 | 11.44 | - | - | - |

No other single customer contributed 10% or more to the Company's revenue for FY 2017-18 and FY 2016-17.

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**23 Fair Value Measurements**

a) **Financial Instruments by category**

| Particulars | (Amt in USD) 31-Mar-18 | | | (₹ in Lakhs) 31-Mar-18 | | | (Amt in USD) 31-Mar-17 | | | (₹ in Lakhs) 31-Mar-17 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FVPL | FVOCI | Amortised Cost | FVPL | FVOCI | Amortised Cost | FVPL | FVOCI | Amortised Cost | FVPL | FVOCI | Amortised Cost |
| **Financial Assets** | | | | | | | | | | | | |
| **Investments** | | | | | | | | | | | | |
| Trade receivables | - | - | 33,896 | - | - | 22.05 | - | - | 209,102 | - | - | 135.59 |
| Unbilled Revenue | - | - | 21,312 | - | - | 13.86 | - | - | 278 | - | - | 0.18 |
| Cash and Cash equivalents | - | - | 693,507 | - | - | 451.05 | - | - | 398,033 | - | - | 258.09 |
| Other Financial assets | - | - | 98 | - | - | 0.06 | - | - | 1,779 | - | - | 1.15 |
| **Total** | **-** | **-** | **748,813** | **-** | **-** | **487.02** | **-** | **-** | **609,192** | **-** | **-** | **395.01** |
| **Financial Liabilities** | - | | | - | | | - | | | - | | |
| Trade Payables | - | - | 609,562 | - | - | 396.46 | - | - | 572,122 | - | - | 370.96 |
| Other financial liabilities | - | - | 5,598 | - | - | 3.65 | - | - | 4,624 | - | - | 3.00 |
| **Total** | **-** | **-** | **615,160** | **-** | **-** | **400.11** | **-** | **-** | **576,746** | **-** | **-** | **373.96** |

b) **Fair Value Measurements**

**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 at approximate their fair values.

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24 **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. 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.

The core business & operational risk is managed through cross functional involvement and communication across businesses.

The Finance 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.

**A. MANAGEMENT OF LIQUIDITY RISK**

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

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

| | (Amt in USD) | | | | (₹ in Lakhs) | | | |
|---|---|---|---|---|---|---|---|---|
| Particulars | Carrying amount amount | Less than 12 months | More than 12months | Total | Carrying amount amount | Less than 12 months | More than 12months | Total |
| As at 31st March 2018 | | | | | | | | |
| Trade payables | 609,562 | 609,562 | - | 609,562 | 396.46 | 396.46 | - | 396.46 |
| Other financial liabilities | 5,598 | 5,598 | - | 5,598 | 3.65 | 3.65 | - | 3.65 |
| As at 31st March 2017 | | | | | | | | |
| Trade payables | 572,122 | 572,122 | - | 572,122 | 370.96 | 370.96 | - | 370.96 |
| Other financial liabilities | 4,624 | 4,624 | - | 4,624 | 3.00 | 3.00 | - | 3.00 |

**B : 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 is high, due to the Company's customer base being small.

**Trade receivables**

All trade receivables are reviewed and assessed for default on a quarterly basis. (also refer note 26)
Basesd on historical experience of collecting receivables, supported by the level of default, our assessment of credit risk is low.

KHANDELWAL JAIN & COMPANY * MUMBAI * CHARTERED ACCOUNTANTS

NSEIT Limited * MUMBAI *

25 Capital and other commitments - NIL

26 During the year, the Company has written off third party Trade receivables amounting to USD 293,007. Correspondingly, the Company has also written back Trade payables amounting to USD 234,406 payable to its Parent Company pursuant to the understanding and arrangement with its Parent Company.

27 **Contingent liability:**

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

28 Expenditure in foreign currency (accrual basis) - NIL

29 Earnings in foreign currency (accrual basis) - NIL

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

31 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)**

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

NARENDRA JAIN
**Partner**
**Membership No.048725**

Place : Mumbai
Date : April 24, 2018

**For and on behalf of Board of Directors**

N. MURALIDARAN
Director
DIN No. 06567029

NSEiT Limited MUMBAI