Knowledge Driven Technological Innovation

20th Annual Report

2018-2019

KHANDELWAL JAIN & CO.

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

CHARTERED ACCOUNTANTS

6-B&C, Pil Court, 6th Floor,
111, M. Karve Road, Churchgate,
Mumbai - 400 020.
Tel.: (+91-22) 4311 5000
Fax : 4311 5050

12-B, Baldota Bhavan, 5th Floor,
117, M. Karve Road, Churchgate,
Mumbai - 400 020.
Tel.: (+91-22) 4311 6000
Fax : 4311 6060

INDEPENDENT AUDITORS' REPORT

To the Members of NSEIT Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of NSEIT Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

KHANDELWAL JAIN & COMPANY * CHARTERED ACCOUNTANTS * MUMBAI

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

KHANDELWAL JAIN & COMPANY * MUMBAI * CHARTERED ACCOUNTANTS

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

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

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

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

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

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

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

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

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

KHANDELWAL JAIN & COMPANY * MUMBAI * CHARTERED ACCOUNTANTS

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

   e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

KHANDELWAL JAIN & COMPANY
MUMBAI
CHARTERED ACCOUNTANTS

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

   i. The Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its standalone financial statements – Refer Note 42 to the standalone financial statements.

   ii. The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses - Refer Note 43 to the standalone financial statements.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019 - Refer Note 44 to the standalone financial statements.

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

KHANDELWAL JAIN & COMPANY
MUMBAI
CHARTERED ACCOUNTANTS

Narendra Jain
Partner
Membership Number: 048725

Place: Mumbai
Date: April 24, 2019

Annexure A to Independent Auditors' Report
Referred in the Independent Auditors' Report of even date to the members of NSEIT Limited on the standalone financial statements

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

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and we have been informed that no material discrepancies have been noticed on such verification.

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

ii. The management has conducted physical verification of the inventory at reasonable intervals. In our opinion, the frequency of physical verification is reasonable. No material discrepancies were noticed on physical verification between the physical stock and book records. There is no inventory at the end close of the year.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

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

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

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

KHANDELWAL JAIN & COMPANY
MUMBAI
CHARTERED ACCOUNTANTS

vii (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, service tax, goods and service tax (GST) and other material statutory dues, as applicable, with the appropriate authorities. According to the records of the Company, there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service-tax, GST, duty of custom, duty of excise, value added tax and other statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax-Demand u/s 143(1)(a)	12,24,490	AY 2016-17	Assessing Officer
Income Tax Act, 1961	Income Tax-Demand u/s 143(1)(a)	29,620	AY 2017-18	Assessing Officer

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

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

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

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

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

KHANDELWAL JAIN & COMPANY
MUMBAI
CHARTERED ACCOUNTANTS

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

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

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

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

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

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

Narendra Jain
Partner
Membership Number: 048725

Place: Mumbai
Date: April 24, 2019

6-B&C, Pil Court, 6th Floor,
111, M. Karve Road, Churchgate,
Mumbai - 400 020.
Tel.: (+91-22) 4311 5000
Fax : 4311 5050

12-B, Baldota Bhavan, 5th Floor,
117, M. Karve Road, Churchgate,
Mumbai - 400 020.
Tel.: (+91-22) 4311 6000
Fax : 4311 6060

Annexure B to Independent Auditors' Report

(Referred to in our report of even date)

Report on the Internal Financial Controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("The Act")

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

1. We have audited the internal financial controls over financial reporting of NSEIT Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Narendra Jain

KHANDELWAL JAIN & COMPANY * CHARTERED ACCOUNTANTS * MUMBAI

Narendra Jain
Partner
Membership Number: 048725

Place: Mumbai
Date: April 24, 2019

NSEIT Limited
(Formerly known as *NSE.IT LIMITED*)
BALANCE SHEET AS AT MARCH 31, 2019

(₹ In Lakhs)

	Particulars	Notes	As at 31.03.2019 (Audited)	As at 31.03.2018 (Audited)
	ASSETS			
1	**Non-current assets**			
a	Property, Plant and Equipment	2	809.59	643.01
b	Capital work-in-progress	2.1	8.10	4.47
c	Other Intangible assets	2	244.84	301.03
d	Financial Assets			
i	Investments	3	8,941.84	533.69
ii	Other Financials assets			
	- Non-Current Bank Balances	4	521.62	41.62
	- Loans	4	1,903.40	-
	- Others	4	16.34	2.10
e	Deferred Tax Assets (net)	16	357.80	285.82
f	Income Tax Assets (net)	17	251.00	180.65
g	Other assets	5	88.97	8.10
	Total Non-current assets		**13,143.50**	**2,000.49**
2	**Current assets**			
a	Inventories	6	-	1.45
b	Financial Assets			
i	Investments	3	6,272.37	980.90
ii	Trade receivable	7	4,645.78	7,743.49
iii	Unbilled receivables	8	1,884.53	527.74
iv	Cash and Cash equivalents	9	2,561.88	3,339.79
v	Bank balances other than (iv) above	9	3,164.61	979.60
vi	Loans	4	479.95	404.00
vii	Other Financial assets	4	597.17	109.75
c	Other assets	5	1,166.99	336.21
	Total Current assets		**20,773.28**	**14,422.93**
	TOTAL ASSETS		**33,916.78**	**16,423.42**

KHANDELWAL JAIN & COMPANY * MUMBAI * CHARTERED ACCOUNTANTS

NSEIT Limited * MUMBAI *

	Particulars	Notes	As at 31.03.2019 (Audited)	As at 31.03.2018 (Audited)
				(₹ in Lakhs)
	EQUITY AND LIABILITIES			
(A)	**EQUITY**			
a	Equity Share capital	10	1,000.00	1,000.00
c	Other Equity	11	15,088.96	11,906.86
	Total Equity		**16,088.96**	**12,906.86**
(B)	**LIABILITIES**			
1	**Non-current liabilities**			
a	Financial Liabilities			
i	Borrowings	12	10,000.00	-
ii	Other financial liabilities	14	-	-
b	Provisions	15	93.83	60.60
c	Deferred tax liabilities (net)	16	-	-
d	Other liabilities	18	-	-
	Total Non-current liabilities		**10,093.83**	**60.60**
2	**Current liabilities**			
a	Financial Liabilities			
i	Trade Payables	13	3,114.85	1,571.28
ii	Other financial liabilities	14	1,357.41	18.83
b	Provisions	15	956.43	709.17
c	Income Tax Liabilities (net)	17	399.44	399.02
d	Other liabilities	18	1,905.86	757.66
	Total Current liabilities		**7,733.99**	**3,455.96**
	TOTAL EQUITY AND LIABILITIES		**33,916.78**	**16,423.42**

Summary of significant accounting policies 1

Notes refer to above form an integral part of Balance Sheet

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

As per our report of even date attached

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

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

NARENDRA JAIN
Partner
Membership No.048725

Place : Mumbai
Date : April 24, 2019

For and on behalf of Board of Directors

Prof. S. SADAGOPAN
Chairman
DIN No. 00118285

N. MURALIDARAN
Managing Director & CEO
DIN No. 06567029

M.S. SUNDARA RAJAN
Director
DIN No. 00169775

JAYESH DEVADIGA
Chief Financial Officer

SOMNATH SAHA
Company Secretary

NSEIT Limited MUMBAI

NSEIT LIMITED
(Formerly known as *NSE.IT LIMITED*)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ In Lakhs)

Particulars	Notes	For the year ended 31.03.2019	For the year ended 31.03.2018
Income			
Revenue from operations	19	26,988.82	18,375.27
Other income	20	614.84	513.24
Total Income		27,603.66	18,888.51
Expenses			
Employee benefits expense	21	7,456.41	6,239.95
Purchases of Stock-in-Trade	23	0.25	0.35
Changes In Inventories Of Stock-In-Trade	23	1.45	0.79
Technical & Sub Contract Charges	24	3,385.37	3,072.19
Repairs & Maintenance	24	93.49	84.47
Finance Cost	22	78.33	64.23
Depreciation and amortisation expense	2	472.73	257.12
Other expenses	24	11,195.43	6,382.34
Total Expenses		22,683.44	16,101.44
Profit before exceptional items and tax		4,920.22	2,787.07
Exceptional item		-	-
Profit before tax		4,920.22	2,787.07
Less : Income Tax expense	15		
- Current tax		1,550.00	1,070.00
- Short / (excess) Tax for earlier years		(18.19)	50.64
- Deferred tax		(26.04)	(77.45)
Total tax expenses		1,505.77	1,043.19
Profit after tax (A)		3,414.45	1,743.88
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations	26	(157.75)	57.34
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		45.94	(16.70)
Total Other Comprehensive Income, net of tax (B)		(111.82)	40.64
Total Comprehensive Income (A+B)		3,302.63	1,784.52
Earnings per equity share (FV ₹ 10 each)			
- Basic (₹)	25	34.14	17.44
- Diluted (₹)	25	34.14	17.44
Summary of significant accounting policies	1		

Notes refer to above form an integral part of the Statement of Profit & Loss
This is the Statement of Profit & Loss referred to in our report of even date

As per our report of even date attached
For Khandelwal Jain & Co.
Chartered Accountants
(Reg No : 105049W)

NARENDRA JAIN
Partner
Membership No.048725

Place : Mumbai
Date : April 24, 2019

For and on behalf of the Board of Directors

Prof. S. SADAGOPAN
Chairman
DIN No. 00118285

N. MURALIDARAN
Managing Director & CEO
DIN No. 08567029

M.S. SUNDARA RAJAN
Director
DIN No. 00169775

JAYESH DEVADIGA
Chief Financial Officer

SOMNATH SAHA
Company Secretary

NSEIT Limited
(Formerly known as *NSE.IT LIMITED*)
STATEMENT OF CHANGES IN EQUITY MARCH 31, 2019

(₹ In Lakhs)

(A) Equity Share Capital

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

(B) Other Equity

Particulars	General reserve	Retained Earnings	Total
Balance at the beginning of the reporting period	**5,436.06**	**6,470.80**	**11,906.87**
Amount transferred from the surplus balance in the statement of profit & loss	-	3,414.45	3,414.45
Total Comprehensive Income for the year		(111.82)	(111.82)
Foreign Currency Translation Fluctuation			-
Dividends		(100.00)	(100.00)
Dividend Tax		(20.56)	(20.56)
Total Other Equity	**5,436.06**	**9,652.89**	**15,088.96**

STATEMENT OF CHANGES IN EQUITY MARCH 31, 2018

(A) Equity Share Capital

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

(B) Other Equity

Particulars	General reserve	Retained Earnings	Total
Balance at the beginning of the reporting period	**5,436.06**	**4,806.64**	**10,242.70**
Amount transferred from the surplus balance in the statement of profit & loss		1,743.88	1,743.88
Total Comprehensive Income for the year		40.64	40.64
Foreign Currency Translation Fluctuation			-
Dividends		(100.00)	(100.00)
Dividend Tax		(20.36)	(20.36)
Total Other Equity	**5,436.06**	**6,470.80**	**11,906.86**

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.046725

Place : Mumbai
Date : April 24, 2019

For and on behalf of the Board of Directors

Prof. S. SADAGOPAN
Chairman
DIN No. 00118285

N. MURALIDARAN
Managing Director & CEO
DIN No 06567029

M.S. SUNDARA RAJAN
Director
DIN No. 00169775

JAYESH DEVADIGA
Chief Financial Officer

SOMNATH SAHA
Company Secretary

NSEIT Limited
STATEMENT OF CASH FLOW FOR THE PERIOD ENDED MARCH 31, 2019
(Formerly known as *NSE.IT LIMITED*)

(₹ In Lakhs)

		2018-19	2017-18
A)	**CASHFLOW FROM OPERATING ACTIVITIES**		
	PROFIT BEFORE TAX	4,920.22	2,787.07
	Add : Adjustments for :		
	- Depreciation and amortisation expense	472.73	257.12
	- Bad Debts written off	-	4.53
	- Cost of Investment written off	-	0.10
	- Provision for Doubtful Debts	164.06	226.82
	Less : Adjustments for :		
	- Interest income on Bank deposits	(397.84)	(405.41)
	- Interest income on Others	(14.53)	(0.72)
	Net gain on sale of mutual funds mandatorily measured at fair value through Profit and Loss	(56.45)	(14.73)
	- Net gain on mutual funds mandatorily measured at fair value through Profit and Loss	(65.42)	(28.61)
	- Net Gain on disposal of property,plant and equipment	1.80	(1.13)
	- Dividend, DDT and other cost for issue of peference shares	28.32	-
	- Exchange difference on items grouped under financing/investing activities	42.22	-
	- Excess provision written back	(59.45)	(36.01)
	- Sundry Balance W/ Back	(0.89)	(14.25)
	Change in Operating Assets and Liabilities		
	- Trade Receivable and Unbilled Receivable	1,576.86	(3,588.09)
	- Inventories	1.45	0.79
	- Trade Payable and Provisions	1,726.65	907.10
	- Other Assets	(892.12)	(85.16)
	- Other Liabilities	1,148.19	(985.17)
	CASH GENERATED / (USED) FROM OPERATIONS	8,595.79	(975.75)
	- Income Taxes paid (Net of Refunds)	(1,601.74)	(1,079.88)
	NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)	6,994.05	(2,055.63)
B)	**CASHFLOW FROM INVESTING ACTIVITIES**		
	- Payment for Property Plant, Equipment	(599.87)	(764.48)
	- Sale Proceed from Property Plant, Equipment	0.15	5.37
	- Interest received	436.67	443.00
	- Payment from fixed deposits / Bank Balances other than cash & cash equivalents (Net)	(819.01)	922.71
	- Proceeds from fixed deposits / Bank Balances other than cash & cash equivalents (Net)	(1,846.00)	(1,011.21)
	- Payment for investment	(6,700.00)	(2,022.00)
	- Sale Proceeds from investment	1,530.41	1,421.73
	- Investment in NSE Foundation	-	(0.10)
	- Investment in Aujas Networks Pvt. Ltd.	(7,613.15)	-
	- Loan given to Subsidairies	(1,944.00)	-
	NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)	(17,554.79)	(1,004.98)

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

NSEIT Limited MUMBAI

C) **CASHFLOW FROM FINANCING ACTIVITIES**

- Dividend paid	(100.00)	(100.00)
- Dividend distribution tax paid	(20.56)	(20.36)
- Borrowings for Preference Shares	10,000.00	-
- Stamp Duty & Registration charges on Borrowing	(95.00)	
NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)	9,784.45	(120.36)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(776.29)	(3,180.97)
CASH AND CASH EQUIVALENTS : OPENING BALANCE	3,339.79	6,520.76
CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE	2,561.88	3,339.79
TOTAL CASH AND CASH EQUIVALENTS AS PER BALANCE SHEET	(777.91)	(3,180.97)
- Add: Unrealised exchange (gain)/loss on cash and cash equivalents	1.62	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	(776.29)	(3,180.97)
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
- Cash and cash equivalents	2,561.88	3,339.79
Balance as per statement of cash flows	2,561.88	3,339.79

Notes :

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

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date attached

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

NARENDRA JAIN
Partner
Membership No.048725

Place : Mumbai
Date : April 24, 2019

For and on behalf of Board of Directors

Prof. S. SADAGOPAN
Chairman
DIN No. 00118285

JAYESH DEVADIGA
Chief Financial Officer

N. MURALIDARAN
Managing Director & CEO
DIN No. 06567029

M.S. SUNDARA RAJAN
Director
DIN No. 00169775

SOMNATH SAHA
Company Secretary

Notes forming integral part of the financial statements

1 **Summary of significant accounting policies :**

a) **Company Overview**

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

The Financial Statements are approved for issue by the Company's Board of Directors on April 24, 2019.

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

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

i) Historical cost convention

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

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

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

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

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

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

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

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

c) **Use of estimates**

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

d) **Investments and other financial assets**

(i) Classification

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

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

NSEIT Limited MUMBAI

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

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

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

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.
Debt instruments :-
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

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

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

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

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

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

Equity Investments (in subsidiaries, associates and joint venture)

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

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

(iii) Impairment of financial assets

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

De-recognition of financial assets :-

A financial asset is de-recognised only when

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

JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

NSEIT Limited MUMBAI

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) **Transaction costs**

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

g) **Derivatives**

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

h) **Leases**

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

NSEIT Limited MUMBAI

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

i) **Revenue Recognition**

The Company earns revenue primarily from providing end-to-end technology solutions covering the entire gamut of Application Services, Testing Center of Excellence, Infrastructure Services, Integrated Security Response Center, Analytics as a Service and IT Enabled Services (e-Assessments and e-Auctions) for BFSI segment.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 1(h) – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

KHANDELWAL JAIN & CO. CHARTERED ACCOUNTANTS MUMBAI

NSEIT Limited MUMBAI

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

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

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

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

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

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

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

j) **Property, plant and equipment**

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation/amortization and impairment loss, if any. The cost is inclusive of freight, installation cost, duties, taxes, borrowing cost and other incidental expenses for bringing the asset to its working conditions for its intended use but net of Input Tax Credits, wherever input credit is claimed.
When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life.
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
All other repair and maintenance costs are recognized in Income statement as incurred.

k) **Depreciation**

(i) Depreciation on tangible fixed assets is provided on Straight Line Method as per the useful life and in the manner prescribed in Schedule II to Companies Act, 2013. Fixed Furniture and fixtures, Electrical installation and Office equipment including civil improvements at lease hold premises are depreciated over the lease period.

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

(ii) Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.

(iii) The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

KHANDELWAL JAIN & CO. CHARTERED ACCOUNTANTS MUMBAI

NSEIT Limited MUMBAI

l) **Intangible assets**

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

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

Development costs

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

- The technical feasibility of completing the intangible asset so that the asset will be available for use
- Its intention to complete and its ability and intention to use the asset
- How the asset will generate future economic benefits
- The ability to measure reliably the expenditure during development
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available

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.

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

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

n) **Inventory :**

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

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

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

p) **Foreign currency transactions and translation**

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian currency (INR), which is the Company's functional and presentation currency.

Transactions and translations

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognised in profit or loss.
Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

Effective April 1, 2018 the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

q) **Employee benefits**

i **Short-term obligations**

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

ii **Other long-term employee benefit obligations**

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

iii **Post-employment obligations**

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

iv **Gratuity obligations**

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

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

v **Defined contribution plans**

Superannuation

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

Provident Fund

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

vi **Bonus plans**

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

r) **Income tax**

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

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

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

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

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

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

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

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

s) **Contributed equity**

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

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

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

u) **Trade and other payables**

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

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

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

all other liabilities as non-current.

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

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

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

NSEIT Limited MUMBAI

w) **Dividends**

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

x) **Trade receivables**

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

y) **Offsetting financial instruments**

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

z) **Earnings per share**

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

aa) Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.
The areas involving critical estimates or judgements are:
Use of significant judgements in revenue recognition (Note i(x))
Estimation of useful life of tangible asset and intangible asset (Note 2)
Recognition of deferred tax assets [Note 16(D)]
Estimation of defined benefit obligation (Note 26)
Estimation of contingent liabilities and commitments (Note 29 & 30)
Impairment of Assets (Note 1 (m))
Recoverability of Trade Receivables [Note 39 (C)]

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

ab) **Recent Accounting Pronouncement:**

i) **Ind AS 116 Leases:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:
• Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Kheriwal Jain & Company Chartered Accountants Mumbai

NSEIT Limited Mumbai

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
• An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The Company is currently evaluating the effect of this amendment on the financial statements.

ii) **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:**
On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The Company is currently evaluating the effect of this amendment on the financial statements.

iii) **Amendment to Ind AS 12 – Income taxes:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

iv) **Amendment to Ind AS 19 – plan amendment, curtailment or settlement:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:
• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

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

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

NSEIT Limited MUMBAI

2: Property, Plant & Equipment

(₹ In Lakhs)

Sr No.	Category	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
		As on 1-Apr-18	Additions	Deductions	As on 31-Mar-19	As on 1-Apr-18	For the year	Deductions	As on 31-Mar-19	As on 31-Mar-19	As on 31-Mar-18
A	Tangible Assets										
1	Computer Hardware and Servers & Networks	1,715.15	457.37	183.91	1,988.61	1,210.18	247.91	183.76	1,274.34	714.27	504.97
2	Office Equipment	575.11	51.97	5.45	621.62	515.52	24.64	5.45	534.71	86.91	59.59
3	Furniture & Fixtures	280.52	5.81	-	286.33	240.14	37.78		277.92	8.41	40.38
4	Building - Civil Work	105.53	-	-	105.53	67.46	38.07		105.53	0.00	38.07
		2,676.31	**515.15**	**189.36**	**3,002.09**	**2,033.30**	**348.40**	**189.20**	**2,192.50**	**809.59**	**643.01**
B	Intangible Assets										
1	Computer Software	991.96	69.93	16.43	1,045.45	690.92	124.32	14.64	800.60	244.84	301.03
2	Software copyrights	259.06	-	-	259.06	259.06			259.06	0.00	1.00
		1,251.02	**69.93**	**16.43**	**1,304.51**	**949.99**	**124.32**	**14.64**	**1,059.67**	**244.84**	**302.03**
	GRAND TOTAL	**3,927.32**	**585.07**	**205.80**	**4,306.60**	**2,983.28**	**472.73**	**203.85**	**3,252.16**	**1,054.44**	**945.04**
	PREVIOUS YEAR	**3,456.66**	**835.44**	**364.77**	**3,927.32**	**3,086.70**	**257.12**	**360.54**	**2,983.28**	**944.04**	

(₹ In Lakhs)

Sr No.	Category	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
		As on 1-Apr-17	Additions	Deductions	As on 31-Mar-18	As on 1-Apr-17	For the year	Deductions	As on 31-Mar-18	As on 31-Mar-18	As on 31-Mar-17
A	Tangible Assets										
1	Computer Hardware and Servers & Networks	1,410.69	451.62	147.16	1,715.15	1,229.23	126.29	145.34	1,210.18	504.97	181.46
2	Office Equipment	606.04	44.80	75.73	575.11	567.70	21.16	73.34	515.52	59.59	38.34
3	Furniture & Fixtures	392.66	2.94	115.08	280.52	309.06	46.14	115.06	240.14	40.38	83.61
4	Building - Civil Work	88.57	43.76	26.80	105.53	68.18	26.08	26.80	67.46	38.07	20.40
		2,497.97	**543.11**	**364.77**	**2,676.31**	**2,174.16**	**219.68**	**360.54**	**2,033.30**	**643.01**	**323.81**
B	Intangible Assets										
1	Computer Software	699.63	292.32	-	991.96	653.48	37.45	-	690.92	301.03	46.15
2	Software copyrights	259.06	-	-	259.06	259.06	-	-	259.06	0.00	0.00
		958.69	**292.32**	**-**	**1,251.02**	**912.54**	**37.45**	**-**	**949.99**	**301.03**	**46.15**
	GRAND TOTAL	**3,456.66**	**835.44**	**364.77**	**3,927.32**	**3,086.70**	**257.12**	**360.54**	**2,983.28**	**944.04**	**369.96**
	PREVIOUS YEAR	**3,296.54**	**202.01**	**41.89**	**3,456.66**	**2,900.34**	**228.25**	**41.89**	**3,086.70**	**369.96**	

2.1 **Capital Work In Progress**

(₹ In Lakhs)

Particulars	31-Mar-19	31-Mar-18
Opening Balance - Carrying amount	**4.47**	**56.60**
Additions	588.71	447.89
Disposals	-	0.66
Transfers	585.07	499.36
Closing Balance - Carrying amount	**8.10**	**4.47**

KHANDELWAL JAIN & COMPANY * CHARTERED ACCOUNTANTS * MUMBAI

NSEIT Limited ★ MUMBAI ★

3 i **Investments**

	Non-current		Current	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	(₹ in Lakhs)		(₹ in Lakhs)	
A **Investments in subsidiaries**				
Investment in Equity Instrument (fully paid up)				
Unquoted Equity Instrument (at cost)				
i NSEIT(US) Inc. (refer Note 40)	533.69	533.69	-	-
[1000000 Equity share of $ 1 each fully paid]				
Ownership interest 100% (previous year 100%)				
ii Aujas Networks Private Limited (Refer Note 34)			-	-
[2010 Series A Equity shares of Rs. 1 each fully paid] (previous year Nil)	0.06	-	-	-
[1000 Series B Equity shares of Rs. 1 each fully paid] (previous year Nil)	0.03	-	-	-
[25,29,12,862 Equity shares of Rs. 1 each fully paid] (previous year Nil)	8,408.06	-	-	-
Ownership interest 95.39% (previous year Nil)				
"Series A Equity Shares" of face value of Rs 1/- carry differential voting rights which entitle the owner thereof to 57,732 votes for such equity share				
"Series B Equity Shares" of face value of Rs 1/- carry differential voting rights which entitle the owner thereof to 77,121 votes for such equity share				
B **Unquoted Equity Instrument**				
NSE Foundation *	0.00	0.00	-	-
[1000 Equity share of Rs. 10 each fully paid]				
C **Investments in Mutual Funds**	-	-	6,272.37	980.90
Unquoted Investment in Mutual funds at FVPL (Refer Note 37)				
	8,941.84	533.69	6,272.37	980.90

* NSE Foundation is incorporated under section 8 of the Companies Act, 2013 and intends to apply its profits, if any, or other income in promoting its objects and any payment of dividend to its members is prohibited.

4 **Other Financial Assets**

	Non-current		Current	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	(₹ in Lakhs)		(₹ in Lakhs)	
i **Non-Current Bank Balances**				
Fixed deposits with maturity for more than 12 months	500.00	-	-	-
Earmarked fixed deposits with maturity for more than 12 months *	21.62	41.62	-	-
	521.62	41.62	-	-
ii **Loans**				
a Security deposit (unsecured, considered good)	-	-	479.95	404.00
b **Loans to related parties (Subsidiaries)**				
(unsecured, considered good)				
NSEIT(US) Inc. (USD 20,00,000) (previous year Nil) (refer note 40)	1,383.40	-	-	-
Aujas Networks Private Limited	520.00	-	-	-
	1,903.40	-	-	-
Total	**1,903.40**	**-**	**479.95**	**404.00**

KHANDELWAL JAIN & COMPANY MUMBAI

NSEIT Limited MUMBAI

	Non-current 31.03.2019	Non-current 31.03.2018	Current 31.03.2019	Current 31.03.2018
iii Others				
Interest accrued on Bank deposits	2.49	2.10	62.18	101.18
Interest accrued on Loans (unsecured, considered good)	13.85	-	0.46	-
Insurance Claim Receivable	-	-	527.01	-
Loan to Employee (unsecured, considered good)	-	-	1.50	3.50
Service Tax Refund	-	-	6.01	5.07
	16.34	2.10	597.17	109.75
Total	2,441.35	43.72	597.17	109.75

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

5 **Other assets**

	Non-current		Current	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	(₹ in Lakhs)		(₹ in Lakhs)	
Advance to Creditors (unsecured, considered good)	-	-	514.60	14.38
Advance to Staff for Expenses (unsecured, considered good)	-	-	460.44	141.38
Salary Advance (unsecured, considered good)	-	-	3.32	0.36
Prepaid expenses	11.94	8.10	171.24	143.83
Deferred Transaction Cost	77.03		17.40	-
Balance with GST Authorities	-	-	-	36.26
	88.97	8.10	1,166.99	336.21

6 **Inventories - Traded Goods**

Inventories - Traded Goods	-	-	-	1.45
	-	-	-	1.45

7 **Trade receivables**

	Non-current		Current	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	(₹ in Lakhs)		(₹ 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	-	-	823.47	1,274.28
Doubtful	-	-	349.40	226.82
Less : Provision for Doubtful Debts	-	-	349.40	226.82
	-	-	823.47	1,274.28
Other debts				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	3,863.80	6,469.21
	-	-	4,687.26	7,743.49
Less : Provision for Expected Credit Loss (refer note 39)			41.48	-
Total	-	-	4,645.78	7,743.49

8 **Unbilled Receivables**

	Non-current		Current	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	(₹ in Lakhs)		(₹ in Lakhs)	
Unbilled Receivables	-	-	1,884.53	527.74

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

NSEIT Limited MUMBAI

9 **Cash and Cash equivalents**

	Non-current 31.03.2019	Non-current 31.03.2018	Current 31.03.2019	Current 31.03.2018
	(₹ In Lakhs)		(₹ In Lakhs)	
Balances with banks				
- In Current Accounts	-	-	220.54	208.08
- In Flexi Deposits	-	-	2,341.27	3,131.69
Cash on hand	-	-	0.06	0.03
	-	-	2,561.88	3,339.79
Bank Balances other than Cash and cash equivalents				
Fixed deposits				
- with original maturity for more than 3 months but less than 12 months	-	-	-	-
- with maturity of less than 12 months at the balance sheet date	-	-	105.15	796.00
Earmarked fixed / flexi deposits *				
- with original maturity for more than 3 months but less than 12 months	-	-	-	-
- with maturity of less than 12 months at the balance sheet date	-	-	3,059.46	183.60
Escrow Account with State Bank of India	-	-	-	-
	-	-	3,164.61	979.60
Total	-	-	5,726.49	4,319.39

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

10 A **Equity Share Capital**

	31.03.2019	31.03.2018
	(₹ In Lakhs)	
Authorised		
15,000,000 (Previous Year 15,000,000) Equity Shares of Rs 10 each.	**1,500.00**	**1,500.00**
Issued, Subscribed and Paid-up		
10,000,010 (Previous year 10,000,010) Equity shares of Rs.10 each fully paid up.	**1,000.00**	**1,000.00**

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

Terms and rights attached to equity shares

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

The Board of Directors, in their meeting on April 24, 2018, proposed a dividend of Rs 1 /- per equity share which has been approved by the shareholders at the Annual General Meeting held on July 25, 2018. The total dividend paid during the year ended March 31, 2019 amounts to Rs.120.56 Lakhs including dividend distribution tax Rs. 20.56 Lakhs

The Board of Directors in the meeting on April 24, 2019, have proposed a final dividend of Rs. 100.00 lakhs for the Financial Year ended March 31, 2019. The proposal is subject to approval of the shareholders at the ensuing annual general meeting to be held and if approved would result in a cash outflow of approximately Rs. 120.56 lakhs including corporate dividend tax.

NSEIT Limited MUMBAI

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

	31.03.2019		31.03.2018	
	No.	% holding	No.	% holding
Equity shares of Rs 10/- each fully paid NSE Investment Corporation Ltd.	1,00,00,010	100%	1,00,00,010	100%

B **Preference Share Capital**

	31.03.2019	31.03.2018
	(₹ in Lakhs)	
Authorised Preference capital		
10,000,000 (March 31, 2018: Nil) cumulative redeemable preference shares of Rs. 100 each	10,000.00	-

11 **Other Equity**

	31.03.2019	31.03.2018
	(₹ in Lakhs)	
General reserve		
As per last balance sheet	5,436.06	5,436.06
Add : Transferred from surplus balance in the Statement of Profit & Loss	-	-
	5,436.06	5,436.06
Retained Earnings - Surplus/(deficit) in the statement of profit and loss		
As per last balance sheet	6,470.80	4,806.64
Add : Profit / (Loss) for the year	3,414.45	1,743.88
Add : Other Comprehensive Income	(111.82)	40.64
Less : Equity Dividend Paid	100.00	100.00
Less : Tax on equity dividend paid	20.56	20.36
	9,652.89	**6,470.80**
Total Other Equity	**15,088.96**	**11,906.86**

12 **Borrowings**

Unsecured

	31.03.2019	31.03.2018
7%, Seven Years, Cumulative Redeemable Preference Shares (CRPS) 10,000,000 (Previous year Nil) Preference shares of Rs.100 each fully paid up	**10,000**	-

Terms and conditions for issue of Preference shares

Rate of Dividend : Dividend rate will be 7% p.a. (on the face value) which will remain fixed over the tenure of the CRPS
Cumulative: The CRPS will carry Cumulative Dividend Right.
Priority with Respect to payment of dividend or repayment of capital : The CRPS will carry a preferential right vis-a-vis equity shares of the Company with respect to the payment of dividend and repayment of capital during winding up.

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

Conversion: CRPS shall not be convertible into equity shares
Voting rights : CRPS shall carry voting rights as per the provisions of Section 47(2) of the Companies Act 2013
Redemption: All the CRPS shall be redeemed at the end of 7 years from the date of allotment i.e. 20th March 2019.

NSEIT Limited MUMBAI

KHANDELWAL JAIN & COMPANY CHARTERED ACCOUNTANTS MUMBAI

13 Trade Payables

	Non-current		Current	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	(₹ in Lakhs)		(₹ in Lakhs)	
Trade payables	-	-	2,996.59	1,437.72
Trade payables to related Party (refer note 27)	-	-	118.26	133.56
	-		**3,114.85**	**1,571.28**

14 Other Financial Liabilities

	Non-current		Current	
Creditors for Investment	-	-	795.00	-
Other Payables to related Party [refer note 27 & 30 (ii)]	-	-	527.01	-
Creditors for Capital Expenditure	-	-	7.66	18.83
Dividend payable on preference shares	-	-	27.74	-
	-	-	1,357.41	18.83

15 Provisions

	Non-current		Current	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	(₹ in Lakhs)		(₹ in Lakhs)	
Employee benefits obligation				
Provision for Gratuity (Ref. Note 25)	-	-	121.85	28.66
Provision for Leave Encashment (Ref. Note 25)	93.83	60.60	42.32	23.73
Provision for variable pay and incentives	-	-	792.27	656.78
Total	**93.83**	**60.60**	**956.43**	**709.17**

16 Income Taxes

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

Profit or loss section

Particulars	31.03.2019	31.03.2018
	(₹ in Lakhs)	
Current taxes	1,550.00	1,070.00
Short / Excess Tax for earlier years	(18.19)	50.64
Deferred taxes movement of Asset	(26.04)	(77.45)
Income tax expense reported in the statement of profit or loss	1,505.77	1,043

OCI section

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

Particulars	31.03.2019	31.03.2018
	(₹ in Lakhs)	
Re-measurement of the defined benefit liability / asset	45.94	(16.70)
Income tax gain/(charged) to Other Comprehensive Income	45.94	(16.70)

(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 31.03.2019	Year ended 31.03.2018
Profit before income tax expense	4,920.22	2,787.07
Tax at the Indian Tax Rate of 29.12% (PY 34.608%)	29.12%	34.608%
Computed expected tax expenses	1,432.77	964.55
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Disallowance due to contribution to NSE Foundation and 80G benefit (net)	8.78	26.73
- Expenditure related to Investments	18.46	-
- Dividend & other cost for issue of Preference shares	8.41	-
- Short / (excess) Tax for earlier years	(18.19)	50.64
- Other Impacts	55.54	1.27
Current Income Tax for the year	1,505.77	1,043.19

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

Particulars	31.03.2019	31.03.2018
	(₹ in Lakhs)	
Net current income tax asset/(liability) at the beginning	(218.37)	(177.60)
Income tax paid (including TDS and net of refund)	1,601.74	1,079.87
Current income tax expense	(1,550.00)	(1,070.00)
Short / Excess Tax for earlier years	18.19	(50.64)
Net current income tax asset/(liability) at the end	**(148.44)**	**(218.37)**

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

Particulars	31.03.2019	31.03.2018
	(₹ in Lakhs)	
Deferred income tax assets		
Impact of difference between depreciation /amortization charged for the financial reporting and tax depreciation	79.15	73.33
Impact of difference arising on account of impairment of intangible asset and tax depreciation,	3.11	4.15
Impact of Gratuity , Leave Encashment & Perfomance Bonus disallow u/s 43 B	182.79	151.29
Imapct of Provision for Doubtful Debts	113.83	66.05
Impact of Non Deduction of TDS u/s 40 (a) (ia)	-	-
Total deferred income tax assets	**378.88**	**294.82**
Deferred income tax liabilities		
Fixed assets: Impact of difference between depreciation /amortization charged for the financial reporting and tax depreciation		
Impact of fair value on Investment in Mutual Funds	21.08	9.00
Total deferred income tax liabilities	**21.08**	**9.00**
Deferred income tax asset after set off	**357.80**	**285.82**

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

Particulars	Depreciation on Tangible Assets	Amortization on Intangible Assets	Provision for Gratuity, Leave Encashment & Performance Pay	Disallowance u/s 40 (a)(ia) Non Deduction of TDS	Provision for Doubtful Debts	Actuarial Gain / (Loss) through OCI for Gratuity & Leave Encashment	Total
At 1st April 2017	**96.50**	**6.57**	**127.20**	**3.46**	**-**	**(7.86)**	**225.87**
Charged / (Credited)							
- to profit or loss	23.17	2.42	(48.65)	3.46	(66.05)	-	**(85.66)**
- to other comprehensive income	-	-	-	-	-	(16.70)	**(16.70)**
- to retained earning	-	-	-	-	-	-	-
At 31st March 2018	**73.33**	**4.15**	**175.85**	**-**	**66.05**	**(24.56)**	**294.82**
Charged / (Credited)							
- to profit or loss	(5.82)	1.04	14.44	-	(47.78)	-	**(38.12)**
- to other comprehensive income	-	-	-	-	-	45.94	**45.94**
- to retained earning	-	-	-	-	-	-	-
At 31st March 2019	**79.15**	**3.11**	**161.41**	**-**	**113.83**	**21.38**	**378.88**

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

Particulars	Depreciation on Tangible Assets	Amortization on Intangible Assets	Financial Assets at Fair Value through profit and Loss	Total
At 1st April 2017	-	-	**0.80**	**0.80**
Charged / (Credited)				
- to profit or loss	-	-	(8.20)	(8.20)
- to other comprehensive income	-	-	-	-
- to retained earning	-	-	-	-
At 31st March 2018	-	-	**9.00**	**9.00**
Charged / (Credited)				
- to profit or loss	-	-	(12.08)	(12.08)
- to other comprehensive income	-	-	-	-
- to retained earning	-	-	-	-
At 31st March 2019	-	-	**21.08**	**21.08**

17 **Income Tax Liabilities / Assets**

	Non-current 31.03.2019	Non-current 31.03.2018	Current 31.03.2019	Current 31.03.2018
	(₹ In Lakhs)		(₹ In Lakhs)	
Income Tax Assets (net)	251.00	180.65	-	-
Income Tax Liabilities (net)	-	-	399.44	399.02
	251.00	**180.65**	**399.44**	**399.02**

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

NSEIT Limited MUMBAI

18 **Other liabilities**

	Non-current		Current	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	(₹ In Lakhs)		(₹ In Lakhs)	
Statutory dues payable	-	-	1,469.59	183.32
Advance received from customers	-	-	372.74	525.33
Income received in advance	-	-	63.54	49.01
Total	-	-	**1,905.86**	**757.66**

19 **Revenue from operations**

	Year ended 31.03.2019	Year ended 31.03.2018
	(₹ In Lakhs)	
Operating revenues		
Sale of Products :		
- Software Products	1.00	8.91
- Traded Goods	4.45	7.18
	5.45	16.09
Sale of Services :		
- Software Product Revenues	247.52	151.41
- Application Development & Maintenance Services	5,015.02	4,537.05
- Infrastructure Management Services	2,968.00	3,236.57
- ITES - Assessment Services	18,246.09	9,995.95
- Customer Care Services	506.73	438.19
	26,983.37	18,359.17
Total	**26,988.82**	**18,375.27**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31,2019 by contract-type .The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Revenues by contract type		
Fixed Price	22,041.86	13,877.83
Time & Materials	4,946.96	4,497.44
Total	**26,988.82**	**18,375.27**

Performance obligations and remaining performance obligations

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

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019, other than those meeting the exclusion criteria mentioned above, is Rs.4,411.43 lakhs. The Company expects to recognize entire revenue within the next one year. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

The impact on account of applying the erstwhile Ind AS 18 Revenue instead of Ind AS 115 Revenue from contract with customers on the financial results of the Company for the year ended and as at March 31, 2019 is insignificant.

NSEIT Limited MUMBAI

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

Revenue disaggregation by geography is as follows:

Geography	Year ended 31.03.2019
India	26,608.08
Singapore	79.38
Sweden	145.79
UK	9.23
US	146.34
Total	**26,988.82**

Information about major customers:

Company's significant revenue of 33.77% (previous year Nil) being Rs. 9112.78 lakhs is derived from a customer under ITES-Assessement Services Segment. Also, the Company's significant revenue of 22.44% (previous year 29.82%) is derived from a group of entities under common control, the total Operating Revenue from such entities amounted to Rs. 6055.12 lakhs in FY 2018-19 (End to End Solutions Rs. 5277.81 lakhs and ITES-Assessment Service Rs 777.31 lakhs) and Rs. 5480.26 lakhs in FY 2017-18 (End to End Solutions Rs. 4757.33 lakhs and ITES-Assessment Service Rs 722.93 lakhs). No other single customer contributed 10% or more to the Company's revenue for FY 2018-19 and FY 2017-18.

Changes in Contract assets (Unbilled receivable) are as follows:	**31.03.2019**
Balance at the beginning of the year	527.74
Invoices raised during the year	(480.00)
Contract assets reversed for financial year 2017-18	(47.75)
Revenue recognised during the year	1,884.53
Balance at the end of the year	**1,884.53**

Changes in Unearned and deferred revenue are as follows:

Balance at the beginning of the year	**31.03.2019**
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(525.33)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	235.97
Advance adjusted against trade receivables	181.84
Advance received during the year	(265.21)
Balance at the end of the year	**(372.74)**

20 **Other Income**

	Year ended 31.03.2019	Year ended 31.03.2018
	(₹ in Lakhs)	
Interest Income		
- On Bank Deposits	397.84	405.41
- Interest Others	14.53	0.72
Net gain on sale of mutual funds mandatorily measured at fair value through Profit and Loss	56.45	14.73
Net gain on mutual funds mandatorily measured at fair value through Profit and Loss	65.42	28.61
Gain on foreign currency transaction (net)	-	5.15
Net Gain on disposal of property,plant and equipment	-	1.13
Excess provision written back	59.45	36.01
Sundry Balance W/ Back	0.89	14.25
Miscellaneous Income	20.25	7.22
Total	**614.84**	**513.24**

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

NSEIT Limited MUMBAI

21	**Employee benefits expenses**	Year ended 31.03.2019	Year ended 31.03.2018
		(₹ in Lakhs)	
	Salaries and wages	7,077.13	5,887.22
	Contribution to provident and other funds	218.39	199.91
	Gratuity (Refer Note 26)	46.15	84.27
	Contribution to Superannuation Scheme	2.40	2.87
	Staff welfare expenses	112.34	65.67
	Total	**7,456.41**	**6,239.95**

		Year ended 31.03.2019	Year ended 31.03.2018
		(₹ in Lakhs)	
22	**Finance Cost**		
	Bank Charges	43.43	57.16
	Interest Expense (Others)	6.58	7.07
	Dividend, DDT and other cost for issue of peference shares	28.32	-
		78.33	**64.23**
23 i	Purchase of Inventories (Digital Certificates)	0.25	0.35
ii	Opening Inventories of Digital Certificates	1.45	2.24
	Closing Inventories of Digital Certificates	-	1.45
	Changes In Inventories Of Stock-In-Trade	**1.45**	**0.79**
24 i	Repairs to machinery	93.49	84.47
ii	Technical & Sub Contract Charges	3,385.37	3,072.19
iii	**Other expenses**		
	Power and fuel	312.57	274.87
	Rent	4,183.79	2,222.43
	Insurance	128.64	101.90
	Rates and taxes, excluding taxes on income	12.13	11.13
	Travelling expenses	823.58	634.72
	Project Related Purchases	2,803.22	799.60
	Professional Fees	582.14	151.70
	Conveyance	246.18	180.96
	Telephone & Internet Expenses	244.92	221.66
	Security Services Charges	162.96	150.08
	Fees & Subscription	713.07	740.88
	Payment to Auditors (refer note below)	25.04	16.33
	Directors' Sitting Fees	43.75	48.94
	Office Expenses	156.95	134.37
	Contribution to NSE Foundation towards CSR (Refer Note 38)	60.32	154.48
	Loss on foreign currency transaction (net)	105.44	-
	Bad Debts Written Off	-	4.53
	Cost of Investment written off (Note no 3)	-	0.10
	Provision for Doubtful Debts / Expected Credit Loss model	164.06	226.82
	Net Gain on disposal of property,plant and equipment	1.80	-
	Miscellaneous expenses	424.87	306.84
	Total	**11,195.43**	**6,382.34**

KHANDELWAL JAIN & CO. ★ MUMBAI ★ CHARTERED ACCOUNTANTS

NSEIT Limited ★ MUMBAI ★

Note :
Payment to Auditors

As Auditors :		
Audit Fees	11.00	5.50
Tax Audit Fees	3.50	2.50
In Other Capacities		
Taxation matters	4.60	3.00
Certification matters	5.50	4.70
Out of pocket expenses	0.44	0.63
Total	**25.04**	**16.33**

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

Earning per share

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Net Profit attributable to Shareholders		
Profit after tax (Rs. In Lakhs)	3,414.45	1,743.88
Weighted Average number of equity shares issued (in nos)	1,00,00,010	1,00,00,010
Basic earnings per share of ₹ 10/- each (In ₹)		
Basic	34.14	17.44
Diluted	34.14	17.44

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.

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

(a) **Defined Contribution Plan**

The Company's contribution towards Provident Fund and ESIC during the year ended March 31, 2019 amounting to Rs 218.39 Lakhs (31.03.2018 : Rs 199.91 Lakhs) and superannuation fund during the year ended March 31, 2019 amounting to Rs. 2.40 Lakhs (31.03.2018: Rs. 2.87 Lakhs) has been charged to Statement of Profit & Loss.

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

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

(₹ In Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Carrying amount at the beginning of the year	656.78	673.75
Amounts paid during the year	(656.78)	(652.30)
Amounts reversed during the year	-	-
Provisions made during the year	792.26	635.33
Carrying amount at the end of the year	**792.26**	**656.78**

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

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Carrying amount at the beginning of the year	84.32	75.10
Amounts paid during the year	39.14	29.34
Amounts reversed during the year	-	-
Provisions made during the year	90.96	38.56
Carrying amount at the end of the year	**136.14**	**84.32**

NSEIT Limited MUMBAI

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

(I) Assumptions:

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Discount Rate	7.59%	7.71%
Rate of Return on Plan Assets	7.59%	7.71%
Salary Escalation	8.00%	5.00%
Attrition Rate	For Service 4 years and below 30.00% p.a. and for service 5 years and above 3.00% p.a.	For Service 4 years and below 30.00% p.a. and for service 5 years and above 3.00% p.a.

(II) Change in defined benefit obligation:

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Liability at the beginning of the year	277.71	287.04
Interest cost	21.41	22.68
Current Service Cost	43.94	79.25
Liability transferred out	-	-
Benefits Paid	(39.72)	(47.74)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	(37.31)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	135.42	5.56
Actuarial (Gains)/Losses - Due to Experience Adjustments	20.57	(31.78)
Liability at the end of the year	**459.32**	**277.71**

(III) Fair value of plan assets:

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Fair Value of plan assets at the beginning of the year	249.04	223.44
Interest Income	19.20	17.65
Expected return on plan assets	-	-
Contributions	110.72	61.88
Transfer from other company	-	-
Benefits paid	(39.72)	(47.74)
Actuarial gain / (loss) on Plan Assets	(1.77)	(6.19)
Fair Value of plan assets at the end of the year	**337.47**	**249.04**

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

NSEIT Limited MUMBAI

(iv) Amount recognised in the Balance Sheet

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Fair value of plan assets as at the end of the year	337	249
Liability as at the end of the year	459	278
Net (liability) / asset disclosed in the Balance Sheet	**(122)**	**(29)**

(v) Net Interest Cost for Current Period

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Interest Cost	21.41	22.68
Interest Income	19.20	17.65
Net Interest Cost for Current Period	**2.21**	**5.03**

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

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Current Service cost	43.94	79.25
Net Interest Cost	2.21	5.02
Expenses recognised in the Statement of Profit & Loss	**46.15**	**84.27**

(vii) Expenses recognised in the Other Comprehensive Income

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Expected return on plan assets	1.77	6.19
Actuarial (Gain) or Loss	155.99	(63.53)
Net (Income)/Expense for the Period Recognized in OCI	**157.76**	**(57.34)**

(viii) Balance Sheet Reconciliation

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Opening Net Liability	28.65	63.60
Expenses Recognized in Statement of Profit or Loss	46.15	84.27
Expenses Recognized in OCI	157.75	(57.34)
Net (Liability)/Asset Transfer out	-	-
Employers Contribution	(110.72)	(61.88)
Amount recognised in the Balance Sheet	**121.83**	**28.65**

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

NSEIT Limited MUMBAI

(ix) Category of Assets

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Insurer Managed Funds (Rs)	337.47	249.04
% of Insurer Managed Funds	100%	100%
Total	**337.47**	**249.04**

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

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
1st Following Year	12.43	11.03
2nd Following Year	28.47	11.53
3rd Following Year	33.88	19.15
4th Following Year	20.98	26.94
5th Following Year	24.66	17.67
Sum of Years 6 To 10	132.74	104.76
Sum of Years 11 and above	1,201.48	606.90

(xi) Sensitivity Analysis

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Project Benefit Obligation on Current Assumptions	459.32	277.71
Delta Effect of + 1% Change in Rate of Discounting	(50.72)	(27.38)
Delta Effect of - 1% Change in Rate of Discounting	60.92	32.48
Delta Effect of + 1% Change in Rate of Salary Increase	60.05	33.05
Delta Effect of - 1% Change in Rate of Salary Increase	(50.97)	(28.28)
Delta Effect of + 1% Change in Rate of Employer Turnover	(4.26)	7.09
Delta Effect of - 1% Change in Rate of Employer Turnover	4.63	(8.30)

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

(₹ in Lakhs)

Lease obligations	Year ended 31.03.2019	Year ended 31.03.2018
Total of future minimum lease payments		
- Lease rentals paid during the year	4,183.79	2,222.43
- Not later than one year	1,025.92	901.61
- Later than one year and not later than five years	1,503.56	350.83
- Later than five years	-	-

NSEIT Limited MUMBAI

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

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

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

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	Ultimate Holding Company
2	NSE Investments Limited (formerly known as NSE Strategic Investment Corporation Limited)	Holding Company
3	NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	Holding Company's Fellow Subsidiary
4	NSE IFSC Limited	Holding Company's Fellow Subsidiary
5	National Securities Depository Limited	Ultimate Holding Company's Associate
6	NSDL Database Management Limited	Ultimate Holding Co.'s Associate Co's Subsidiary
7	NSDL e-Governance Infrastructure Limited	Holding Company's Associate Company
8	Power Exchange India Limited	Holding Company's Associate Company
9	NSE Data & Analytics Limited (formerly known as DotEx International Limited)	Fellow Subsidiary
10	NSE Infotech Services Limited	Fellow Subsidiary
11	NSE Indices Limited (formerly known as India Index Services & Products Limited)	Fellow Subsidiary
12	NSE Academy Limited	Fellow Subsidiary
13	NSE IFSC CLEARING Corporation Limited	Subsidiary of Holding Company's Fellow Subsidiary
14	National Stock Exchange Investor Protection Fund Trust	Ultimate Holding Co.'s Trust
15	NSE Foundation (w.e.f 5th March 2018)	Holding Company's Fellow Subsidiary
16	NSEIT (US) Inc.	Subsidiary Company
17	Aujas Networks Pvt. Ltd. (w.e.f. 22nd March 2019)	Subsidiary Company
18	Mr. N. Muralidaran - Managing Director & CEO	Key Management Personnel
19	Nilesh Shivji Vikamsey	Key Management Personnel
20	Sowmyanarayanan Sadagopan	Key Management Personnel
21	Swaminathan Sundara Rajan Mittur	Key Management Personnel
22	Ram Narayanan Colathur	Key Management Personnel
23	Vikram Mukund Limaye (upto 25th April 2018)	Key Management Personnel
24	Suryakant B Mainak (w.e.f. 25th July 2017)	Key Management Personnel
25	Yatrik Rushikesh Vin (w.e.f. 26th February 2018)	Key Management Personnel

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

NSEIT Limited MUMBAI

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

Name of the Related Party	Nature of Transactions	Year ended 31.03.2019	Year ended 31.03.2018
National Stock Exchange of India Limited	Infrastructure Management Services	2,513.80	2,691.65
	Application Development and Maintenance Services	1,043.57	910.34
	Software Product Revenues	11.64	-
	ITES - Assessment Services	0.82	543.61
	Customer Care Services	174.51	115.25
	Integrated Security	38.22	27.15
	Robotic Process Automation	9.00	-
	Analytics	26.78	-
	Taxes recovered	688.43	770.00
	CTCL empanelment fee paid	-	7.54
	Usage Charges paid - STP Central HUB & other	0.44	0.71
	Reimbursement paid for other expenses	-	1.56
	Closing Balance - Dr./ (Cr.) (Net)	727.02	2,766.30
NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	Application Development and Maintenance Services	292.96	159.76
	Infrastructure Management Services	27.26	8.33
	Customer Care Services	48.32	42.41
	Taxes recovered	66.34	37.05
	Reimbursement of expenses received	40.19	-
	Closing Balance - Dr./ (Cr.)	345.02	197.52
National Stock Exchange Investor Protection Fund Trust	Provision for Doubtful Debts	23.00	-
	Closing Balance - Dr./ (Cr.)	23.00	23.00
	Closing Balance - Provision for Doubtful Debts	23.00	-
NSE Academy Limited	ITES - Assessment Services	741.52	141.46
	Customer Care Services	17.30	17.51
	Taxes recovered	136.59	27.83
	Closing Balance - Dr./ (Cr.)	75.68	10.19
NSE Infotech Services Limited	ITES - Assessment Services	-	3.02
	Reimbursement of Expenses received	-	0.06
	Taxes recovered	-	0.54
	Closing Balance - Dr./ (Cr.)	-	-
NSE Data & Analytics Limited (DotEx International Limited)	Application Development and Maintenance Services	221.40	87.72
	Software Product Revenues	-	
	Customer Care Services	169.66	167.73
	Infrastructure Management Services	47.25	57.90
	Taxes recovered	78.90	56.06
	Closing Balance - Dr./ (Cr.)	122.77	200.20
Power Exchange India Limited	Application Development and Maintenance Services	89.01	51.29
	Taxes recovered	16.02	8.98
	Closing Balance - Dr./ (Cr.)	35.40	4.41
National Securities Depository Limited	Application Development and Maintenance Services	14.25	20.16
	Infrastructure Management Services	1.66	-
	Taxes recovered	2.86	3.41
	Closing Balance - Dr./ (Cr.)	11.25	10.04

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

NSEIT Limited MUMBAI

NSDL e-Governance Infrastructure Limited	Application Development and Maintenance Services	80.05	72.90
	Taxes recovered	14.41	12.73
	Closing Balance - Dr./ (Cr.)	30.25	38.12
NSDL Database Management Limited	Application Development and Maintenance Services	72.18	8.55
	Infrastructure Management Services	1.72	6.47
	Taxes recovered	13.30	2.65
	Closing Balance - Dr./ (Cr.)	87.71	8.53
NSE IFSC Clearing Corporation Limited	Application Development and Maintenance Services	67.88	30.90
	Closing Balance - Dr./ (Cr.)	42.35	28.13
NSE IFSC Limited	Application Development and Maintenance Services	392.32	198.14
	Infrastructure Management Services	12.80	58.93
	Integrated Security	1.56	-
	Closing Balance - Dr./ (Cr.)	153.86	224.37
NSE Indices Limited (formerly known as India Index Services & Products Limited)	Application Development and Maintenance Services	41.74	43.18
	Taxes recovered	7.51	7.57
	Closing Balance - Dr./ (Cr.)	49.17	25.25
NSE Foundation	Investment made during the year	-	0.10
	Contribution towards CSR	60.32	154.48
	Closing Investment	0.10	0.10
NSE Investments Limited (formerly known as NSE Strategic Investment Corporation Limited)	Cumulative Redeemable Preference Shares (Borrowings)	10,000.00	-
	Dividend paid to equity shareholders	100.00	100.00
	Dividend to payable to preference shareholders	23.01	-
	Closing Borrowings -Preference shares	10,000.00	-
NSEIT(US) Inc.	Application Development and Maintenance Services	119.83	140.43
	ITES - Assessment Services	34.97	34.83
	Taxes recovered	6.29	4.18
	Loan given (USD 20,00,000)	1,383.40	-
	Interest on Loan	14.02	-
	Provision for doubtful debts	-	152.46
	Insurance Claim Payable (to be received on behalf of subsidairy)	527.01	-
	Closing Balance - Loan given including interest accrued	1,397.25	-
	Closing Balance - Investment	533.69	533.69
	Closing Balance - Dr./ (Cr.)	313.35	548.92
	Closing Balance - Provision for Doubtful Debts	152.46	152.46
Aujas Network Pvt. Ltd.	Loan given	520.00	-
	Interest on Loan	0.52	-
	Closing Balance - Investment in Equity Shares	8,408.16	-
	Closing Balance - Loan given including interest accrued	520.46	-
Key Management Personnel - N.Muralidaran - MD & CEO (w.e.f. April 1, 2015)	(a) short-term employee benefits	224.27	195.56
	(b) post-employment benefits #	10.75	9.56
	(c) other long-term benefits	-	-
Ram Narayanan Colathur	Director Sitting Fees	8.25	12.00
	Taxes Paid	0.83	0.49
Swaminathan Sundara Rajan Mittur	Director Sitting Fees	13.00	11.50
	Taxes Paid	1.30	0.34

NSEIT Limited MUMBAI

Nilesh Shivji Vikamsey	Director Sitting Fees	8.50	8.50
	Taxes Paid	0.85	0.38
Sowmyanarayanan Sadagopan	Director Sitting Fees	8.50	11.25
	Taxes Paid	0.85	0.49
Suryakant B Mainak	Director Sitting Fees	5.50	4.00
	Taxes Paid	0.55	-

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

All related parties transaction entered during the year were in ordinary course of business. Outstanding balances as at the year end are unsecured and settlement occurs in cash. There have been no guarantee provided or received for any related parties receivables or payables as of March 31, 2019 and March 31, 2018.

29 **Capital and other commitments**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	26.45	86.38
Commitment towards acquisition of 1,22,19,459 equity shares of Rs. 1/- each of Aujas Networks Pvt Ltd, Subsidiary Company	937.00	-
Commitment towards acquisition equity shares of Aujas Networks Pvt Ltd, Subsidiary Company, by way of rights issue	404.85	-
Commitment towards unsecured loan to Aujas Networks Pvt Ltd, Subsidiary	680.00	-
Proposed variable consideration linked to achievement of performance targets by the promoters of the Aujas Networks Pvt Ltd, Subsidiary Company	1,500.00	-

30 **Contingent liability:**

i)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
On Account of Income Tax Demand	12.27	12.24
On Account of Bank Guarantees	2,739	430.59

ii) Selec Transportation Resources Inc (STR) filed a suit in the state district court in Harris County, Texas alleging causes of action against NSEIT (US) Inc. While NSEIT US Inc. had a strong case to defend itself if a litigation process would have been initiated by STR, both Parties agreed to a mediation considering the time frame, cost and substantial time & effort of all stake holders in such litigation. After a series of discussions and hard negotiations the Parties mutually agreed for a one time full and final settlement of US$2.00 million (Rs.1422.03 lakhs), inclusive of all costs and expenses. A Settlement and Release Agreement was executed between the Parties to that effect. An Order for the Dismissal of Suit has also been executed to dispose the claims.

NSEIT (US) Inc. had subscribed to independent professional Indemnity insurance policy from Westchester Fire Insurance Company (Chubb) for a limit of liability aggregating to US $1.00 million. Chubb has settled insurance claim amounting to US $ 3,75,000 (Rs.258.71 lakhs), over and above the defence cost to NSEIT (US) Inc.

Further, the Company has professional liability policy for a limit of liability aggregating to Rs. 1700 lakhs with Tata AIG General Insurance Company Ltd. ("Tata AIG") in India. This policy covers the global business of the Company. It also provides cover to US Subsidiary (i.e., NSEIT (US) Inc). Under the said insurance policy, the Company has insured itself and its subsidiary, NSEIT (US) Inc. with Tata AIG in respect of claims first made against the insured by third party and reported to Tata AIG during the policy period. Based on the policy terms and negotiation with Tata AIG, the Company has recognized insurance claim amounting to USD 8,12,500 less policy deductible of Rs.35 lakhs (Rs. 527.01 lakhs), receivable from Tata AIG. The same has been shown as receivable from Tata AIG and payable to subsidiary company, NSEIT (US) Inc.

NSEIT Limited MUMBAI

JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

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

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

(₹ in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year -Principal amount due to micro and small enterprises	-	-

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

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Travelling expenses	45.58	0.42
Direct Fees & Subscription	2.41	3.18
Subcontract / Technical Fees	1,575.91	1,785.76
Software Licenses	56.16	-

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

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Application Development and Maintenance Services	341.00	46.85
ITES - Assessment Services	52.15	12.03

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

34 **Acquisition of Aujas Networks Pvt. Ltd., Subsidiary Company**

On November 28, 2018, the Company has entered into a Share Purchase and Shareholder's Agreement ("SPSHA") for acquisition of Aujas Networks Private Limited, ("Aujas") for a total consideration of Rs.9750 lakhs (Rs.9345.16 lakhs for acquisition of 100% equity shareholding and Rs.404.84 lakhs by way of rights issue) and an additional variable consideration of upto Rs.1500 lakhs, referred to as "Retention and Performance Incentive" linked to achievement of performance targets by the ex-promoters of the Aujas, payable to the employees of Aujas over the next two years, subject to their continuous employment with the group. Aujas is engaged in business of Information Security Consulting and having expertise in Risk Advisory, Identity & Access Management, Threat Management, Secure Engineering Services, Security Intelligence & Operations, and Digital Security. On March 22, 2019, Company acquired 95.39% of equity shareholding of Aujas for a cash consideration of Rs.7,613.16 lakhs and deferred consideration of upto Rs.795 lakhs aggregating to Rs.8408.16 lakhs. By virtue of this investment, Aujas has become a subsidiary of the Company.

35 **Amounts Paid / Contribution to NSE Foundation towards CSR :**

a As per the provisions of Companies Act 2013, Gross amount required to be spent by the Company on CSR activities during the financial year ended March 31, 2019 is Rs. 60.32 Lakhs (Previous Year Rs 55.26 Lakhs).

b Amount spent during the year on:

	Particulars		In Cash	Yet to be paid in Cash	Total
i	Construction / acquisition of any asset	Current Year	-	-	-
		Previous Year	-	-	-
ii	Contribution to NSE Foundation towards CSR	Current Year	60.32	-	60.32
		Previous Year	154.48	-	154.48
iii	On purposes other than (i) & (ii) above	Current Year #	-	-	-
		Previous Year #	-	-	-

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

NSEIT Limited MUMBAI

* During the year, the Company has contributed Rs 60.32 lakhs (previous year Rs.154.48 lakhs) to NSE Foundation to be spent on activities as stated in the Group CSR policy which has been adopted by the Company as Company's CSR policy.The amount unspent by NSE Foundation as on March 31, 2019 is Rs. 60.32 lakhs (as on March 31, 2018 Rs.154.48 lakhs).

36 Segment Reporting:

a Description of segments and principal activities

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

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

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

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

b Segment Revenue :

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

(₹ in Lakhs)

Particulars	2018-19	2017-18
Segment Revenue		
End to End Solution	8,742.73	8,379.32
ITES - Assessment Services	18,246.09	9,995.95
	26,988.82	**18,375.27**
Inter-segment revenue		
End to End Solution	-	-
ITES - Assessment Services	-	-
	-	-
Revenue from external customers		
End to End Solution	8,742.73	8,379.32
ITES - Assessment Services	18,246.09	9,995.95
Total	**26,988.82**	**18,375.27**
Segment Results		
End to End Solution	2,097.06	2,286.67
ITES - Assessment Services	5,275.91	2,431.14
Total	**7,372.97**	**4,717.81**
Less: Unallocable Expenses (Net of income)	2,865.12	2,336.87
Add: Interest income	412.37	406.13
Profit before Tax	**4,920.22**	**2,787.07**

NSEIT Limited MUMBAI

Less : Income Tax expense		
- Current tax	1,550.00	1,070.00
- Short / Excess Tax for earlier years	(18.19)	50.64
- Deferred tax	(26.04)	(77.45)
Total Tax Expenses	**1,505.77**	**1,043.19**
Net profit after tax	**3,414.45**	**1,743.88**

c Revenue From External Customers based on geographies

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

Particulars	31.03.2019	31.03.2018
India	26,608.08	18,141.14
Outside India	380.74	234.13
Total	**26,988.82**	**18,375.27**

d Segment Assets

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

Segments	31.03.2019	31.03.2018
End to End Solution	4,101.72	6,054.39
ITES - Assessment Services	5,080.14	3,200.97
Total Segment Assets	**9,181.86**	**9,255.36**
Unallocable Assets	24,734.92	7,168.06
Total Assets	**33,916.78**	**16,423.42**

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

e Segment Liabilities

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

Segments	31.03.2019	31.03.2018
End to End Solution	1,024.64	1,262.56
ITES - Assessment Services	2,957.37	1,309.04
Total Segment Liabilities	**3,982.01**	**2,571.60**
Unallocable Liabilities	13,845.81	944.96
Total Liabilities	**17,827.82**	**3,516.56**

f Segment Capital Expenditure

Segments	31.03.2019	31.03.2018
End to End Solution	22.32	5.59
ITES - Assessment Services	391.54	743.81
Total Segment Capital Expenditure	**413.86**	**749.40**
Add: Unallocable Capital Expenditure	171.22	86.04
Total Capital Expenditure	**585.08**	**835.44**

g Segment Depreciation / Amortisation

Segments	31.03.2019	31.03.2018
End to End Solution	8.75	12.02
ITES - Assessment Services	333.00	134.70
Total Segment Depreciation / Amortisation	**341.75**	**146.72**
Add: Unallocable Depreciation / Amortisation	130.97	110.40
Total Depreciation / Amortisation	**472.72**	**257.12**

Note :

Information about major customers

Company's significant revenue of 33.77% (previous year Nil) being Rs. 9112.78 lakhs is derived from a customer under ITES-Assessement Services Segment. Also, the Company's significant revenue of 22.44% (previous year 29.82%) is derived from a group of entities under common control, the total Operating Revenue from such entities amounted to Rs. 6055.12 lakhs in FY 2018-19 (End to End Solutions Rs. 5277.81 lakhs and ITES-Assessment Service Rs 777.31 lakhs) and Rs. 5480.26 lakhs in FY 2017-18 (End to End Solutions Rs. 4757.33 lakhs and ITES-Assessment Service Rs 722.93 lakhs). No other single customer contributed 10% or more to the Company's revenue for FY 2018-19 and FY 2017-18.

NSEIT Limited MUMBAI

37 Unquoted Mutual funds at FVPL

(₹ in Lakhs)

Mutual Funds	No.of Units	Mkt as at 31.03.2019	No.of Units	Mkt as at 31.03.2018
ICICI Prudential Flexible Income Plan -Direct	-	-	15,446.97	51.76
SBI Short Term Debt Fund - Dir - Growth	-	-	5,01,240.57	102.76
UTI Treasury Advantage Fund - Dir - Growth	-	-	8,570.61	206.86
Kotak Treasury Advantage Fund - Dir - Growth	7,33,065.28	223.97	7,33,065.28	206.95
DSP Black Rock Ultra Short Term Fund changed (DSPBR Low Duration Fund)	-	-	16,22,981.42	206.93
HDFC Regular Savings Fund - Dir-Growth	-	-	5,83,563.36	205.64
ICICI Prudential Money Market Fund - Dir- Growth	60,957.22	158.59		
Invesco India Money Market Fund-Direct -Growth	12,018.07	260.82		
Reliance Money Market Fund - Direct - Growth	18,446.39	523.55		
DSP Liquidity Fund-Direct-Growth	37,441.78	1,000.97		
ICICI Prudential Liquid Fund - Direct Plan - Growth	3,07,828.81	850.89		
Invesco India Liquid Fund - Direct Plan Growth(LF-D1)	29,178.57	750.60		
Reliance Liquid Fund Direct Growth	10,971.80	500.52		
SBI Liquid Fund Direct Growth	34,189.27	1,001.26		
UTI Liquid Cash Plan - Direct Growth Plan	32,711.38	1,001.21		
Total of Investments		**6,272.37**		**980.90**
Aggregate Book value - Quoted Investments		-		-
Aggregate Book Value - Unquoted Investments		6,272.37		980.90
Aggregate Market Value of Quoted Investments		-		-

KHANDELWAL JAIN & COMPANY * MUMBAI * CHARTERED ACCOUNTANTS

NSEIT Limited * MUMBAI *

38 (a) Fair Value Measurements

Financial Instruments by category

(₹ in Lakhs)

	31-Mar-19			31-Mar-18		
Particulars	**FVPL**	**FVOCI**	**Amortised Cost**	**FVPL**	**FVOCI**	**Amortised Cost**
Financial Assets						
Investments						
- Mutual Funds	6,272.37	-	-	980.90	-	-
Trade receivables	-	-	4,645.78	-	-	7,743.49
Unbilled receivable	-	-	1,884.53	-	-	527.74
Cash and Cash equivalents	-	-	2,561.88	-	-	3,339.79
Bank balances other than Cash and Cash equivalents	-	-	3,164.61	-	-	979.60
- Non-Current Bank Balances	-	-	521.62			41.62
- Others	-	-	16.34	-	-	2.10
Loans			2,383.35			404.00
Other Financial assets	-	-	597.17	-	-	109.75
Total	**6,272.37**	**-**	**15,775.28**	**980.90**	**-**	**13,148.09**
Financial Liabilities						
Borrowings			10,000.00			-
Trade Payables	-	-	3,114.85	-	-	1,571.28
Other financial liabilities	-	-	1,357.41	-	-	18.83
Total	**-**	**-**	**14,472.26**	**-**	**-**	**1,590.11**

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

NSEIT Limited MUMBAI

38 (b) Fair Value Measurements

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

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

(₹ in Lakhs)

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31-Mar-19	31-Mar-18		
Investment in mutual funds	6,272.37	980.90	Level 1	NAV declared by respective Asset Management Companies.

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

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

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

NSEIT Limited MUMBAI

39 FINANCIAL RISK MANAGEMENT

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

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

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

The Treasury department activities are designed to:

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

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

A. MANAGEMENT OF LIQUIDITY RISK

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

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

(₹ in Lakhs)

Particulars	Carrying amount	Less than 12 months	More than 12months	Total
	amount			
As at 31st March 2019				
Borrowings	10,000.00	-	10,000.00	10,000.00
Trade payables	3,114.85	3,114.85	-	3,114.85
Other financial liabilities	1,357.41	1,357.41	-	1,357.41
As at 31st March 2018				
Borrowings	-			
Trade payables	1,571.28	1,571.28	-	1,571.28
Other financial liabilities	18.83	18.83	-	18.83

40 The Company holds an investment of Rs.533.69 lakhs (USD 10,00,000) and has given a unsecured loan amounting to Rs.1383.40 lakhs (USD 20,00,000) to NSEIT (US) Inc., a wholly owned subsidiary company. The said subsidiary company has incurred losses during the year amounting to Rs.662.45 lakhs (USD 8,99,835), it has accumulated losses of Rs.1071.74 lakhs (USD 17,77,862) and has negative net worth of Rs.538.05 lakhs (USD 7,77,862) as at March 31, 2019. Considering long term and strategic nature of the investments and future business plans, no provision for impairment has been made in the value of investment and loan given to the said subsidiary company.

41 The Supreme Court in the case of Regional Provident Fund Commissioner Vs. Vicekananda Viday Mandir and Ors [LSI-62-SC-2019(NDEL)] has rendered a decision dated 28.02.2019 with reference to The Employees Provident Fund and Miscellaneous Provisions Act 1952 on a common question of law as to whether special allowance paid by an establishment to its employees would fall within the expression of 'basic wages' under section 2(b) (ii) read with section 6 of the act for the purpose of computation of deduction towards provident Fund. The Supreme Court has held that in order to exclude the allowance from the ambit of basic wages, there must be evidence to show that the workman concerned has become eligible to get the extra amount beyond the normal work which he was otherwise required to put in. The test laid down by the Supreme Court will now have to be applied to each and every allowance to examine whether the allowance is excluded from the purview of wages or not. If the test for exclusion is met, then the said allowance would not form part of wages for the purpose of contribution under the Act. The Company is evaluating the impact of the decision of the Supreme Court on provident fund liability on account of various allowances to its employees. Pending necessary clarifications on the subject, no provision is considered necessary.

42 The Company's pending litigations comprise of proceedings pending with Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position (Refer note no. 30 for details on contingent liabilities).

43 In accordance with the relevant provisions of the Companies Act, 2013, the Company did not have any long term contracts as of March 31, 2019 and March 31, 2018 including derivatives contracts for which there were any material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2019 and March 31, 2018.

44 For the year ended March 31, 2019 and March 31, 2018, the Company is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of the Companies Act, 2013.

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

As per our report of even date attached

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

NARENDRA JAIN
Partner
Membership No.048725

Place : Mumbai
Date : April 24, 2019

For and on behalf of the Board of Directors

Prof. S. SADAGOPAN
Chairman
DIN No. 00118285

N. MURALIDARAN
Managing Director & CEO
DIN No. 06567029

M.S. SUNDARA RAJAN
Director
DIN No. 00169775

JAYESH DEVADIGA
Chief Financial Officer

SOMNATH SAHA
Company Secretary